



**Auditor of State
Betty Montgomery**

DECLARATION OF FISCAL EMERGENCY

At the request of the East Cleveland City School District Board of Education dated November 18, 2002, the Office of the Auditor of State performed an examination of the financial forecast of the general fund of the School District as required under Section 3316.03, Revised Code. In conjunction with our examination of the financial forecast, the Auditor determined and certified an operating deficit for the year ending June 30, 2003 to the State Department of Education on March 12, 2003 in the amount of \$7,698,000.

Section 3316.03(B)(1), Revised Code requires the Auditor of State to declare a school district to be in a state of fiscal emergency if the Auditor of State determines that the school district has satisfied the following conditions:

- An operating deficit has been certified for the current fiscal year by the Auditor of State, and the certified operating deficit exceeds fifteen percent of the school district's general fund revenue for the preceding fiscal year;
- A levy has not been passed by the voting electors that will raise enough additional revenue in the succeeding fiscal year so that the first condition will not apply to the school district in the next succeeding year.

The analysis conducted of the East Cleveland City School District for the purpose of determining whether the district met the conditions outlined above disclosed the following:

- The Auditor of State certified an operating deficit of the general fund in the amount of \$7,698,000. This amount exceeds fifteen percent of the general fund revenues for the prior fiscal year.
- The East Cleveland City School District has not passed a levy that will eliminate the first condition.

Accordingly, the Auditor of State hereby declares the East Cleveland City School District to be in a state of fiscal emergency as defined by Section 3316.03(B)(1), Revised Code. A copy of this declaration and our report on the forecast is being submitted to Dr. Mary Ann Harris, President of the Board of Education of the East Cleveland City School District, Thomas Johnson, Director of Budget and Management, Emmanuel Onunwor, Mayor of the City of East Cleveland, and Susan Tave Zelman, State 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

March 12, 2003