



OHIO AUDITOR OF STATE  
**KEITH FABER**





**MARION PUBLIC HEALTH  
MARION COUNTY**

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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 Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Marion Public Health, Marion County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statement.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statement referred to above presents 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, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statement does 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, 2021, or the changes in financial position thereof for the year then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statement, the financial statement is prepared by District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 13 to the financial statement, 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.

***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

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

The Schedule of Expenditures of Federal Awards 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 is presented for purposes of additional analysis and is not a required part of the financial statement.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statement. 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, and other additional procedures 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 statement as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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

September 9, 2022

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**MARION PUBLIC HEALTH  
MARION COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Charges for Services	\$ 208,045	\$ 76,126	\$ 284,171
Fines, Licenses and Permits	93,762	239,866	333,628
Intergovernmental:			
Apportionments	639,506	-	639,506
Grants	-	1,551,516	1,551,516
Other	28,713	11,530	40,243
Miscellaneous	39,399	62,686	102,085
<i>Total Cash Receipts</i>	<u>1,009,425</u>	<u>1,941,724</u>	<u>2,951,149</u>
<b>Cash Disbursements</b>			
Current:			
Health:			
Salaries & Benefits	323,598	1,226,391	1,549,989
Supplies	22,783	46,986	69,769
Equipment	26,021	22,286	48,307
Contract Services	270,943	229,825	500,768
Travel & Expenses	8,811	22,345	31,156
Advertising & Printing	1,574	1,361	2,935
Maintenance	-	17,975	17,975
Repair Improvements	-	8,566	8,566
Other Expenses	-	191,770	191,770
Vaccine	-	34,710	34,710
Remittance-State	102,521	14,226	116,747
State of Ohio Permit Fee	-	3,054	3,054
Utilities	28,886	13,635	42,521
All Expenses	12,351	-	12,351
HSTS Improvement Assist	-	159,735	159,735
Debt Service:			
Principal Retirement	-	30,233	30,233
Interest and Fiscal Charges	-	21,011	21,011
<i>Total Cash Disbursements</i>	<u>797,488</u>	<u>2,044,109</u>	<u>2,841,597</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>211,937</u>	<u>(102,385)</u>	<u>109,552</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	-	300,000	300,000
Transfers Out	(300,000)	-	(300,000)
Advances In	35,000	137,000	172,000
Advances Out	(137,000)	(35,000)	(172,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(402,000)</u>	<u>402,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(190,063)	299,615	109,552
<i>Fund Cash Balances, January 1</i>	<u>536,290</u>	<u>881,731</u>	<u>1,418,021</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 346,227</u>	<u>\$ 1,181,346</u>	<u>\$ 1,527,573</u>

See accompanying notes to the basic financial statements

MARION PUBLIC HEALTH  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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:

1. General Fund

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

MARION PUBLIC HEALTH  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

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.

Public Health Infrastructure Fund – This Federal grant fund accounts for the Public Health Emergency Preparedness Grant and other COVID-19 grant programs.

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 re-appropriated in the subsequent year.

A summary of 2021 budgetary activity appears in Note 4.

MARION PUBLIC HEALTH  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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 YEAR ENDED DECEMBER 31, 2021

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, 2021 follows:

Fund Type	2021 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 993,000	\$1,044,425	\$ 51,425
Special Revenue	2,391,633	2,378,724	(12,909)
Total	<u>\$3,384,633</u>	<u>\$ 3,423,149</u>	<u>\$ 38,516</u>

Fund Type	2021 Budgeted vs. Actual Budgetary Basis Expenditures		
	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,639,649	\$ 1,348,771	\$ 287,878
Special Revenue	3,079,104	2,305.163	773,941
Total	<u>\$4,715,753</u>	<u>\$ 3,653,943</u>	<u>\$1,061,819</u>

MARION PUBLIC HEALTH  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

5. DEBT

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2013 Promissory Note	\$329,583	4.14%
2018 Promissory Note	\$107,765	5.52%
Total	\$437,348	

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. Principal and interest payments are made from the public health facility special revenue fund.

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. Principal and interest payments are made from the public health facility special revenue fund.

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

Year Ending December 31	First Citizens Loans
2022	\$ 51,244
2023	51,244
2024	51,244
2025	51,244
2026	51,244
2027-2031	256,220
2032	51,245
	\$ 563,685

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, 2021, consisted of \$160,000 advanced to WIC, \$50,000 advanced to COVID19-BRIC, \$37,000 advanced to Public Health Workforce, \$25,000 advanced to Public Health Infrastructure, and \$10,000 advanced to Moms Quit for Two funds to provide working capital for operations and projects.

MARION PUBLIC HEALTH  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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 2021, 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, 2021.

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 2021. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4 percent during calendar year 2021.

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>2021</u>
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

During 2021, 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 2021, the District made no significant changes to coverage from prior year.

MARION PUBLIC HEALTH  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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	114,283	236,054	340,337
Total	\$114,283	\$236,054	\$340,337

The fund balance of special revenue funds is either restricted or committed. These restricted, committed, and assigned amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. 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.

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

Federal Entity:	U.S. Department of Agriculture
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
Federal AL#:	10.557
Project Number:	05110011WA1121
2021 Receipt Amount:	\$318,598



MARION PUBLIC HEALTH  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

14. IDENTIFICATION OF GRANTS RECEIVED THROUGH THE OHIO DEPARTMENT OF HEALTH  
(Continued)

Federal Entity:	U.S. Department of Agriculture
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
Federal AL#:	10.557
Project Number:	05110011WA1322
2021 Receipt Amount:	\$52,594
Federal Entity:	U.S. Department of Health and Human Services
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	Preventive Health and Health Service Block Grant
Federal AL#:	93.991
Project Number:	05110014CC1221
2021 Receipt Amount:	\$121,437
Federal Entity:	U.S. Department of Health and Human Services
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	Public Health Emergency Preparedness
Federal AL#:	93.069
Project Number:	05110012PH1221
2021 Receipt Amount:	\$46,060
Federal Entity:	U.S. Department of Health and Human Services
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	Public Health Emergency Preparedness
Federal AL#:	93.069
Project Number:	05110012PH1322
2021 Receipt Amount:	\$12,323
Federal Entity:	U.S. Department of Health and Human Services
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	Opioid STR
Federal AL#:	93.788
Project Number:	05110014IN0322
2021 Receipt Amount:	\$53,500
Federal Entity:	U.S. Department of Health and Human Services
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	COVID-19 Immunization Cooperative Agreement
Federal AL#:	93.268
Project Number:	05110012VE0221
2021 Receipt Amount:	\$57,973
Federal Entity:	U.S. 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 AL#:	93.354
Project Number:	05110012WF0122
2021 Receipt Amount:	\$14,053

MARION PUBLIC HEALTH  
MARION COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

14. IDENTIFICATION OF GRANTS RECEIVED THROUGH THE OHIO DEPARTMENT OF HEALTH  
(Continued)

Federal Entity:	U.S. Department of Health and Human Services
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Federal AL#:	93.323
Project Number:	05110012EO0121
2021 Receipt Amount:	\$158,685
Federal Entity:	U.S. Department of Health and Human Services
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	COVID-19 Strengthening Public Health Systems through National Partnerships to Improve and Protect the Nation's Health
Federal AL#:	93.421
Project Number:	05110012BR0121
2021 Receipt Amount:	\$66,875
Federal Entity:	U.S. Department of the Treasury
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	COVID-19 Coronavirus Relief Fund
Federal AL#:	21.019
Project Number:	05110012VN0121
2021 Receipt Amount:	\$20,000
Federal Entity:	U.S. Department of the Treasury
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	COVID-19 Coronavirus Relief Fund
Federal AL#:	21.019
Project Number:	05110012CT0120
2021 Receipt Amount:	\$117,615
Federal Entity:	U.S. Department of the Treasury
Pass-Through Entity:	Ohio Department of Health
Federal Grant:	COVID-19 Coronavirus Relief Fund
Federal AL#:	21.019
Project Number:	05110012CO0121
2021 Receipt Amount:	\$200,605

**MARION PUBLIC HEALTH  
MARION COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Health</i>			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	05110011WA1121	285,574
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	05110011WA1322	78,961
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children			<u>364,535</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b><u>364,535</u></b>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<i>Passed Through Ohio Department of Health</i>			
COVID-19 Coronavirus Relief Fund	21.019	05110012CT0120	92,570
COVID-19 Coronavirus Relief Fund	21.019	05110012CO0121	280,390
COVID-19 Coronavirus Relief Fund	21.019	05110012VN0121	20,000
Total COVID-19 Coronavirus Relief Fund			<u>392,960</u>
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>			<b><u>392,960</u></b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Health</i>			
Public Health Emergency Preparedness	93.069	05110012PH1221	36,394
Public Health Emergency Preparedness	93.069	05110012PH1322	33,415
Total Public Health Emergency Preparedness			<u>69,809</u>
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	05110012EO0121	172,954
COVID-19 Immunization Cooperative Agreements	93.268	05110012VE0121	57,973
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	05110012WF0122	28,770
COVID-19 Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	05110012BR0121	64,398
Opioid STR	93.788	05110014IN0322	6,938
Opioid STR	93.788	05110014IN0423	2,450
Total Opioid STR			<u>9,388</u>
Preventive Health and Health Services Block Grant	93.991	05110014CC1221	113,874
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b><u>517,166</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$1,274,661</u></b>

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, 2021**

**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, 2021. 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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the year ended December 31, 2021 and the related notes to the financial statement of the Marion Public Health, Marion County, (the District) and have issued our report thereon dated September 9, 2022, 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.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***District's Response to Finding***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

***Purpose of this Report***

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 9, 2022

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH 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 Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Marion Public Health's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Marion Public Health's major federal programs for the year ended December 31, 2021. Marion Public Health's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Marion Public Health complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 9, 2022

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**MARION PUBLIC HEALTH  
MARION COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	AL #10.557 – WIC Special Supplemental Nutrition Program for Women, Infants, and Children  AL #93.323 – COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

**MARION PUBLIC HEALTH  
MARION COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021**

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

**FINDING NUMBER 2021-001**

**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.

The following adjustments were posted to the District's financial statements for the year ended December 31:

- Adjustment of \$45,019 to reclassify Charges for Services to Intergovernmental Revenue in the combined Special Revenue fund.
- Adjustment of \$75,687 to reclassify Charges for Services to Fines, Licenses & Permits in the combined Special Revenue fund.
- Adjustment of \$62,443 to reclassify Charges for Services to Miscellaneous Revenue in the combined Special Revenue fund.
- Adjustment of \$338,919 to reclassify the City's apportionment from Intergovernmental Revenue-Other to Intergovernmental Revenue-Appportionments.

In addition to the reclassifications listed above, we also identified immaterial misstatements ranging from \$4,479 to \$19,218 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, 2021**

**Finding Number:** 2021-001

**Planned Corrective Action:** Marion Public Health will work with the 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:** 12/31/2022

**Responsible Contact Person:** Traci Kinsler, Health Commissioner

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
 2 CFR 200.511(b)  
 December 31, 2021**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Material Weakness – Financial Reporting	Not Corrected	Finding is being repeated as Finding 2021-001. The District’s financial statement had various errors resulting in material audit adjustments. See Corrective Action Plan.

# 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 9/27/2022**

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](http://www.ohioauditor.gov)