



OHIO AUDITOR OF STATE
KEITH FABER



**MARION PUBLIC HEALTH
MARION COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Marion Public Health
Marion County
181 S. Main Street
Marion, Ohio 43302

To the Board of Health:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Marion Public Health, Marion County, Ohio (the District).

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Efficient • Effective • Transparent

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental type as of and for the year ended December 31, 2019, and related notes of the District, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 13 to the December 31, 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

October 26, 2021

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**MARION PUBLIC HEALTH
MARION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Charges for Services	\$ 214,658	\$ 62,252	\$ 276,910
Fines, Licenses and Permits	71,857	201,422	273,279
Intergovernmental:			
Apportionments/Subdivisions	300,572	1,005,680	1,306,252
Grants	19,727	299,114	318,841
Other/City Assessment	338,919	-	338,919
Miscellaneous	59,410	112,310	171,720
<i>Total Cash Receipts</i>	<u>1,005,143</u>	<u>1,680,778</u>	<u>2,685,921</u>
Cash Disbursements			
Current:			
Health:			
Salaries & Benefits	255,383	1,156,052	1,411,435
Supplies	14,250	37,282	51,532
Equipment	15,470	61,935	77,405
Contract Services	205,242	77,057	282,299
Travel & Expenses	5,995	14,664	20,659
Advertising & Printing	105	1,592	1,697
Maintenance	-	9,553	9,553
Improvements	-	33,079	33,079
Other Expenses	6,807	8,491	15,298
Vaccine	-	24,291	24,291
Remittance-State	83,798	12,788	96,586
State of Ohio Permit Fee	-	4,490	4,490
Utilities	27,136	11,987	39,123
All Expenses	-	275	275
HSTS Improvement Assist	-	203,964	203,964
Debt Service:			
Principal Retirement	-	28,927	28,927
Interest and Fiscal Charges	-	22,317	22,317
<i>Total Cash Disbursements</i>	<u>614,186</u>	<u>1,708,744</u>	<u>2,322,930</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>390,957</u>	<u>(27,966)</u>	<u>362,991</u>
Other Financing Receipts (Disbursements)			
Transfers In	-	158,500	158,500
Transfers Out	(158,500)	-	(158,500)
Advances In	-	85,000	85,000
Advances Out	(85,000)	-	(85,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(243,500)</u>	<u>243,500</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	147,457	215,534	362,991
<i>Fund Cash Balances, January 1</i>	<u>388,833</u>	<u>666,197</u>	<u>1,055,030</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 536,290</u>	<u>\$ 881,731</u>	<u>\$ 1,418,021</u>

See accompanying notes to the basic financial statements

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

1. REPORTING ENTITY

Marion Public Health, Marion County, Ohio (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 directed by a seven-member Board of Health.

The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, and issues health-related licenses and permits.

On January 1, 2010, the District Board of Health, Marion County, and the City of Marion Health Department merged, creating a new entity known as Marion Public Health.

The District participates in a public entity risk pool. Note 10 to the financial statements provides additional information for this entity. The organization is:

Public Entity Risk Pool:

Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio Local governments.

The District's management believes these financial statements present all activities for which the District is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

Deposits and Investments

As required by Ohio Revised Code, the Marion County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

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:

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Women, Infants, and Children (WIC) Fund- This Federal grant fund accounts for the Special Supplemental Nutrition Program.

Public Health Nursing Fund - This fund receives income from various clinics and an interagency agreement with Marion Adolescent Pregnancy Program. This revenue is used for the staff and for supplies to provide services.

Budgetary Process

The Ohio Revised Code requires the District to budget annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The District must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

Budgetary Process

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over, and need not be reappropriated in the subsequent year.

A summary of 2020 budgetary activity appears in Note 4.

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the nonspendable portion of the corpus in permanent funds.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Commissioners or a District official delegated that authority by resolution, or by State Statute. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (continued)

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

3. DEPOSITS AND INVESTMENTS

As required by Ohio Revised Code, the Marion County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

4. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2020 follows:

Fund Type	2020 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 997,019	\$1,005,143	\$ 8,124
Special Revenue	2,196,913	1,839,278	(357,635)
Total	\$3,193,932	\$ 2,844,421	(\$349,511)

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

2020 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,512,092	\$ 902,106	\$ 609,986
Special Revenue	2,529,144	1,956,448	572,696
Total	\$4,041,236	\$ 2,858,554	\$1,182,682

5. DEBT

Debt outstanding at December 31, 2020, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2013 Promissory Note	\$352,884	4.14%
2018 Promissory Note	<u>\$114,762</u>	5.52%
Total	<u>\$467,647</u>	

The District has a promissory note through First Citizens National Bank. The note was obtained in 2013 in the amount of \$517,300 and will be repaid in annual installments of \$37,911, including interest over 20 years, with final maturity in 2032. The District's property is pledged as collateral.

On August 15, 2018, the District obtained a promissory note through First Citizens National Bank in the amount of \$140,000. The Note will be repaid in annual installments of \$13,333, including interest, over 14 years, with final maturity in 2032. The District's property is pledged as collateral.

Amortization of the above debt, including interest is scheduled as follows:

<u>Year Ending</u> <u>December 31:</u>	<u>First Citizens</u> <u>Loan</u>
2021	\$51,244
2022	\$51,244
2023	\$51,244
2024	\$51,244
2025	\$51,244
2026-2030	\$256,220
2031-2032	<u>\$102,489</u>
Total	\$614,929

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

6. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over the estimated receipts among the township and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from the property tax settlements and distributes it to the District. These amounts are included in Intergovernmental-Apportionments/Subdivisions in the financial statements.

7. INTERFUND BALANCES

Outstanding advances at December 31, 2020, consisted of \$110,000 advanced to WIC, \$10,000 advanced to Moms Quit for Two, \$25,000 advance to Creating Healthy Communities Grant, \$25,000 advanced to Public Health Infrastructure, and \$10,000 advanced to the Naloxone Access Grant funds to provide working capital for operations and projects.

8. DEFINED BENEFIT PENSION PLANS

The District's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multi-employer plan. This plan provides retirement benefits, including post retirement 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 2020, members of OPERS contributed 10% of their gross salaries. The District's contributed an amount equal to 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2020.

9. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4 percent during calendar year 2020.

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

10. RISK MANAGEMENT

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment Breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2020
Cash and investments	\$40,318,971
Actuarial liabilities	\$14,111,510

During 2020, the District made no payments for casualty claims that exceeded the limits of the casualty policy and no payments for property claims that exceeded the limits of the property policy.

During 2020, the District made no significant changes to coverage from prior year.

11. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

12. FUND BALANCES

Encumbrances are commitments related to unperformed contracts for good or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end the balances of these amounts were as follows;

Fund Balances	General	Special Revenue	Total
Outstanding Encumbrances	129,420	247,704	377,124
Total	\$129,420	\$247,704	\$377,124

These restricted amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

13. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

14. IDENTIFICATION OF GRANTS RECEIVED THROUGH THE OHIO DEPARTMENT OF HEALTH

Federal Entity: US Department of Agriculture
Pass- Through Entity: Ohio Department of Health
Federal Grant: Special Supplemental Nutrition Program for Women, Infants, and Children
Federal CFDA#: 10.557
Project Number: 05110011WA1120
2020 Receipt Amount: \$307,036

Federal Entity: US Department of Agriculture
Pass- Through Entity: Ohio Department of Health
Federal Grant: Special Supplemental Nutrition Program for Women, Infants, and Children
Federal CFDA#: 10.557
Project Number: 05110011WA1121
2020 Receipt Amount: \$18,837

Federal Entity: US Department of Health and Human Services
Pass- Through Entity: Ohio Department of Health
Federal Grant: Preventive Health and Health Service Block Grant
Federal CFDA#: 93.305
Project Number: 05110014CC1019
2020 Receipt Amount: \$6,000

Federal Entity: US Department of Health and Human Services
Pass- Through Entity: Ohio Department of Health
Federal Grant: Preventive Health and Health Service Block Grant
Federal CFDA#: 93.991
Project Number: 05110014CC1120
2020 Receipt Amount: \$89,136

Federal Entity: US Department of Health and Human Services
Pass- Through Entity: Ohio Department of Health
Federal Grant: Public Health Emergency Preparedness
Federal CFDA#: 93.069
Project Number: 05110012PH1120
2020 Receipt Amount: \$70,623

Federal Entity: US Department of Health and Human Services
Pass- Through Entity: Ohio Department of Health
Federal Grant: Public Health Emergency Preparedness
Federal CFDA#: 93.069

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Project Number: 05110012PH1221
2020 Receipt Amount: \$33,186

Federal Entity: US Department of Health and Human Services
Pass- Through Entity: Ohio Department of Health
Federal Grant: Opioid STR
Federal CFDA#: 93.788
Project Number: 05110014IN0221
2019 Receipt Amount: \$60,000

Federal Entity: US Department of Health and Human Services
Pass- Through Entity: Ohio Department of Health
Federal Grant: Public Health Emergency Response: Cooperative Agreement for
Emergency Response: Public Health Crisis Response
Federal CFDA#: 93.354
Project Number: 05110012CO0120
2020 Receipt Amount: \$84,706

Federal Entity: US Department of Treasury
Pass- Through Entity: Ohio Department of Health
Federal Grant: Coronavirus Relief Fund
Federal CFDA#: 21.019
Project Number: 05110012CT0120
2020 Receipt Amount: \$105,783

Federal Entity: US Department of Treasury
Pass- Through Entity: Ohio Department of Health
Federal Grant: Coronavirus Relief Fund
Federal CFDA#: 21.019
Project Number: 05110012CO0121
2020 Receipt Amount: \$222,002

**MARION PUBLIC HEALTH
MARION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Charges for Services	\$ 191,457	\$ 155,603	\$ 347,060
Fines, Licenses and Permits	79,113	204,570	283,683
Intergovernmental:			
Apportionments/Subdivisions	300,552	-	300,552
Grants	35,241	613,102	648,343
Other/City Assessment	338,919	337,730	676,649
Miscellaneous	44,717	91,333	136,050
Total Cash Receipts	989,999	1,402,338	2,392,337
Cash Disbursements			
Current:			
Health:			
Salaries & Benefits	386,233	919,665	1,305,898
Supplies	31,185	32,767	63,952
Equipment	92,979	16,103	109,082
Contract Services	204,329	139,748	344,077
Travel & Expenses	22,061	16,372	38,433
Advertising & Printing	888	13,604	14,492
Maintenance	-	13,546	13,546
Improvements	-	126,583	126,583
Other Expenses	7,477	656	8,133
Vaccine	-	63,502	63,502
Remittance-State	89,164	13,013	102,177
State of Ohio Permit Fee	-	3,128	3,128
Utilities	28,995	12,313	41,308
HSTS Improvement Assist	-	218,230	218,230
Debt Service:			
Principal Retirement	-	27,759	27,759
Interest and Fiscal Charges	-	23,485	23,485
Total Cash Disbursements	863,311	1,640,474	2,503,785
Excess of Receipts Over (Under) Disbursements	126,688	(238,136)	(111,448)
Other Financing Receipts (Disbursements)			
Transfers In	-	143,106	143,106
Transfers Out	(143,106)	-	(143,106)
Advances In	137,000	40,000	177,000
Advances Out	(40,000)	(137,000)	(177,000)
Total Other Financing Receipts (Disbursements)	(46,106)	46,106	-
Net Change in Fund Cash Balances	80,582	(192,030)	(111,448)
Fund Cash Balances, January 1	308,251	858,227	1,166,478
Fund Cash Balances, December 31			
Restricted	-	666,197	666,197
Assigned	226,718	-	226,718
Unassigned (Deficit)	162,115	-	162,115
Fund Cash Balances, December 31	\$ 388,833	\$ 666,197	\$ 1,055,030

See accompanying notes to the basic financial statements

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2019

1. REPORTING ENTITY

Marion Public Health, Marion County, Ohio (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 directed by a seven-member Board of Health.

The District's services include communicable disease investigations, immunization clinics, inspections, public health nursing services, and issues health-related licenses and permits.

On January 1, 2010, the District Board of Health, Marion County, and the City of Marion Health Department merged, creating a new entity known as Marion Public Health.

The District participates in a public entity risk pool. Note 10 to the financial statements provides additional information for this entity. The organization is:

Public Entity Risk Pool:

Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio Local governments.

The District's management believes these financial statements present all activities for which the District is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

Deposits and Investments

As required by Ohio Revised Code, the Marion County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

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 type.

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Women, Infants, and Children (WIC) Fund - This Federal grant fund accounts for the Special Supplemental Nutrition Program.

Public Health Nursing Fund - This fund receives income from various clinics and an interagency agreement with Marion Adolescent Pregnancy Program. This revenue is used for the staff and for supplies to provide services.

Budgetary Process

The Ohio Revised Code requires the District to budget annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control, and appropriations may not exceed estimated resources. The District must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year-end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 4.

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Commissioners or a District official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

3. DEPOSITS AND INVESTMENTS

As required by Ohio Revised Code, the Marion County Treasurer is custodian for the District's deposits. The County's deposit and investment pool holds the District's assets, valued at the Treasurer's reported carrying amount.

4. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,000,943	\$989,999	\$(10,944)
Special Revenue	1,736,150	1,545,444	(190,706)
Total	\$2,737,093	\$2,535,443	(\$201,650)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,517,898	\$1,233,135	\$284,763
Special Revenue	2,449,528	1,837,170	612,358
Total	\$3,967,426	\$3,070,305	\$897,121

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2019

5. DEBT

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2013 Promissory Note	\$375,219	4.14%
2018 Promissory Note	<u>\$121,377</u>	5.52%
Total	<u>\$496,596</u>	

The District has a promissory note through First Citizens National Bank. The note was obtained in 2013 in the amount of \$517,300 and will be repaid in annual installments of \$37,911, including interest over 20 years, with final maturity in 2032. The District's property is pledged as collateral.

On August 15, 2018, the District obtained a promissory note through First Citizens National Bank in the amount of \$140,000. The Note will be repaid in annual installments of \$13,333, including interest, over 14 years, with final maturity in 2032. The District's property is pledged as collateral.

Amortization of the above debt, including interest is scheduled as follows:

<u>Year Ending December 31:</u>	<u>First Citizens Loan</u>
2020	\$51,244
2021	\$51,244
2022	\$51,244
2023	\$51,244
2024	\$51,244
2025-2029	\$256,220
2030-2032	<u>\$153,733</u>
Total	\$666,173

6. INTERGOVERNMENTAL FUNDING

The County apportions the excess of the District's appropriations over the estimated receipts among the township and municipalities composing the District, based on their taxable property valuations. The County withholds the apportioned excess from the property tax settlements and distributes it to the District. These amounts are included in Intergovernmental-Apportionments/Subdivisions in the financial statements.

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2019

7. INTERFUND BALANCES

Outstanding advances at December 31, 2019, consisted of \$85,000 advanced to WIC and \$10,000 advanced to the Naloxone Access Grant funds to provide working capital for operations and projects.

8. DEFINED BENEFIT PENSION PLANS

The District's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multi-employer plan. This plan provides retirement benefits, including post retirement 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 2019, members of OPERS contributed 10% of their gross salaries. The District's contributed an amount equal to 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

9. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4 percent during calendar year 2019.

10. RISK MANAGEMENT

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment Breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2019</u>
Cash and investments	\$38,432,610
Actuarial liabilities	\$14,705,917

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2019

During 2019, the District made no payments for casualty claims that exceeded the limits of the casualty policy and no payments for property claims that exceeded the limits of the property policy.

During 2019, the District made no significant changes to coverage from prior year.

11. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

12. IDENTIFICATION OF GRANTS RECEIVED THROUGH THE OHIO DEPARTMENT OF HEALTH:

Federal Entity: US Department of Agriculture
Pass- Through Entity: Ohio Department of Health
Federal Grant: Special Supplemental Nutrition Program for Women, Infants, and Children
Federal CFDA#: 10.557
Project Number: 05110011WA0918
2019 Receipt Amount: \$44,084

Federal Entity: US Department of Agriculture
Pass- Through Entity: Ohio Department of Health
Federal Grant: Special Supplemental Nutrition Program for Women, Infants, and Children
Federal CFDA#: 10.557
Project Number: 05110011WA1019
2019 Receipt Amount: \$300,423

Federal Entity: US Department of Agriculture
Pass- Through Entity: Ohio Department of Health
Federal Grant: Special Supplemental Nutrition Program for Women, Infants, and Children
Federal CFDA#: 10.557
Project Number: 05110011WA1120
2019 Receipt Amount: \$48,179

Federal Entity: US Department of Health and Human Services
Pass- Through Entity: Ohio Department of Health
Federal Grant: Preventive Health and Health Service Block Grant
Federal CFDA#: 93.991
Project Number: 05110014CC1019
2019 Receipt Amount: \$89,000

Federal Entity: US Department of Health and Human Services
Pass- Through Entity: Ohio Department of Health
Federal Grant: Preventive Health and Health Service Block Grant
Federal CFDA#: 93.991
Project Number: 05110014CC0918
2019 Receipt Amount: \$9,575

MARION PUBLIC HEALTH
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2019

Federal Entity: US Department of Health and Human Services
Pass- Through Entity: Ohio Department of Health
Federal Grant: Public Health Emergency Preparedness
Federal CFDA#: 93.069
Project Number: 05110012PH1019
2019 Receipt Amount: \$63,775

Federal Entity: US Department of Health and Human Services
Pass- Through Entity: Ohio Department of Health
Federal Grant: Public Health Emergency Preparedness
Federal CFDA#: 93.069
Project Number: 05110012PH1020
2019 Receipt Amount: \$5,317

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MARION PUBLIC HEALTH
MARION COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	05110011WA1120	267,315
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	05110011WA1121	84,926
Total Special Supplemental Nutrition Program for Women, Infants, and Children			<u>352,241</u>
Total U.S. Department of Agriculture			<u>352,241</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through Ohio Department of Health</i>			
COVID-19 Coronavirus Relief Fund	21.019	05110012CT0120	115,207
COVID-19 Coronavirus Relief Fund	21.019	05110012CO0121	134,584
Total COVID-19 Coronavirus Relief Fund			<u>249,791</u>
Total U.S. Department of the Treasury			<u>249,791</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Health</i>			
Public Health Emergency Preparedness	93.069	05110012PH1120	40,674
Public Health Emergency Preparedness	93.069	05110012PH1221	56,706
Total Public Health Emergency Preparedness			<u>97,380</u>
COVID-19 Public Health Emergency Response Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	05110012CO0120	84,706
Opioid STR	93.788	05110014IN0221	7,944
Preventive Health and Health Services Block Grant	93.991	02110014CC1120	97,558
Total U.S. Department of Health and Human Services			<u>287,588</u>
Total Expenditures of Federal Awards			<u><u>\$889,620</u></u>

The accompanying notes are an integral part of this schedule.

**MARION PUBLIC HEALTH
MARION COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Marion Public Health (the District's) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Marion Public Health
Marion County
181 S. Main Street
Marion, Ohio 43302

To the Board of Health:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2020 and for each governmental fund type as of and for the year ended December 31, 2019, and related notes of the Marion Public Health, Marion County, (the District) and have issued our report thereon dated October 26, 2021, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and corrective action plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

October 26, 2021

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Marion Public Health
Marion County
181 S. Main Street
Marion, Ohio 43302

To the Board of Health:

Report on Compliance for the Major Federal Program

We have audited the Marion Public Health's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Marion Public Health's major federal programs for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. 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 our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Programs

In our opinion, the Marion Public Health complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

October 26, 2021

**MARION PUBLIC HEALTH
MARION COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020 AND 2019**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	CFDA #10.557 – Special Supplemental Nutrition Program for Women, Infants, and Children CFDA #93.991 – Preventative Health and Health Services Block Grant
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

**MARION PUBLIC HEALTH
MARION COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-001

**Material Weakness
Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The District did not have controls in place to help ensure financial information was properly classified on the financial statements and/or disclosed in the notes to the financial statements.

An adjustment of \$70,298 was posted to both the District's financial statement and accounting ledgers for the year ended December 31, 2020 to properly record Salaries & Benefits related to grants within the combined Special Revenue Fund rather than in the General Fund.

In addition to the adjustment listed above, we also identified immaterial misstatements ranging from \$4,025 to \$27,187 for the year ended December 31, 2020, and from \$5,861 to \$25,883 for the year ended December 31, 2019 that we have brought to the District's attention. These errors were neither made to the District's financial statements or accounting ledgers.

Lack or failure of controls over classifying transactions, posting of financial transactions and financial reporting can result in errors and irregularities that may be disseminated to the governing board, management, and financial statement readers.

We recommend the District develop policies and procedures to enhance its controls over recording of financial transactions and financial reporting to help ensure the information accurately reflects the activity of the District and thereby increasing the reliability of the financial data through the year. We also recommend the District implement additional procedures over the completeness and accuracy of financial information reported within the District's annual report. Such procedures may include review of the financial statements and related components by a member of management with analytic comparisons of the current year annual report to the prior year reports for obvious errors or omissions.

Officials' Response

See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2020 AND 2019**

Finding Number: 2020-001
Planned Corrective Action: Marion Public Health will work with county auditor to adopt controls and procedures to ensure receipts and disbursements are properly classified on the financial statements. The health department will also implement additional checks and controls to ensure the county auditor is provided all necessary documentation to complete the financial statements and to ensure the financials and notes are correctly calculated.
Anticipated Completion Date: 12/31/2021
Responsible Contact Person: Traci Kinsler, Health Commissioner

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 2 CFR 200.511(b)
 December 31, 2020**

Finding Number	Finding Summary	Status	Additional Information
2018-001	Material Weakness – Financial Reporting	Not Corrected	Finding is being repeated as Finding 2020-001. The District’s financial statements had various errors resulting in material audit adjustments. See Corrective Action Plan.

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OHIO AUDITOR OF STATE KEITH FABER



MARION PUBLIC HEALTH

MARION COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/18/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov