



Auditor of State Betty Montgomery

Declaration of Fiscal Emergency

Effective January 31, 2004, the Department of Education declared the Huron City School District, Erie 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 anticipated deficits for the fiscal years ending June 30, 2004, and 2005.

The Auditor of State declared the Huron City School District in fiscal watch on April 22, 2004. This declaration was based upon a determination by the Department of Education that the District had not provided an acceptable written proposal for correcting the budgetary conditions that prompted the declaration of fiscal caution and for preventing the District from experiencing further fiscal difficulties. Upon reviewing the Huron City School District's five-year forecast filed with the Department of Education on December 20, 2003, which includes deficits of \$231,000 and \$1,685,000 for the fiscal years ending June 30, 2004 and 2005, respectively, the Auditor of State found the Department of Education's decision that the Huron City 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 a 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 plan within 120 days of the declaration of fiscal watch is required to be declared in a state of fiscal emergency in accordance with Section 3316.03(B), Revised Code. The Huron City School District Board of Education in Resolution No. 4758 dated April 30, 2004, acknowledged its inability to develop a financial recovery plan acceptable to the Superintendent of Public Instruction and requested that the District be placed in fiscal emergency.

Accordingly, the Auditor of State hereby declares the Huron City School District to be in a state of Fiscal Emergency under Section 3316.03 (B) (2) of the Ohio Revised Code. A copy of this declaration is being submitted to Sally Sprunk, President of the Board of Education of the Huron City School District, Thomas Johnson, State Director of Budget and Management, Glen A. Ginesi, Mayor of the City of Huron, and Susan Tave Zelman, State Superintendent of Public Instruction.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

May 13, 2004