



# Dave Yost • Auditor of State

## DECLARATION OF FISCAL EMERGENCY

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 (A) 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.

The Auditor of State declared the City of East Cleveland in fiscal watch on May 23, 2012. This declaration was based upon the failure of the City to provide an acceptable proposal for correcting the conditions that prompted the declaration of fiscal caution.

Section 118.023(B) of the Ohio Revised Code requires that within 120 days after a declaration of fiscal watch that the Mayor of the municipal corporation declared to be in fiscal watch submit to the Auditor of State a financial recovery plan that identifies the actions to be taken to eliminate the City's fiscal watch conditions including the approximate dates for beginning and completing the actions, and include a five-year forecast reflecting the effects of those actions. Upon review of the financial recovery plan submitted to the Auditor's office, the Auditor of State has determined that the City of East Cleveland has failed to submit a feasible financial recovery plan for correcting the conditions that prompted the declaration of fiscal watch.

Accordingly, the Auditor of State hereby declares the City of East Cleveland be in a state of fiscal emergency under Section 118.023(C) 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 Wade Steen, Secretary of the Cuyahoga County Budget Commission.

A handwritten signature in black ink, appearing to read "Dave Yost", written over a faint circular stamp.

Dave Yost  
Auditor of State  
October 9, 2012