



Dave Yost • Auditor of State

DECLARATION OF FISCAL WATCH

Effective January 5, 2012, the Auditor of State declared the City of East Cleveland, Cuyahoga County, to be in a state of fiscal caution in accordance with Section 118.025 of the Ohio Revised Code. The declaration was based on a review of fund financial data at November 30, 2011. The City of East Cleveland had deficit fund balances in the amount of \$5,872,222 and the deficits exceeded two percent of the estimated revenue of those funds by \$5,451,535.

Section 118.025(C) of the Ohio Revised Code requires the municipal corporation declared to be in fiscal caution to provide a written proposal to the Auditor of State for discontinuing or correcting the fiscal practices or budgetary conditions that prompted the declaration and for preventing the municipal corporation from experiencing further fiscal difficulties. Upon review of the written proposal submitted to the Auditor's office, the Auditor of State has determined that the City of East Cleveland has not provided an acceptable proposal for correcting the conditions that prompted the declaration of fiscal caution.

Accordingly, the Auditor of State hereby declares the City of East Cleveland be in a state of fiscal watch under Section 118.025(E) of the Ohio Revised Code. A copy of this declaration is being submitted to Gary A. Norton, Jr., Mayor, Dr. Joy Jordan, President of Council, Jack Johnson, Director of Finance, and Cuyahoga County Budget Commission.

A handwritten signature in blue ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 23, 2012