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Declaration of Fiscal Caution

Pursuant to Section 118.025(A), Revised Code, the Auditor of State developed guidelines for identifying fiscal practices and budgetary conditions that, if uncorrected, could result in a future declaration of a fiscal watch or fiscal emergency of a municipal corporation, county, or township. If the Auditor of State determines that a municipal corporation, county, or township is engaging in any of those practices or that any of those conditions exist, the Auditor of State may declare a municipal corporation, county, or township to be in a state of Fiscal Caution.

The Auditor of State's guidelines for a declaration of fiscal caution include (1) unauditible financial records; (2) significant deficiencies, material weaknesses, direct and material noncompliance as disclosed in the financial audit; (3) deficit fund balances; (4) a carryover fund balance of less than one month's average expenditures for two consecutive years, and (5) a failure to reconcile accounting journals and ledgers with the treasury.

Based on the review of the City of Marion's audited financial statements for 2020 and 2021 and fund financial data as of October 31, 2025, the City of Marion meets the following fiscal caution conditions:

1. The December 31, 2021 financial audit on pages 1, and 2, noted qualified opinions on Governmental Activities, Business-Type Activities, General Fund, Street Construction Maintenance and Repair Fund, Police Fund, Fire Fund, Sanitary Sewer Fund, Sanitation Fund, Storm Water Fund, Aquatic Center Fund and the aggregate remaining fund information for insufficient appropriate audit evidence to support the end of the year cash financial position.
2. Significant deficiencies, material weaknesses and direct and material noncompliance with Ohio law as disclosed in its financial audits for 2020 and 2021. On page 130 of the financial audit for 2020, December 31, 2020, reconciliation was unreconciled by \$314,347, with the book balance being greater than the bank balance due to the lack of monthly bank-to-book reconciliations and the complexity of the City's accounting software (i.e. hybrid cash/accrual basis). On page 79 of the financial audit for 2021 (the latest audit available), December 31, 2021, reconciliation was unreconciled with the bank balance being greater than the book balance by \$543,079.
3. The City had 13 funds as of October 31, 2025, with deficit fund balances, in the amount of \$8,877,996 and there are not sufficient resources in the General Fund or any other funds that may be legally transferred to subsidize the funds. Note, however, it cannot be determined that these fund balances are accurate because the City is not reconciled.
4. The City has not reconciled its accounting journals and ledger with the bank. The last reconciliation was December 31, 2019.

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Accordingly, the Auditor of State hereby declares the City of Marion to be in a state of Fiscal Caution under Section 118.025(A) of the Ohio Revised Code. A copy of this declaration is being submitted to Bill Collins, Mayor, Mary Stoneburner, President of Council, Miranda Meginness, City Auditor and Tommy Reese, City Treasurer.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

OHIO AUDITOR OF STATE KEITH FABER



CITY OF MARION FISCAL CAUTION DECLARATION

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 11/25/2025

65 East State 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
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