



Dave Yost • Auditor of State

DECLARATION OF FISCAL EMERGENCY

Effective January 18, 2010, the Department of Education declared the Liberty Local School District, Trumbull County, to be in a state of Fiscal Caution in accordance with Section 3316.031 of the Ohio Revised Code. The declaration was based on an anticipated deficit for the fiscal years ending June 30, 2010 and 2011.

The Auditor of State declared the Liberty Local School District in fiscal watch on May 26, 2011. This declaration was based upon the failure to submit a written proposal for eliminating the anticipated deficits that prompted the declaration of fiscal caution. Upon reviewing the Liberty Local School District's five-year forecast filed with the Department of Education on October 28, 2010, which included forecasted deficits of \$293,000 and \$2,565,000 for the fiscal years ending June 30, 2011 and 2012, and notification by the Auditor of State to the School District on February 7, 2011, that its financial records were unauditable, the Auditor of State found the Department of Education's request that the Liberty Local School District be placed in fiscal watch to be reasonable.

Section 3316.04, Revised Code, requires that the board of education of a district declared to be in fiscal watch prepare and submit an initial financial plan to the State Superintendent of Public Instruction that demonstrates the actions the board will take to eliminate the district's current operating deficit and avoid incurring future operating deficits. A school district that fails to submit an acceptable initial plan is to be declared in a state of fiscal emergency in accordance with Section 3316.03(B), Revised Code. The Liberty Local School District Board of Education has failed to submit an acceptable recovery plan to Superintendent of Public Instruction and passed a resolution dated June 14, 2011, requesting the Auditor of State place the School District in fiscal emergency.

Accordingly, the Auditor of State hereby declares the Liberty Local School District to be in a state of fiscal emergency as defined by Ohio Revised Code Section 3316.03(B)(1). A copy of this declaration is being submitted to Diane DeVito, President of the Liberty Local School District Board of Education; J. Timothy Keen, Director of the Ohio Office of Budget and Management; Adrian S. Biviano, Trumbull County Auditor, and Stan Heffner, Interim State Superintendent of Public Instruction.



Dave Yost
Auditor of State

July 11, 2011