

## **Declaration of Fiscal Watch**

Effective March 15, 2003, the Department of Education declared the East Liverpool City School District to be in 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, 2003, and June 30, 2004.

Section 3316.031 (C) requires the board of education of a district declared to be in fiscal caution to provide a written proposal to the Department of Education for correcting the budgetary conditions that prompted the declaration and for preventing the district from experiencing further fiscal difficulties. Upon a determination by the Department that the district has not provided an acceptable proposal and with the concurrence of the Auditor of State that this determination was reasonable, the district is to be declared in fiscal watch.

The Department of Education has notified the Auditor of State that the East Liverpool City School District failed to submit the written proposal required by Section 3316.031(C) correcting the conditions that prompted the declaration of Fiscal Caution. Upon review of the Department of Education's determination and based on the East Liverpool City School District's five-year forecast filed with the Department of Education on May 30, 2003, which includes deficits of \$3,459,000 and \$6,089,000 for the fiscal years ending June 30, 2004 and June 30, 2005, respectively, the Auditor of State finds the Department of Education's determination that the East Liverpool City School District be placed in fiscal watch to be reasonable.

Accordingly, the Auditor of State hereby declares the East Liverpool City School District to be in Fiscal Watch under Section 3316.03(A)(3) of the Ohio Revised Code. A copy of this declaration is being submitted to Maureen Aronoff, President of the Board of Education of the East Liverpool City School District, Thomas W. Johnson, Director of Budget and Management, Delores E. Satow, Mayor of the City of East Liverpool, and Susan Tave Zelman, Superintendent of Public Instruction.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY  
Auditor of State

September 29, 2003