



MARSHALL COUNTY

Financial Report

For the fiscal year ended June 30, 2021

Cindy Byrd, CPA
State Auditor & Inspector

**MARSHALL COUNTY, OKLAHOMA
FINANCIAL STATEMENT
AND INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This publication, issued by the Oklahoma State Auditor and Inspector's Office as authorized by 19 O.S. § 171, has not been printed, but is available on the agency's website (www.sai.ok.gov) and in the Oklahoma Department of Libraries Publications Clearinghouse Digital Prairie Collection (<http://digitalprairie.ok.gov/cdm/search/collection/audits/>) pursuant to 65 O.S. § 3-114.



August 15, 2022

TO THE CITIZENS OF
MARSHALL COUNTY, OKLAHOMA

Transmitted herewith is the audit of Marshall County, Oklahoma for the fiscal year ended June 30, 2021. The audit was conducted in accordance with 19 O.S. § 171.

A report of this type can be critical in nature. Failure to report commendable features in the accounting and operating procedures of the entity should not be interpreted to mean that they do not exist.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

**MARSHALL COUNTY OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Board of County Commissioners

District 1 – Don “Salty” Melton
District 2 – Joshua Cantrell
District 3 – Chris Duroy

County Assessor

Debbie Croasdale

County Clerk

Gloria Salazar

County Sheriff

Donald Yow

County Treasurer

Laura Larkin

Court Clerk

Wanda Pearce

District Attorney

Craig Ladd

**MARSHALL COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**MARSHALL COUNTY, OKLAHOMA
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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FINANCIAL SECTION



Independent Auditor's Report

TO THE OFFICERS OF
MARSHALL COUNTY, OKLAHOMA

Report on the Financial Statement

We have audited the total—all county funds on the accompanying regulatory basis Statement of Receipts, Disbursements, and Changes in Cash Balances of Marshall County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the County's basic financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting described in Note 1, and for determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As described in Note 1, the financial statement is prepared by Marshall County using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Marshall County as of June 30, 2021, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the total receipts, disbursements, and changes in cash balances for all county funds of Marshall County, as of and for the year ended June 30, 2021, in accordance with the basis of accounting described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the total of all county funds on the financial statement. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the remaining supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of the financial statement.

The schedule of expenditures of federal awards and the remaining supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the remaining supplementary information is fairly stated, in all material respects, in relation to the financial statement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2022, on our consideration of Marshall County’s internal control over financial reporting and on 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 County’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 Marshall County's internal control over financial reporting and compliance.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

July 18, 2022

REGULATORY BASIS FINANCIAL STATEMENT

MARSHALL COUNTY, OKLAHOMA
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH BALANCES—REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | Beginning Cash Balances July 1, 2020 | Receipts Apportioned | Transfers In | Disbursements | Ending Cash Balances June 30, 2021 |
|--|--|-------------------------|------------------|---------------------|--|
| County Funds: | | | | | |
| County General | \$ 1,275,362 | \$ 2,907,194 | \$ - | \$ 2,894,610 | \$ 1,287,946 |
| County Highway Unrestricted | 1,280,558 | 2,060,854 | - | 1,745,063 | 1,596,349 |
| Health | 670,359 | 436,141 | - | 263,822 | 842,678 |
| Resale Property | 957,693 | 193,829 | 36,487 | 156,825 | 1,031,184 |
| Sheriff Service Fee | 237,124 | 495,299 | - | 185,774 | 546,649 |
| Community Service Program | 13,030 | 3,166 | - | 7,450 | 8,746 |
| Reward Fund | 10,000 | - | - | - | 10,000 |
| 911 Phone Fees | 117,787 | 181,138 | - | 161,474 | 137,451 |
| County Clerk Lien Fee | 15,201 | 7,733 | - | 3,731 | 19,203 |
| Treasurer Mortgage Certification | 22,772 | 3,841 | - | 734 | 25,879 |
| County Clerk Records Management and Preservation | 23,899 | 46,820 | - | 29,221 | 41,498 |
| Assessor Visual Inspection | 68,905 | 3,794 | - | - | 72,699 |
| Lake Patrol | 12,273 | 24,000 | - | 3,359 | 32,914 |
| Lodging Tax - ST | 388,242 | 219,475 | - | 48,021 | 559,696 |
| Sheriff Commissary | 5,243 | 16,380 | - | 6,603 | 15,020 |
| Sheriff Sales Tax | 146,084 | 992,793 | - | 947,019 | 191,858 |
| Free Fair Board | 8,121 | - | - | 1,000 | 7,121 |
| County Donations | 744 | 28,244 | - | 8,628 | 20,360 |
| County Bridge and Road Improvement | 861,725 | 175,992 | - | 228,139 | 809,578 |
| Local Emergency Planning Commission | 4,831 | 2,000 | - | 80 | 6,751 |
| ¼ Cent Jail - Building | 37,958 | 496,396 | - | 483,916 | 50,438 |
| Hospital - ST | 151,832 | 1,985,585 | - | 1,935,666 | 201,751 |
| Court Clerk Payroll | 102,676 | 102,895 | - | 106,458 | 99,113 |
| Emergency Management Performance Grant | 11,707 | 3,750 | - | 440 | 15,017 |
| Community Grants | 1,177 | - | - | 821 | 356 |
| Safe Room Grant | 2,000 | - | - | - | 2,000 |
| Rural Fire - ST | 602,466 | 496,396 | - | 443,461 | 655,401 |
| COVID Aid and Relief | - | 791,242 | - | 122,893 | 668,349 |
| American Rescue Plan Act | - | 1,644,324 | - | - | 1,644,324 |
| Total - All County Funds | \$ 7,029,769 | \$ 13,319,281 | \$ 36,487 | \$ 9,785,208 | \$ 10,600,329 |

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

**MARSHALL COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. Summary of Significant Accounting Policies

A. Reporting Entity

Marshall County is a subdivision of the State of Oklahoma created by the Oklahoma Constitution and regulated by Oklahoma Statutes.

The accompanying financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds under the control of the primary government. The general fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund, where its use is restricted for a specified purpose. Other funds established by statute and under the control of the primary government are also presented.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, libraries, school districts, and cities and towns. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations. Any trust or agency funds maintained by the County are not included in this presentation.

B. Fund Accounting

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Following are descriptions of the county funds included within the financial statement:

County General – accounts for the general operations of the government.

County Highway Unrestricted – accounts for state, local, and miscellaneous receipts and disbursements are for the purpose of constructing and maintaining county roads and bridges.

Health – accounts for monies collected on behalf of the county health department from ad valorem taxes and state and local revenues.

Resale Property – accounts for collection of interest and penalties on delinquent taxes and the disposition of same as restricted by state statute.

Sheriff Service Fee – accounts for the collection of fees and reimbursements for revenues such as: process fees, courthouse security, contracts for housing and feeding prisoners, and telephone cards and disbursements as restricted by state statute.

**MARSHALL COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Community Service Program – accounts for the collection of funding through the State Department of Correction for administrative expenses and supervision of offenders.

Reward Fund – accounts for monies received from donations and disbursements are for information that leads to the arrest or capture of people who illegally dump trash.

911 Phone Fees – accounts for monies received from private telephone companies for the operations of emergency 911 services.

County Clerk Lien Fee – accounts for lien fee collections and disbursements as restricted by state statute.

Treasurer Mortgage Certification – accounts for the collection of fees by the Treasurer for mortgage tax certificates and the disbursement of the funds as restricted by state statute.

County Clerk Record Management and Preservation – accounts for fees collected for instruments filed in the County Clerk’s office as restricted by state statute for the preservation of records.

Assessor Visual Inspection – accounts for the receipt and disbursement of funds by the Assessor as restricted by state statute for the visual inspection program.

Lake Patrol – accounts for monies received from the Corps of Engineers for patrolling services.

Lodging Tax - ST – accounts for 20% of the lodging sales tax to be used for the promotion of tourism in Marshall County and 80% of the lodging tax to be used for the maintenance and operation of Marshall County.

Sheriff Commissary – accounts for revenues from profits on commissary sales in the Marshall County Jail. Disbursements are for Jail operations as defined by state statute.

Sheriff Sales Tax – account for sales tax collections designated for the maintenance and operation of the Marshall County Jail.

Free Fair Board – accounts for the donations and fund-raising activities to be used toward the purchase of furniture, fixtures, supplies, etc. for the Marshall County Expo facility.

County Donations – accounts for funds donated to Marshall County to be disbursed specifically for which the donations were made.

County Bridge and Road Improvement – accounts for state, local, and miscellaneous receipts and disbursements for the purpose of constructing and maintaining county roads and bridges.

**MARSHALL COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Local Emergency Planning Committee – accounts for grant monies received and the disbursement of funds for emergency planning, training, and equipment.

¼ Cent Jail – Building – accounts for the collection of sales tax revenue and the disbursement of funds as restricted by the sales tax ballot.

Hospital - ST – accounts for the sales tax collections and disbursed to the Marshall County Medical Center Board of Control for capital expenditures and indigent care as restricted by the sales tax ballot.

Court Clerk Payroll – accounts for funds collected by the Court Clerk and disbursed for payroll of the Court Fund employees.

Emergency Management Performance Grant – accounts for federal grant collections to be disbursed in accordance with the grant agreement.

Community Grants – accounts for collections of grant money to be disbursed in accordance with grant agreements.

Safe Room Grant – accounts for collections of grant money to be disbursed in accordance with grant agreements.

Rural Fire - ST – accounts for sales tax collection and disbursements for the operation of the rural fire departments.

COVID Aid and Relief – accounts for federal monies received in response to COVID-19 to be disbursed in accordance with the Federal Guidelines.

American Rescue Plan Act – accounts for monies received from the American Rescue Plan Act and disbursed for responding to the COVID-19 public health emergency and its negative economic impact, premium pay to eligible workers, the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, and investments in water, sewer, and broadband infrastructure as restricted by federal requirements.

C. Basis of Accounting

The financial statement is prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This regulatory basis financial presentation is not a comprehensive measure of economic condition or changes therein.

**MARSHALL COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Title 19 O.S. § 171 allows Oklahoma counties to present their financial statement in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) or on a regulatory basis. The County has elected to present their financial statement on a regulatory basis in conformity with Title 19 O.S. § 171, which specifies the format and presentation of such regulatory basis financial statements: county governments (primary only) are required to present their financial statements on a fund basis format with, at a minimum, the general fund and all other county funds, which represent ten percent or greater of total county revenue with all other funds included in the audit presented in the aggregate in a combining statement. However, the County has elected to present all funds included in the audit in the Statement of Receipts, Disbursements, and Changes in Cash Balances—Regulatory Basis.

D. Budget

Under current Oklahoma Statutes, a general fund and a county health department fund are the only funds required to adopt a formal budget. On or before May 31 of each year, each officer or department head submits an estimate of needs (budget) to the governing body. The budget is approved for the respective fund by office, or department and object. Within weeks, the County Budget Board may approve changes of appropriations within the fund by office or department and object.

E. Cash and Investments

For the purposes of financial reporting, “Ending Cash Balances, June 30” includes cash and cash equivalents and investments as allowed by statutes. The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County’s books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County’s deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

The County Treasurer has been authorized by the County’s governing board to make investments. Allowable investments are outlined in statutes 62 O.S. § 348.1 and § 348.3.

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured. All investments as classified by state statute are nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are not subject to interest rate risk or credit risk.

At June 30, 2021, the County’s investments were under-collateralized in the amount of \$9,933.

**MARSHALL COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

2. Ad Valorem Tax

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."

Taxes are due on November 1 following the levy date, although they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. The County Treasurer, according to the law, shall give notice of delinquent taxes and special assessments by publication once a week for two consecutive weeks at any time after April 1, but prior to the end of September following the year the taxes were first due and payable. Unpaid real property taxes become a lien upon said property after the treasurer has perfected the lien by public notice.

Unpaid delinquent personal property taxes are usually published in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

3. Other Information

A. Pension Plan

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates.

B. Other Post Employment Benefits (OPEB)

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group

**MARSHALL COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

C. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the County expects such amounts, if any, to be immaterial.

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

D. Sales Tax

Sales Tax on Lodging August 27, 2002

The voters of Marshall County approved a five percent (5%) lodging tax to be collected for an unlimited duration. The proceeds from such tax shall be used for the promotion of tourism in Marshall County (20%) and the maintenance and operation of Marshall County (80%). These funds are accounted for in the Lodging Tax – ST fund.

Sales Tax of November 2, 2004

The voters of Marshall County approved a continuation of a ½ percent (.50%) sales tax on November 2, 2004 to be collected for an unlimited duration. This sales tax was established to provide revenue for the County Sheriff for the general operational expenses of the Marshall County Jail. These funds are accounted for in the Sheriff Sales Tax fund.

Sales Tax of December 12, 2006

The voters of Marshall County approved a one percent (1%) percent sales tax on December 12, 2006, commencing April 1, 2009 for ten (10) years, expiring on March 30, 2019. The voters of Marshall County approved a continuation of the one percent (1%) sales tax on January 8, 2019, commencing April 1, 2019 for ten (10) years, expiring March 30, 2029. This sales tax was established to provide revenue for the County Hospital for capital expenditures and indigent care. These funds are accounted for in the Hospital – ST fund.

**MARSHALL COUNTY, OKLAHOMA
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Sales Tax of June 24, 2014

The voters of Marshall County approved a permanent one quarter percent (.25%) sales tax on June 24, 2014. This sales tax was established to provide revenue for the Marshall County Fire Departments and the Marshall County Fire and Safety Association. These funds are accounted for in the Rural Fire - ST fund.

Sales Tax of October 13, 2015

The voters of Marshall County approved a one quarter percent (.25%) sales tax on October 13, 2015, to be used for the design, construction, financing, furnishing, and equipping, capital facilities and improvements, equipment, fixtures, site preparation, street improvements and continuing maintenance and operations expenses for a detention facility located in Marshall County, Oklahoma. One quarter percent (.25%) of the one quarter cent (.25%) will terminate at 20 years from the effective date of the tax (January 1, 2016) or at the date of retirement of all debt related thereto, whichever occurs earlier; three-sixteenths (3/16) of one cent to remain for an unlimited duration for operations and maintenance of the detention facility. These funds are accounted for in the 1/4 Cent Jail - Building fund.

E. Interfund Transfers

During the fiscal year, the County made the following transfers between cash funds:

- \$36,487 was transferred from the Excess Resale fund (a trust and agency fund) to the Resale Property fund in accordance with 68 O.S. § 3131C.

SUPPLEMENTARY INFORMATION

MARSHALL COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | General Fund | | |
|-------------------------------------|--------------|--------------|------------|
| | Budget | Actual | Variance |
| District Attorney - State | \$ 17,000 | \$ 16,271 | \$ 729 |
| County Sheriff | 399,063 | 395,331 | 3,732 |
| County Treasurer | 112,395 | 110,489 | 1,906 |
| County Commissioners | 646,025 | 631,879 | 14,146 |
| OSU Extension | 56,500 | 53,032 | 3,468 |
| County Clerk | 159,201 | 157,024 | 2,177 |
| Court Clerk | 124,895 | 118,134 | 6,761 |
| County Assessor | 117,645 | 117,204 | 441 |
| Revaluation of Real Property | 177,552 | 162,918 | 14,634 |
| General Government | 1,431,239 | 992,439 | 438,800 |
| Excise - Equalization Board | 6,500 | 1,459 | 5,041 |
| County Election Expense | 80,501 | 63,786 | 16,715 |
| Emergency Management | 54,446 | 52,452 | 1,994 |
| County Audit Budget Account | 15,799 | - | 15,799 |
| Free Fair Budget Account | 6,825 | 6,144 | 681 |
| Economic Developemnt | 60,626 | 7,217 | 53,409 |
| Total Expenditures, Budgetary Basis | \$ 3,466,212 | \$ 2,885,779 | \$ 580,433 |

MARSHALL COUNTY, OKLAHOMA
COMPARATIVE SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL—
BUDGETARY BASIS—HEALTH FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | Health Fund | | |
|-------------------------------------|-------------|------------|------------|
| | Budget | Actual | Variance |
| Health and Welfare | \$ 908,482 | \$ 310,825 | \$ 597,657 |
| Total Expenditures, Budgetary Basis | \$ 908,482 | \$ 310,825 | \$ 597,657 |

**MARSHALL COUNTY, OKLAHOMA
NOTE TO SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. Budgetary Schedules

The Comparative Schedules of Expenditures—Budget and Actual—Budgetary Basis for the General Fund and the Health Fund present comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Statement of Receipts, Disbursements, and Changes in Cash Balances because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in these funds. At the end of the year unencumbered appropriations lapse.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**MARSHALL COUNTY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| Federal Grantor/Pass-Through Grantor/Program Title | Assistance Listing Number | Pass-Through Grantor's Number | Federal Expenditures |
|---|---------------------------------|-------------------------------------|-------------------------|
| U.S. DEPARTMENT OF DEFENSE | | | |
| Direct Grant: | | | |
| Payments to States in Lieu of Real Estate Taxes | 12.112 | NA | 115,376 |
| Total U.S. Department of Defense | | | <u>115,376</u> |
| U.S. DEPARTMENT OF INTERIOR | | | |
| Direct Grant: | | | |
| Payment in Lieu of Taxes | 15.226 | NA | \$ 169,489 |
| Total U.S. Department of Interior | | | <u>169,489</u> |
| U.S. DEPARTMENT OF TRANSPORTATION | | | |
| Passed Through the Oklahoma Department of Emergency Management: | | | |
| E-911 Grant Program | 20.615 | 911-2019-E911-OK | 141,865 |
| Total U.S. Department of Transportation | | | <u>141,865</u> |
| U.S. DEPARTMENT OF TREASURY | | | |
| Passed Through the Oklahoma Office of Management and Enterprise Services: | | | |
| COVID - 19 Coronavirus Relief Fund | 21.019 | SA-1991 | 777,354 |
| Passed Through the Oklahoma Department of Emergency Management: | | | |
| COVID - 19 Coronavirus Relief Fund | 21.019 | 45-30-DR-OK | 13,888 |
| Total U.S. Department of Treasury | | | <u>791,242</u> |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | |
| Passed Through the Oklahoma Department of Emergency Management: | | | |
| Emergency Management Performance Grants | 97.042 | EMPG 20-21 | 11,690 |
| Total U.S. Department of Homeland Security | | | <u>11,690</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 1,229,662</u> |

MARSHALL COUNTY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Marshall County and is presented on the *cash basis of accounting*. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Indirect Cost Rate

Marshall County has elected to not use the 10 percent de minimis cost rate allowed for by 2 CFR§ 200.414(f).

Eligible Expenditures Incurred in the Prior Fiscal Year

On March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. Marshall County received \$791,242 in federal relief funds. The County incurred \$440,090 in eligible expenditures in the prior year ending June 30, 2020. These eligible expenditures were from March 16, 2020 through June 30, 2020, and were accounted for in the County's June 30, 2020 financial statements. Therefore, expenditures on the schedule of expenditures of federal awards for Assistance Listing 21.019 – Coronavirus Relief Fund will include \$440,090 in eligible expenditures incurred in the fiscal year ending June 30, 2020, and all eligible expenditures that were incurred in the fiscal year ending June 30, 2021, totaling \$791,242.

INTERNAL CONTROL AND COMPLIANCE SECTION



**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

TO THE OFFICERS OF
MARSHALL COUNTY, OKLAHOMA

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 total—all county funds of the accompanying Statement of Receipts, Disbursements, and Changes in Cash Balances of Marshall County, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise Marshall County's basic financial statement, prepared using accounting practices prescribed or permitted by Oklahoma state law, and have issued our report thereon dated July 18, 2022.

Our report included an adverse opinion on the financial statement because the statement is prepared using accounting practices prescribed or permitted by Oklahoma state law, which is a basis of accounting other than accounting principles generally accepted in the United States of America. However, our report also included our opinion that the financial statement does present fairly, in all material respects, the receipts, disbursements, and changes in cash balances – regulatory basis of the County as of and for the year ended June 30, 2021, on the basis of accounting prescribed by Oklahoma state law, described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Marshall County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Marshall County's internal control. Accordingly, we do not express an opinion on the effectiveness of Marshall County'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 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 did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses: 2021-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marshall County'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-002.

Marshall County's Response to Findings

Marshall County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Marshall County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

The 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

July 18, 2022



**Independent Auditor's Report on Compliance for Each Major Federal Program
and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

TO THE OFFICERS OF
MARSHALL COUNTY, OKLAHOMA

Report on Compliance for Each Major Federal Program

We have audited the compliance of Marshall County, Oklahoma, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Marshall County's major federal program for the year ended June 30, 2021. Marshall County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Marshall County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Marshall County's compliance.

Opinion on Each Major Federal Program

In our opinion, Marshall County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Marshall County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Marshall County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marshall County'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, 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-010 and 2021-011, that we consider to be material weaknesses.

Marshall County's Response to Findings

Marshall County's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Marshall County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

July 18, 2022

**MARSHALL COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SECTION 1—Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued:.....Adverse as to GAAP; unmodified as to regulatory presentation

Internal control over financial reporting:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? None reported

Noncompliance material to the financial statement noted? Yes

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?..... Yes
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on
compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR § 200.516(a) of the Uniform Guidance? Yes

Identification of Major Programs

Assistance Listing Number
20.019

Name of Federal Program or Cluster
Coronavirus Relief Fund

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?..... No

**MARSHALL COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SECTION 2—Findings related to the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Finding 2021-002 – Lack of Internal Controls and Noncompliance Over Sales Tax Disbursements (Repeat Finding 2020-002)

Condition: Based on inquiry of County Officials and the observation of the sales tax disbursement process, the following exceptions were noted:

- County sales tax collections totaling \$1,935,66 were remitted directly to the Marshall County Medical Center Board of Control. The funds were not deposited in the general revenue or sales tax revolving fund of the County to be used only for the purpose for which such sales tax was designated as required by statute.
- The balance of sales tax held in an outside bank account with the Marshall County Medical Center Board of Control on June 30, 2021, was \$3,902,290. These funds were not included in the County's financial statement ending balance.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure compliance with 68 O.S. 1370E and AG Opinion.

Effect of Condition: This condition resulted in noncompliance with state statute and AG Opinion, and could result in unrecorded transactions, misstated financials reports, undetected errors, and misappropriation of funds.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends the disbursements of County sales tax be expended in such a manner to provide assurance that expenditures are made in accordance with the purposes specified by the ballot as outlined by 68 O.S. § 1370E and AG Opinion 2014. Additionally, we recommend that the Board of County Commissioners seek legal counsel as to determine if the balance on hand with the Board of Control should be deposited and maintained on the County books and County financial statement.

Management Response:

Chairman of the Board of County Commissioners: We will inquire of legal counsel on the appropriate action to take on sales tax funds pertaining to the Marshall County Medical Center Board of Control.

Criteria: The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

**MARSHALL COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GAO Standards – Section 2 – Objectives of an Entity - OV2.23 states in part:

Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Further, GAO Standards – Principle 6 – Define Objectives and Risk Tolerances - 6.05 states:

Definitions of Objectives

Management considers external requirements and internal expectations when defining objectives to enable the design of internal control. Legislators, regulators, and standard setting bodies set external requirements by establishing the laws, regulations, and standards with which the entity is required to comply. Management identifies, understands, and incorporates these requirements into the entity's objectives. Management sets internal expectations and requirements through the established standards of conduct, oversight structure, organizational structure, and expectations of competence as part of the control environment.

Title 68 O.S. § 1370E requires the sales tax collections be deposited in the general revenue or sales tax revolving fund of the County and be used only for the purpose for which such sales tax was designated.

Further, AG opinion 2014 OK AG 15 dated 10/31/2014 states:

4. C. As the fiscal agent responsible for superintending the funds of Canadian County, the board of county commissioners is responsible to ensure that the sales tax proceeds are not intermingled and are used exclusively for the purpose expressed in the ballot measure and resolution. The board can direct that the funds be deposited in a dedicated revolving fund and not intermingled with other revenues. Okla. Const. art. X, § 19; 68 O.S. § 2011, § 1370; 19 O.S. Supp. 2013, § 339; 19 O.S. § 2011, § 345; Cavin v. Bd. of County Comm'rs, 1934 OK 245 ~ 11, 33 P.2d 477, 479.

SECTION 3—Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Finding 2021-010 – Lack of County-Wide Internal Controls Over Major Federal Program – Coronavirus Relief Fund

PASS-THROUGH GRANTOR: Oklahoma Office of Management and Enterprise Services; and Oklahoma Department of Emergency Management and Homeland Security

FEDERAL AGENCY: U.S. Department of Treasury

**MARSHALL COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

ASSISTANCE LISTING: 21.019

FEDERAL PROGRAM NAME: Coronavirus Relief Fund

FEDERAL AWARD YEAR: 2020

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance

QUESTIONED COSTS: \$-0-

Condition: Through the process of gaining an understanding of the County's internal control structure for federal programs, it was noted that county-wide internal controls regarding Control Environment, Risk Assessment, Information and Communication, and Monitoring have not been designed.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure the County is in compliance with grant requirements.

Effect of Condition: This condition could result in noncompliance with grant requirements.

Recommendation: OSAI recommends the County implement a system of internal controls to ensure compliance with grant requirements.

Management Response:

Chairman of the Board of County Commissioners: We will work to implement a Risk Assessment plan. We will implement controls to help make sure we are in compliance with all grant requirements and federal funds are expended in accordance with grant agreements and in a timely manner. We will ensure employees have the current and correct compliance supplement to work from.

Criteria: The GAO Standards – Section 1 – Fundamental Concepts of Internal Control – OV1.01 states in part:

Definition of Internal Control

Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved.

Additionally, GAO Standards – Section 2 – Establishing an Effective Internal Control System – OV2.04 states in part:

Components, Principles, and Attributes

Control Environment - The foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives.

Risk Assessment - Assesses the risks facing the entity as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

**MARSHALL COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Information and Communication - The quality information management and personnel communicate and use to support the internal control system.

Monitoring - Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

Finding 2021-011 – Lack of Internal Controls Over Major Federal Program – Coronavirus Relief Fund

PASS-THROUGH GRANTOR: Oklahoma Office of Management and Enterprise Services; and Oklahoma Emergency Management and Homeland Security

FEDERAL AGENCY: U.S. Department of Treasury

ASSISTANCE LISTING: 21.019

FEDERAL PROGRAM NAME: Coronavirus Relief Fund

FEDERAL AWARD YEAR: 2020

CONTROL CATEGORY: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance

QUESTIONED COSTS: \$-0-

Condition: During the process of documenting the County’s internal controls regarding federal disbursements, we noted that policies and procedures have not been established to ensure compliance with the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; and Period of Performance of Federal Funds.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure federal expenditures are made in accordance with federal compliance requirements.

Effect of Condition: This condition could result in noncompliance to grant requirements and loss of federal funds to the County.

Recommendation: OSAI recommends that the County implement a system of internal controls to ensure compliance with grant requirements.

Management Response:

Chairman of the Board of County Commissioners: The Board of County Commissioners will implement procedures to ensure federal funds are expended in accordance with grant requirements.

Criteria: *OMB 2 CFR 200, Subpart D. §_ .303(a)* reads as follows:

Subpart D-Post Federal Award Requirements

§200.303 Internal Controls

The non-Federal entity must:

Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in

**MARSHALL COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Further, accountability and stewardship should be overall goals in management's accounting of federal funds. Internal controls should be designed to monitor compliance with laws and regulations pertaining to grant contracts.

SECTION 4—This section contains certain matters not required to be reported in accordance with *Government Auditing Standards*. However, we believe these matters are significant enough to bring to management’s attention. We recommend that management consider these matters and take appropriate corrective action.

No matters were noted.

APPENDIX A

CORRECTIVE ACTION PLAN

(Prepared by County Management)



Marshall County
Board of Commissioners
100 Plaza, Rm 106
Madill, OK 73446
Phone 580-795-3165

Don "Salty" Melton – District 1
580-795-2793

Josh Cantrell – District 2
580-795-5222

Chris Duroy - District 3
580-564-2119

Corrective Action Plan
in accordance with 2 CFR § 200.511c
for the fiscal year ended June 30, 2021

| Finding No. | Title (Financial) or Assistance Listings No. & Program Name (Federal) | Planned Corrective Action | Anticipated Completion Date | Responsible Contact Person |
|--------------------|---|--|------------------------------------|-----------------------------------|
| 2021-002 | Lack of Internal Controls and Noncompliance Over Sales Tax Disbursements | We will inquire of legal counsel on the appropriate action to take on sales tax funds pertaining to the Marshall County Medical Center Board of Control. | 10/01/2022 | Josh Cantrell, BOCC Chairman |
| 2021-010 | Assistance Listing Number 20.019 Lack of County-Wide Controls Over Major Federal Program – Coronavirus Relief Fund | We will work to implement a Risk Assessment plan. We will implement controls to help make sure we are in compliance with all grant requirements and federal funds are expended in accordance with grant agreements and in a timely manner. We will ensure employees have the current and correct compliance supplement to work from. | 7/1/2022 | Josh Cantrell, BOCC Chairman |
| 2021-011 | Assistance Listing Number 20.019 Lack of Internal Controls Over Major Federal Program - Coronavirus Relief Fund | The Board of County Commissioners will work with all County Officials to go over all grants and federal monies that the County receives to ensure that proper internal controls are implemented. | 7/1/2022 | Josh Cantrell, BOCC Chairman |

APPENDIX B

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

(Prepared by County Management)



Marshall County
Board of Commissioners
100 Plaza, Rm 106
Madill, OK 73446
Phone 580-795-3165

Don "Salty" Melton – District 1
580-795-2793

Josh Cantrell – District 2
580-795-5222

Chris Duroy - District 3
580-564-2119

Summary Schedule of Prior Audit Findings in accordance with 2 CFR § 200.511b for the fiscal year ended June 30, 2021

FINANCIAL AUDIT FINDINGS

Finding 2009-001, 2008-001

Financial Statement

Finding Summary: The County has voluntarily adopted the County Budget Act and established uniform and sound fiscal procedures for the preparation, adoption, execution, and control of the County budget by cooperation of all elected officials. However, the County does not prepare financial statements, or have internal controls to ensure financial statements are prepared in conformity with generally accepted accounting principles as provided by the County Budget Act.

Status: Corrective action has been taken.

FEDERAL AUDIT FINDINGS

Finding 2009-002, 2008-005

Internal Controls Over Major Program - CDBG

Pass-Through Grantor: Oklahoma Department of Commerce

Federal Agency: U.S. Department of Housing and Urban Development

Assistance Listing Number: 14.228

Federal Program Name: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Federal Award Year: 2008

Control Category: Activities Allowed/Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching Level of Effort/Earmarking; Period of Availability; and Procurement and Suspension and Debarment; Reporting; and Special Tests and Provisions

Questioned Costs: \$-0-

Finding Summary: During the process of documenting the County's internal controls regarding federal disbursements, we noted that Marshall County has not established internal controls to ensure compliance with the following compliance requirements: Activities Allowed/Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching Level of Effort/Earmarking; Period of Availability; and Procurement and Suspension and Debarment; Reporting; and Special Tests and Provisions.

Status: Management does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal clearing house, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and management decision has not been issued.

Finding 2009-003, 2008-006

Cash Management - CDBG

Pass-Through Grantor: Oklahoma Department of Commerce

Federal Agency: United States Department of Housing and Urban Development

Assistance Listing Number: 14.228

Federal Program Name: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Federal Award Year: 2009, 2008

Control Category: Cash Management

Questioned Costs: \$0

Finding Summary: All funds received were not expended within fifteen (15) days of receipt.

Status: Management does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal clearing house, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and management decision has not been issued.

Finding 2009-004

Lack of Supporting Documentation - CDBG

Pass-Through Grantor: Oklahoma Department of Commerce

Federal Agency: United States Department of Housing and Urban Development

Assistance Listing Number: 14.228

Federal Program Name: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Federal Award Year: 2009

Control Category: Activities Allowed/Unallowed; Allowable Cost; and Procurement and Suspension and Debarment

Questioned Costs: \$26,239.42

Finding Summary: Reimbursement of expenditures to the Highway Fund from CDBG 12606 was not supported by proper documentation.

Status: Management does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal clearing house, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and management decision has not been issued.

Finding 2008-002

Internal Controls Over Major Program – FEMA

Pass-Through Grantor: Oklahoma Department of Emergency Management

Federal Agency: Open

Assistance Listing Number: 97.036

Federal Program Name: Disaster Grants-Public Assistance (Presidentially Declared Disasters)

Federal Award Year: 2008

Control Category: Activities Allowed; Allowable Cost/Cost Principles; Cash Management; Matching; Level of Effort; Earmarking; and Procurement and Suspension and Debarment.

Questioned Costs: \$0

Finding Summary: During the process of documenting the County's internal controls regarding federal disbursements, we noted that Marshall County has not established internal controls to ensure compliance with the following compliance requirements: Activities Allowed; Allowable Cost/Cost Principles; Cash Management; Matching; Level of Effort; Earmarking; and Procurement and Suspension and Debarment.

Status: Management does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal clearing house, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and management decision has not been issued.

Finding 2008-003

Supporting Documentation for Administrative – FEMA

PASS-THROUGH GRANTOR: Oklahoma Department of Emergency Management

FEDERAL AGENCY: United States Department of Homeland Security

Assistance Listing Number: 97.036

FEDERAL PROGRAM NAME: Disaster Grants-Public Assistance (Presidentially Declared Disasters)

FEDERAL AWARD NUMBER: 1712

FEDERAL AWARD YEAR: 2008

CONTROL CATEGORY: Activities Allowed/Unallowed and Allowable Costs/Cost Principles

Questioned Costs: \$6,489.99

Finding Summary: Marshall County could not provide documentation for the administration of the Public Assistance Program. Documentation such as timesheets and summaries for the administration of the program could not be located by the County.

Status: Management does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal clearing house, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and management decision has not been issued.

Finding 2008-004

Supporting Documentation - FEMA

Pass-Through Grantor: Oklahoma Department of Emergency Management

Federal Agency: United States Department of Homeland Security

Assistance Listing Number: 97.036

Federal Program Name: Disaster Grants-Public Assistance (Presidentially Declared Disasters)

Federal Award Year: 2008

Control Category: 1712

Questioned Costs: \$38,994.31

Finding Summary: The following were noted regarding supporting documentation:

Project worksheet #1052 – District 2

- Supporting documentation for this project worksheet could not be located – project cost \$12,567.20.

Project worksheet #1054 – District 2

- Supporting documentation for this project worksheet could not be located – project cost \$16,878.31.

Project worksheet #1047 – District 3

- Supporting documentation for this project worksheet could not be located – project cost \$9,548.80.

Status: Management does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal clearing house, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and management decision has not been issued.

Finding 2009-005

County-Wide Controls Over Major Program - CDBG

Pass-Through Grantor: Oklahoma Department of Commerce

Federal Agency: United States Department of Housing and Urban Development

Assistance Listing Number: 14.228

Federal Program Name: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Federal Award Year: 2009

Control Category: Activities Allowed/Unallowed; Allowable Costs/Cost Principles; Cash

Management; Matching Level of Effort/Earmarking; Period of Availability; Procurement and Suspension and Debarment; Reporting; and Special Tests and Provisions.

Questioned Costs: \$0

Finding Summary: County-wide controls regarding Risk Management and Monitoring have not been designed.

Status: Management does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal clearing house, the Federal agency or pass-through entity is not currently following up with the County regarding this finding, and management decision has not been issued.

Finding 2008-007

County-Wide Controls Over Major Program - FEMA

Pass-Through Grantor: Oklahoma Department of Emergency Management

Federal Agency: United States Department of Homeland Security

Assistance Listing Number: 97.036

Federal Program Name: Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Federal Award Year: 2008

Control Category: Activities Allowed/Unallowed; Allowable Costs/Cost Principles; Cash

Management; Matching Level of Effort/Earmarking; Period of Availability; Procurement and Suspension and Debarment; Reporting; and Special Tests and Provisions.

Questioned Costs: \$0

Finding Summary: County-wide controls regarding Risk Management and Monitoring have not been designed.

Status: Management does not feel this finding warrants further action because two years have passed since the audit report was submitted to the Federal clearing house, the Federal agency or pass-through entity is to currently following up with the County regarding this finding, and management decision has not been issued.

O·K·L·A·H·O·M·A
S·A·I
STATE AUDITOR & INSPECTOR



Cindy Byrd, CPA | State Auditor & Inspector

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