



**Auditor of State
Betty Montgomery**

ERIE COUNTY GENERAL HEALTH DISTRICT

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2002.....	3
Notes to the Financial Statements	5
Schedule of Federal Awards Expenditures	9
Notes to the Schedule of Federal Awards Expenditures	10
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Independent Accountants' Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	13
Schedule of Findings	15

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Erie County General Health District
420 Superior Street
Sandusky, Ohio 44870-1815

To the Members of the Board:

We have audited the accompanying financial statements of the Erie County General Health District (the District) as of and for the year ended December 31, 2002. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Erie County General Health District as of December 31, 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2003, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying federal awards expenditures schedule is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

August 7, 2003

ERIE COUNTY GENERAL HEALTH DISTRICT

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Taxes	\$1,407,736		\$1,407,736
Intergovernmental	246,726	\$731,885	978,611
Charges for Service	141,958	2,381,848	2,523,806
Licenses, Permits and Fees	19,300	160,080	179,380
Other receipts	51,881		51,881
Total Cash Receipts	1,867,601	3,273,813	5,141,414
Cash Disbursements:			
Salaries	630,807	2,064,542	2,695,349
Supplies	120,703	130,135	250,838
Remittances to State		30,267	30,267
Equipment	14,039	48,076	62,115
Contracts - Repair	4,564	2,430	6,994
Contracts - Services	121,800	230,340	352,140
Rentals	35,988	131,245	167,233
Travel	42,704	72,385	115,089
Advertising and printing	10,627	8,992	19,619
Public employee's retirement	87,721	275,845	363,566
Worker's compensation	2,326	6,615	8,941
Other	180,022	342,094	522,116
Total Disbursements	1,251,301	3,342,966	4,594,267
Total Receipts Over/(Under) Disbursements	616,300	(69,153)	547,147
Other Financing Receipts/(Disbursements):			
Transfers-In	295,711	469,220	764,931
Transfers-Out	(401,754)	(363,177)	(764,931)
Total Other Financing Receipts/(Disbursements)	(106,043)	106,043	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	510,257	36,890	547,147
Fund Cash Balances, January 1	1,584,692		1,584,692
Fund Cash Balances, December 31	\$2,094,949	\$36,890	\$2,131,839
Reserves for Encumbrances, December 31	\$6,576	\$29,020	\$35,596

The notes to the financial statements are an integral part of this statement.

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ERIE COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Erie County General Health District (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a combined Board of Health as defined by § 3709.07 of the Revised Code. The District is the union of the city health departments of Sandusky, Huron, and Vermilion and the Erie County General Board of Health. The District operates under the direction of an eleven-member appointed Board of Health with five members appointed by the City of Sandusky, three members appointed by the District Advisory Council, one member appointed by the District Licensing Council, and one member each appointed by the Cities of Huron and Vermilion.

The District is responsible for the provisions of public health, the prevention or restriction of disease and the prevention, abatement and suppression of nuisances. The Erie County Auditor acts as fiscal agent for the District and the Erie County Treasurer acts as custodian of all funds. Management believes the financial statements included in this report represent all of the funds of the District which it has the ability to exercise direct operating control.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

As required by Ohio Revised Code, the County Treasurer is custodian for the District's cash. The District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those restricted by law or contract.

ERIE COUNTY GENERAL HEALTH DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2002

(Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Home Health Fund - This is receives fees for providing home health services.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

An appropriation measure is adopted by the District on or before the first Monday of April in each year for the period January 1 to December 31 of the following year. The appropriation measure, together with an itemized estimate of the sources of revenue available to the District for the next fiscal year, is submitted to the county auditor, who in turn submits it to the county budget commission.

The county budget commission reviews the appropriation measure and may reduce any item in the appropriation measure, but may not increase any item or the aggregate amount of all items in the appropriation measure.

The appropriation measure, as amended by the county budget commission, controls expenditures by the District for the period January 1 to December 31 of the following year. The District may, by resolution, transfer funds from one item to another in the appropriation measure, reduce or increase any item, create new items, and make additional appropriations or reduce total appropriations, subject to the availability of funds and to the approval of the county budget commission.

2. Estimated Resources

The county auditor calculates the estimated tax revenues available to the District. A certificate of estimated resources is prepared based upon this calculation and upon other financial information supplied in the budget sent by the District.

3. Encumbrances

The District is required by Ohio Law to use the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded as the budgetary equivalent of expenditures to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year without being reappropriated.

A summary of 2002 budgetary activity appears in Note 2.

ERIE COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under District's basis of accounting.

2. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2002 follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$641,107	\$2,163,312	\$1,522,205
Special Revenue	3,329,022	3,743,033	414,011
Total	<u>\$3,970,129</u>	<u>\$5,906,345</u>	<u>\$1,936,216</u>

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,716,706	\$1,659,631	\$57,075
Special Revenue	3,831,141	3,735,163	95,978
Total	<u>\$5,547,847</u>	<u>\$5,394,794</u>	<u>\$153,053</u>

The District did not limit expenditures and encumbrances to amounts appropriated at the fund level, and did not limit appropriations to estimated resources at the fund level as required by the Ohio Revised Code.

3. RETIREMENT SYSTEM

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002, members of OPERS contributed 8.5 percent of their gross salaries. The District contributed an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2002.

4. RISK MANAGEMENT

The Erie County Commissioners maintain comprehensive insurance coverage as a member of a pooled insurance agreement with County Risk Sharing Authority (CORSA). The pool purchases

ERIE COUNTY GENERAL HEALTH DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002
(Continued)**

excess insurance to supplement the pool funds. The District's real property is fully insured after a \$2,500 deductible per occurrence is paid by the County.

Risk Pool Membership

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation. If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

PEP retains property risks, including automobile physical damage, up to \$10,000 on any specific loss with an annual aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$20,174,977	\$19,358,458
Liabilities	(8,550,749)	(8,827,588)
Retained Earnings	<u>\$11,624,228</u>	<u>\$10,530,870</u>
<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$2,565,408	\$1,890,323
Liabilities	(655,318)	(469,100)
Retained Earnings	<u>\$1,910,090</u>	<u>\$1,421,223</u>

Health Insurance

The District provides health insurance for its employees through Medical Mutual of Ohio.

ERIE COUNTY GENERAL HEALTH DISTRICT

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	22-1-001-1-CL 22-1-001-1-CL	10.557	\$292,108 <u>91,427</u>
Total Department of Agriculture			<u>383,535</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Child and Family Health Services Block Grant (CFHS)	22-1-001-1-AI 22-1-001-1-AI	93.994	60,114 <u>22,215</u>
Total CFHS			<u>82,329</u>
Immunization Action Plan Grant	22-1-001-2-AZ	93.268	<u>18,000</u>
Total Immunization Action Plan Grant			18,000
Family Planning Grant	22-1-001-1-XX 22-1-001-1-XX	93.217	19,863 <u>71,972</u>
Total Family Planning Grant			<u>91,835</u>
Public Health Infrastructure Grant	22-1-001-2-BI	93.283	<u>23,986</u>
Total Public Health Infrastructure Grant			<u>23,986</u>
Total Department of Human Services			<u>216,150</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u><u>\$599,685</u></u>

The accompanying notes are an integral part of this schedule.

ERIE COUNTY GENERAL HEALTH DISTRICT
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2002

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Erie County General Health District
420 Superior Street
Sandusky, Ohio 44870-1815

To the Members of the Board:

We have audited the accompanying financial statements of the Erie County General Health District (the District) as of and for the year ended December 31, 2002, and have issued our report thereon dated August 7, 2003. We conducted our audit in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated August 7, 2003.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated August 7, 2003.

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This report is intended solely for the information and use of the audit committee, management, the Board, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

August 7, 2003



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Erie County General Health District
420 Superior Street
Sandusky, Ohio 44870-1815

To the Members of the Board:

Compliance

We have audited the compliance of Erie County General Health District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2002. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

Internal Control over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, the Board, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

August 7, 2003

ERIE COUNTY GENERAL HEALTH DISTRICT

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Supplemental Nutrition Program for Women, Infants and Children (CFDA #10.557)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Revised Code § 3709.28 states the board of health of a general health district shall, annually, on or before the first Monday of April, adopt an itemized appropriation measure. Such appropriation measure shall set forth the amounts for the current expenses of such district for the fiscal year beginning on the first day of January next ensuing. The appropriation measure, together with an estimate in itemized form, of the several sources of revenue available to the district, including the amount due from the state for the next fiscal year and the amount which the board anticipates will be collected in fees during the next ensuing fiscal year, shall be certified to the county auditor and by the county auditor submitted to the county budget commission which may reduce any item in such appropriation measure but may not increase any item or the aggregate of all items. The adoption of an appropriation measure by the District constitutes a restriction on the expenditure of funds.

**FINDING NUMBER 2002-001
 (Continued)**

As of December 31, 2002, the following funds had expenditures and type had expenditures in excess of appropriations:

Name of Fund	Appropriations	Expenditures and Encumbrances	Variance
IAP	\$20,990	\$21,836	(\$846)
PH Infrastructure	(5,660)	22,880	(28,540)

The following funds' appropriations exceeded resources certified by the County Budget Commission:

Fund Type	Estimated Resources	Appropriations	Variance
Sanitation Fund	\$316,528	\$327,110	(\$10,582)
Staffing Fund	245,348	258,875	(13,527)
AIDS Program	51,576	53,382	(1,806)
CFHS	283,430	318,207	(34,777)
Family Planning	356,755	408,028	(51,273)
School Nurse	294,000	325,067	(31,067)
Swimming Pools	30,657	31,809	(1,152)
Tattoo Parlors	453	462	(9)
Teen Pregnancy	108,718	120,933	(12,215)
Trailer Parks	7,286	9,354	(2,068)
Home Health	823,000	1,155,890	(332,890)
Jail	170,000	173,662	(3,662)
Marina	9,306	9,675	(369)
Recreational Camp	5,700	6,771	(1,071)
WIC	381,586	395,795	(14,209)
Water	21,665	23,381	(1,716)
Early Intervention	4,052	4,238	(186)
Family Practice	137,450	180,078	(42,628)

The failure to limit spending to only those amounts approved by the Board of Health and the failure to limit appropriations to estimated resources could result in expenditures and encumbrances exceeding available resources and creating deficit fund balances. The District should monitor the budget to ensure that all expenditures and encumbrances have been appropriated and that appropriations are not in excess of estimated resources. This condition was also reported to management during our audit of fiscal year 2001.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



**Auditor of State
Betty Montgomery**

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ERIE COUNTY GENERAL HEALTH DISTRICT

ERIE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 18, 2003**