

DARKE COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**



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Columbus, Ohio 43215
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Board of Commissioners
Darke County
504 South Broadway Street
Greenville, Ohio 45331

We have reviewed the *Independent Auditor's Report* of Darke County, prepared by Julian & Grube, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Darke County is responsible for compliance with these laws and regulations.

The Auditor of State is conducting an investigation of the County, any potential findings related to controls or compliance will be reported in a future report.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

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

November 13, 2025

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DARKE COUNTY, OHIO

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Independent Auditor's Report

Darke County
504 South Broadway Street
Greenville, Ohio 45331

To the Members of the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Darke County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Darke County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Darke County, as of December 31, 2024, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Auto License and Gas Tax Fund, and the BODD Fund for the year then ended in accordance with the modified cash basis of accounting described in Note 2.

Basis for Opinions

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. 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 Darke County 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.

Emphasis of Matter

Ohio Administrative Code § 117-2-03(B) requires Darke County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Darke County'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 statements as a whole are 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 generally accepted auditing standards and *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 statements.

In performing an audit in accordance with generally accepted auditing standards 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 statements, 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 statements.
- 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 Darke County'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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Darke County'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.

Darke County
Independent Auditor's Report

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Darke County's basic financial statements. 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* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2025 on our consideration of Darke 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 Darke 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 Darke County's internal control over financial reporting and compliance.



Julian & Grube, Inc.
July 28, 2025

Darke County, Ohio
Statement of Net Position - Modified Cash Basis
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$57,545,475	\$1,270,304	\$58,815,779
Cash and Cash Equivalents in Segregated Accounts	296,434	0	296,434
Cash and Cash Equivalents with Fiscal Agent	7,482	0	7,482
Investments in Segregated Accounts	10,000	0	10,000
Investments with Fiscal Agent	1,342,897	0	1,342,897
<i>Total Assets</i>	<u><u>\$59,202,288</u></u>	<u><u>\$1,270,304</u></u>	<u><u>\$60,472,592</u></u>
Net Position			
Restricted for:			
Capital Outlay	\$47,018	\$0	\$47,018
Other Purposes	33,321,524	0	33,321,524
Unrestricted	25,833,746	1,270,304	27,104,050
<i>Total Net Position</i>	<u><u>\$59,202,288</u></u>	<u><u>\$1,270,304</u></u>	<u><u>\$60,472,592</u></u>

See accompanying notes to the basic financial statements

Darke County, Ohio
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2024

	Program Receipts			
	Disbursements	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants Contributions and Interest
Governmental Activities:				
General Government:				
Legislative and Executive	\$9,002,118	\$3,785,357	\$77,173	\$670,999
Judicial	5,337,352	1,651,956	1,058,318	0
Public Safety	8,711,746	549,485	845,085	0
Public Works	10,520,979	476,670	8,785,228	200,000
Health	675,486	315,280	15,433	0
Human Services	13,637,514	1,619,657	7,463,110	0
Economic Development	5,133,233	533,685	4,572,456	0
Intergovernmental	288,304	0	0	0
Capital Outlay	1,952,370	0	0	638,259
Debt Service:				
Principal Retirement	32,343	0	0	0
<i>Total Governmental Activities</i>	<i>55,291,445</i>	<i>8,932,090</i>	<i>22,816,803</i>	<i>1,509,258</i>
Business-type activities:				
Sewer	524,324	502,767	0	25,000
Solid Waste	545,387	451,426	13,963	0
<i>Total business-type activities</i>	<i>1,069,711</i>	<i>954,193</i>	<i>13,963</i>	<i>25,000</i>
<i>Total primary government</i>	<i>\$56,361,156</i>	<i>\$9,886,283</i>	<i>\$22,830,766</i>	<i>\$1,534,258</i>

General Receipts:

Property Taxes Levied for:

 General Purposes

 Other Purposes

Permissive Sales Taxes

Permissive Motor Vehicle License Tax

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Investment Earnings

Miscellaneous

Total General Receipts

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Disbursements) Receipts and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(\$4,468,589)	\$0	(\$4,468,589)
(2,627,078)	0	(2,627,078)
(7,317,176)	0	(7,317,176)
(1,059,081)	0	(1,059,081)
(344,773)	0	(344,773)
(4,554,747)	0	(4,554,747)
(27,092)	0	(27,092)
(288,304)	0	(288,304)
(1,314,111)	0	(1,314,111)
	0	
<u>(32,343)</u>	<u>0</u>	<u>(32,343)</u>
<u>(22,033,294)</u>	<u>0</u>	<u>(22,033,294)</u>
0	3,443	3,443
0	(79,998)	(79,998)
<u>0</u>	<u>(76,555)</u>	<u>(76,555)</u>
<u>(22,033,294)</u>	<u>(76,555)</u>	<u>(22,109,849)</u>
4,762,848	0	4,762,848
2,934,663	0	2,934,663
12,114,239	0	12,114,239
854,843	0	854,843
2,252,770	0	2,252,770
1,781,893	0	1,781,893
767,028	15,686	782,714
<u>25,468,284</u>	<u>15,686</u>	<u>25,483,970</u>
3,434,990	(60,869)	3,374,121
<u>55,767,298</u>	<u>1,331,173</u>	<u>57,098,471</u>
<u>\$59,202,288</u>	<u>\$1,270,304</u>	<u>\$60,472,592</u>

Darke County, Ohio
Statement of Modified Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2024

	General	Auto License and Gas Tax	BODD	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$21,088,008	\$7,395,184	\$6,432,499	\$22,629,784	\$57,545,475
Cash and Cash Equivalents in Segregated Accounts	213,738	0	0	82,696	296,434
Cash and Cash Equivalents with Fiscal Agent	0	0	7,482	0	7,482
Investments in Segregated Accounts	0	0	0	10,000	10,000
Investments with Fiscal Agent	0	0	1,342,897	0	1,342,897
<i>Total Assets</i>	<u><u>\$21,301,746</u></u>	<u><u>\$7,395,184</u></u>	<u><u>\$7,782,878</u></u>	<u><u>\$22,722,480</u></u>	<u><u>\$59,202,288</u></u>
Fund Balances					
Restricted	\$0	\$7,395,184	\$7,782,878	\$14,130,295	\$29,308,357
Committed	0	0	0	3,802,855	3,802,855
Assigned	15,456,349	0	0	4,789,330	20,245,679
Unassigned	5,845,397	0	0	0	5,845,397
<i>Total Fund Balances</i>	<u><u>\$21,301,746</u></u>	<u><u>\$7,395,184</u></u>	<u><u>\$7,782,878</u></u>	<u><u>\$22,722,480</u></u>	<u><u>\$59,202,288</u></u>

See accompanying notes to the basic financial statements

Darke County, Ohio
Statement of Cash Receipts, Disbursements and Changes in Modified Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Auto License and Gas Tax	BODD	Other Governmental Funds	Total Governmental Funds
Receipts					
Property and Other Taxes	\$4,762,848	\$854,843	\$2,934,663	\$0	\$8,552,354
Permissive Sales Tax	12,114,239	0	0	0	12,114,239
Intergovernmental	2,878,679	8,051,375	1,831,452	12,528,087	25,289,593
Charges for Services	2,413,387	311,995	0	4,483,786	7,209,168
Licenses and Permits	8,427	0	0	281,675	290,102
Fines, Forfeitures, and Settlements	329,765	0	0	391,191	720,956
Special Assessments	0	0	0	377,752	377,752
Interest	1,781,893	329,539	95,268	14,554	2,221,254
Contributions and Donations	22,213	0	8,727	12,933	43,873
Other	798,439	15,082	4,684	992,851	1,811,056
<i>Total Receipts</i>	<i>25,109,890</i>	<i>9,562,834</i>	<i>4,874,794</i>	<i>19,082,829</i>	<i>58,630,347</i>
Disbursements					
Current:					
General Government:					
Legislative and Executive	7,347,696	0	0	1,654,422	9,002,118
Judicial	3,158,102	0	0	2,179,250	5,337,352
Public Safety	4,227,243	0	0	4,484,503	8,711,746
Public Works	70,186	9,644,279	0	806,514	10,520,979
Health	348,978	0	0	326,508	675,486
Human Services	781,446	0	5,057,775	7,798,293	13,637,514
Economic Development	0	0	0	5,133,233	5,133,233
Intergovernmental	288,304	0	0	0	288,304
Capital Outlay	197,639	0	0	1,754,731	1,952,370
Debt Service:					
Principal Retirement	0	0	0	32,343	32,343
<i>Total Disbursements</i>	<i>16,419,594</i>	<i>9,644,279</i>	<i>5,057,775</i>	<i>24,169,797</i>	<i>55,291,445</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>8,690,296</i>	<i>(81,445)</i>	<i>(182,981)</i>	<i>(5,086,968)</i>	<i>3,338,902</i>
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	14,587	81,100	0	401	96,088
Advances - In	3,339,668	0	0	2,674,509	6,014,177
Advances - Out	(2,674,509)	0	0	(3,339,668)	(6,014,177)
Transfers - In	0	0	0	1,656,986	1,656,986
Transfers - Out	(1,606,986)	0	(50,000)	0	(1,656,986)
<i>Total Other Financing Sources (Uses)</i>	<i>(927,240)</i>	<i>81,100</i>	<i>(50,000)</i>	<i>992,228</i>	<i>96,088</i>
<i>Net Change in Fund Balances</i>	<i>7,763,056</i>	<i>(345)</i>	<i>(232,981)</i>	<i>(4,094,740)</i>	<i>3,434,990</i>
<i>Fund Balances Beginning of Year</i>	<i>13,538,690</i>	<i>7,395,529</i>	<i>8,015,859</i>	<i>26,817,220</i>	<i>55,767,298</i>
<i>Fund Balances End of Year</i>	<i>\$21,301,746</i>	<i>\$7,395,184</i>	<i>\$7,782,878</i>	<i>\$22,722,480</i>	<i>\$59,202,288</i>

See accompanying notes to the basic financial statements

Darke County, Ohio
*Statement of Cash Receipts, Disbursements and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 General Fund*
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Taxes	\$4,460,377	\$4,460,402	\$4,762,848	\$302,446
Permissive Sales Tax	10,125,000	11,471,817	12,040,346	568,529
Intergovernmental	2,385,050	2,389,686	2,808,949	419,263
Charges for Services	1,826,777	1,826,777	1,985,997	159,220
Licenses and Permits	5,900	5,900	7,817	1,917
Fines, Forfeitures and Settlements	562,500	562,500	302,882	(259,618)
Interest	1,053,910	1,053,910	1,741,091	687,181
Other	214,138	336,777	415,762	78,985
<i>Total Receipts</i>	<u>20,633,652</u>	<u>22,107,769</u>	<u>24,065,692</u>	<u>1,957,923</u>
Disbursements				
Current:				
General Government:				
Legislative and Executive	16,204,722	16,302,062	6,768,482	9,533,580
Judicial	3,611,758	3,620,258	3,173,263	446,995
Public Safety	5,046,726	5,110,197	4,355,498	754,699
Public Works	79,524	79,529	70,186	9,343
Health	484,707	484,707	358,308	126,399
Human Services	918,240	918,240	751,315	166,925
Capital Outlay	197,639	197,639	197,639	0
Intergovernmental	293,868	293,868	288,304	5,564
<i>Total Disbursements</i>	<u>26,837,184</u>	<u>27,006,500</u>	<u>15,962,995</u>	<u>11,043,505</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,203,532)</u>	<u>(4,898,731)</u>	<u>8,102,697</u>	<u>13,001,428</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	14,586	14,586
Advances In	5,372,216	5,372,216	3,357,691	(2,014,525)
Advances Out	(4,010,226)	(4,010,226)	(2,674,509)	1,335,717
Transfers In	0	0	42,015	42,015
Transfers Out	(2,994,445)	(2,952,430)	(1,606,986)	1,345,444
<i>Total Other Financing Sources (Uses)</i>	<u>(1,632,455)</u>	<u>(1,590,440)</u>	<u>(867,203)</u>	<u>723,237</u>
<i>Net Change in Fund Balance</i>	<u>(7,835,987)</u>	<u>(6,489,171)</u>	<u>7,235,494</u>	<u>13,724,665</u>
<i>Fund Balance Beginning of Year</i>	<u>11,647,378</u>	<u>11,647,378</u>	<u>11,647,378</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>248,788</u>	<u>248,788</u>	<u>248,788</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,060,179</u>	<u>\$5,406,995</u>	<u>\$19,131,660</u>	<u>\$13,724,665</u>

See accompanying notes to the basic financial statements

Darke County, Ohio
*Statement of Cash Receipts, Disbursements and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Auto License and Gas Tax Fund
 For the Year Ended December 31, 2024*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Taxes	\$430,000	\$766,200	\$766,200	\$0
Intergovernmental	6,200,000	6,370,797	6,234,569	(\$136,228)
Charges for Services	233,000	233,000	309,114	76,114
Interest	130,000	230,491	329,539	99,048
Other	140,000	140,000	15,082	(124,918)
<i>Total Receipts</i>	<i>7,133,000</i>	<i>7,740,488</i>	<i>7,654,504</i>	<i>(85,984)</i>
Disbursements				
Current:				
Public Works	10,210,289	10,197,905	7,410,837	2,787,068
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(3,077,289)</i>	<i>(2,457,417)</i>	<i>243,667</i>	<i>2,701,084</i>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	7,500	7,500	81,100	73,600
Transfers Out	(460,750)	(460,750)	(454,201)	6,549
Advances In	35,000	35,000	47,384	12,384
Advances Out	(35,000)	(47,384)	(47,384)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(453,250)</i>	<i>(465,634)</i>	<i>(373,101)</i>	<i>92,533</i>
<i>Net Change in Fund Balance</i>	<i>(3,530,539)</i>	<i>(2,923,051)</i>	<i>(129,434)</i>	<i>2,793,617</i>
<i>Fund Balance at Beginning of Year</i>	<i>6,860,790</i>	<i>6,860,790</i>	<i>6,860,790</i>	<i>0</i>
Prior Year Encumbrances Appropriated	16,829	16,829	16,829	0
<i>Fund Balance at End of Year</i>	<i>\$3,347,080</i>	<i>\$3,954,568</i>	<i>\$6,748,185</i>	<i>\$2,793,617</i>

See accompanying notes to the basic financial statement:

Darke County, Ohio
*Statement of Cash Receipts, Disbursements and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 BODD Fund*
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Taxes	\$2,955,436	\$2,955,436	\$2,934,663	(\$20,773)
Intergovernmental	1,312,270	1,134,996	1,152,163	17,167
Contributions and Donations	100	100	5,272	5,172
Other	5,850	5,850	4,284	(1,566)
<i>Total Receipts</i>	<u>4,273,656</u>	<u>4,096,382</u>	<u>4,096,382</u>	<u>0</u>
Disbursements				
Current:				
Human Services	4,559,252	4,559,252	4,014,084	545,168
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(285,596)</u>	<u>(462,870)</u>	<u>82,298</u>	<u>545,168</u>
Other Financing Uses:				
Transfers - Out	(50,000)	(50,000)	(50,000)	0
<i>Total Other Financing Uses</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(335,596)</u>	<u>(512,870)</u>	<u>32,298</u>	<u>545,168</u>
<i>Fund Balance at Beginning of Year</i>	<u>5,557,532</u>	<u>5,557,532</u>	<u>5,557,532</u>	<u>0</u>
Prior Year Encumbrances Appropriated	22,252	22,252	22,252	0
<i>Fund Balance at End of Year</i>	<u>\$5,244,188</u>	<u>\$5,066,914</u>	<u>\$5,612,082</u>	<u>\$545,168</u>

See accompanying notes to the basic financial statements

Darke County, Ohio
Statement of Fund Net Position - Modified Cash Basis
Enterprise Funds
December 31, 2024

	<u>Enterprise</u> <u>Funds</u>
Current Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$1,270,304</u></u>
Net Position	
Unrestricted	<u><u>\$1,270,304</u></u>

See accompanying notes to the basic financial statements

Darke County, Ohio
Statement of Receipts, Disbursements and Changes in Fund Net Position
Modified Cash Basis
Enterprise Funds
For the Year Ended December 31, 2024

	<u>Total</u>
Operating Receipts	
Charges for Services	\$954,193
Other	15,686
<i>Total Operating Receipts</i>	<u>969,879</u>
Operating Disbursements	
Personal Services	148,008
Contractual Services	717,130
Materials and Supplies	30,811
Other	95,373
<i>Total Operating Disbursements</i>	<u>991,322</u>
<i>Operating Loss</i>	<u>(21,443)</u>
Non-Operating Receipts (Disbursements)	
State Grants	38,963
Capital Outlay	(78,389)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(39,426)</u>
<i>Change in Net Position</i>	<u>(60,869)</u>
<i>Net Position Beginning of Year</i>	<u>1,331,173</u>
<i>Net Position End of Year</i>	<u>\$1,270,304</u>

See accompanying notes to the basic financial statements

Darke County, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2024

	<u>Enterprise</u>
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities	
Cash Received from Customers and Support	\$954,193
Cash Received from Other Operating Receipts	15,686
Cash Payments for Employee Services and Benefits	(148,008)
Cash Payments to Suppliers	(747,941)
Cash Payments for Other Operating Disbursements	(95,373)
<i>Net Cash Used in Operating Activities</i>	<u>(21,443)</u>
Cash Flows from Capital and Related Financing Activities	
State Grants	38,963
Acquisition of Capital Assets	(78,389)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(39,426)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(60,869)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,331,173</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,270,304</u>

See accompanying notes to the basic financial statements

Darke County, Ohio
Statement of Fiduciary Net Position - Modified Cash Basis
Custodial Funds
December 31, 2024

	<u>Custodial Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,167,522
Cash and Cash Equivalents in Segregated Accounts	311,719
<i>Total Assets</i>	<u><u>\$2,479,241</u></u>
 Net Position	
Restricted for Agencies of the County	\$1,341,110
Restricted for Individuals, Organizations, and Other Governments	1,138,131
<i>Total Net Position</i>	<u><u>\$2,479,241</u></u>

See accompanying notes to the basic financial statements

Darke County, Ohio
Statement of Changes in Fiduciary Net Position - Modified Cash Basis
Custodial Funds
For the Year ended December 31, 2024

	Custodial Funds
Additions	
Property Tax Collections for Other Governments	\$54,936,699
Intergovernmental	7,269,497
Auto Title Fee Collections	10,588,455
Amounts Received as Fiscal Agent	3,510,933
Fines and Forfeitures for Other Governments	1,882,730
Licenses, Permits, and Fees for Other Governments	364,959
Sheriff Sale Collections for Other Governments	1,799,488
Amounts Collected for Others	153
<i>Total Additions</i>	<u>80,352,914</u>
Deductions	
Distributions of Property Taxes to Other Governments	54,584,065
Distributions of State Funds to Other Governments	7,251,025
Distributions to the State of Ohio	10,751,454
Distributions as Fiscal Agent	3,341,876
Distribution of Fines and Forfeitures to Other Governments	2,090,179
Sheriff Sale Distributions to Other Governments	1,741,074
Other Distributions	159,386
<i>Total Deductions</i>	<u>79,919,059</u>
<i>Change in Net Position</i>	<u>433,855</u>
<i>Net Position Beginning of Year</i>	<u>2,045,386</u>
<i>Net Position End of Year</i>	<u>\$2,479,241</u>

See accompanying notes to the basic financial statements

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 1 - DESCRIPTION OF THE COUNTY AND REPORTING ENTITY

Darke County, Ohio (The County) was created in 1809 when it detached from Miami County but was not organized until 1817. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecutor, Sheriff, a Common Pleas Court Judge, a Municipal Court Judge and a joint Probate/Juvenile Court Judge.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the County, including the departments of the elected officials noted above.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Darke County, this includes the Children's Services Board, the Board of Developmental Disabilities, the Child Support Enforcement Agency, the Community Corrections Planning Board, the Darke County Veterans Services, the Emergency Management Agency, and all departments and activities that are directly operated by the elected County Officials. The County owns and operates a sewer service and solid waste collection and disposal system, which are reported as enterprise funds.

Component units are legally separate organizations for which the County is financially accountable and for which a financial benefit or burden relationship exists. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County is financially accountable for an organization if an organization is fiscally dependent on the County and there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on the County regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. Component units may also include organizations that do not otherwise meet the criteria for inclusion if it is determined that their exclusion would be misleading. Darke County does not have any component units.

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of separate agencies, boards, and commissions listed below, the County serves as the fiscal agent but is not financially accountable. Accordingly, the activity of the following districts and agencies are presented as custodial funds within the County's financial statements:

Darke County General Health District
Darke County Soil Conservation District
Darke County Family and Children First Council

The County is associated with certain organizations which are defined as Shared Risk Pools and Jointly Governed Organizations. The organizations are discussed in Notes 15 and 16 to the basic financial statements. These organizations are:

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 1 - DESCRIPTION OF THE COUNTY AND REPORTING ENTITY (continued)

Shared Risk Pools:

County Risk Sharing Authority, Incorporated (CORS)
County Commissioners' Association of Ohio Worker's Compensation Group Rating Program
(CCAOSC)

Jointly Governed Organizations:

Tri-County Board of Recovery and Mental Health Services (Tri-County Mental Health Board)
West Central Ohio Network (West Con)

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Although Ohio Administrative Code Section 117-2-03 (B) requires the County's financial report to follow accounting principles generally accepted in the United States of America, the County chooses to prepare its financial statements and notes in accordance with the modified cash basis of accounting.

This basis of accounting is similar to the cash receipts and disbursements basis. The County recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

The County also reports long-term investments as assets, valued at cost.

Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved). Differences between disbursements reported in the fund statements versus budgetary expenditures are due to encumbrances outstanding at the end of the year, and non-budgeted activity of some of the departments off-book cash accounts. Differences between receipts reported in the fund statements versus budgetary receipts are due to unrecorded cash at the beginning and end of the year and activity of West-Con on behalf of the Darke County Board of Developmental Disabilities (BODD). Perspective differences arise from the activity of some funds being included with the General Fund on the modified cash basis because those funds do not meet the requirements to be presented as a separate fund and from the activity of some funds being combined with the Auto License and Gas Tax Fund and the BODD fund because they are so closely tied to the activity of those funds. These funds are not presented on the budget basis because the budget basis only presents the legally adopted budget for the given fund.

Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adjustments necessary to convert the changes in fund balance on a budgetary basis to the changes in fund balances on the modified cash basis for the General Fund, the Auto License and Gas Tax Fund, and the BODD Fund for the year ended December 31, 2024, are as follows:

	<u>Net Change in Fund Balance</u>		
	General	Auto License and Gas Tax	BODD
Modified Cash Basis	\$7,763,056	(\$345)	(\$232,981)
Unrecorded Cash on Hand	(203,815)	(2,881)	(129,689)
Non-Budgeted Activity	(11,067)	0	403,159
Encumbrances	(224,603)	(37,565)	(19,872)
Difference in Perspective	(88,077)	(88,643)	11,681
Budget Basis	<u><u>\$7,235,494</u></u>	<u><u>(\$129,434)</u></u>	<u><u>\$32,298</u></u>

A. Basis of Presentation - Fund Accounting

The County uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The County classifies each fund as either governmental, proprietary or fiduciary.

Governmental Fund Types - The County classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds. The following are the County's major governmental funds:

General Fund - The General Fund is the chief operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Auto License and Gas Tax Fund – This fund is used to account for the receipts derived from motor vehicle license tax fees and fuel taxes. Disbursements are restricted to road and bridge construction, maintenance and repairs.

BODD Fund – This fund is used to account for funds obtained from various tax levies, grants and other sources to provide services to the developmentally disabled.

The other governmental funds of the County account for grants and other resources whose use is restricted to a particular purpose and debt principal and interest payments.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Funds: Certain County funds operate similar to business enterprises, where user charges (i.e. charges for services) provide significant resources for the activity. The County classifies these as enterprise funds.

The County does not have any major enterprise funds. The County's enterprise funds account for sewer service and solid waste collection and disposal.

Fiduciary Funds: Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the County under a trust agreement, or equivalent arrangement that has certain characteristics, for individuals, private organizations, or other governments and are not available to support the County's own programs. The County has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County's custodial funds account for amounts collected and distributed on behalf of another government or organization.

B. Basis of Presentation

The County's basic financial statements consist of a government-wide statement of net position, statement of activities, and fund financial statements providing more detailed financial information.

Government-wide Statement of Net Position and Statement of Activities: These statements display information about the County as a whole, except for fiduciary funds. The statements report governmental activities separately from business-type activities.

The statement of net position presents the cash balance of the governmental and business-type activities of the County at year end. The government-wide statement of activities compares disbursements with program receipts for each segment of the County's business-type activities and for each program of the County's governmental activities. These disbursements are specifically associated with a service, program or department and are therefore clearly identifiable to a particular program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on the modified cash basis or draws from the County's general receipts.

Fund Financial Statements: During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions directly relating to the funds' principal services, such as charges for services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash, Cash Equivalents and Investments

To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. Cash and cash equivalents that are held separately within departments of the County and not held with the County Treasurer are presented as "Cash and Cash Equivalents in Segregated Accounts" on the financial statements. Investments with an initial maturity of more than three months that are held separately within departments of the County and not held with the County Treasurer are presented as "Investments in Segregated Accounts" on the financial statements. Cash and cash equivalents that are held at WestCon on behalf of the Darke County Board of Developmental Disabilities are presented as "Cash and Cash Equivalents with Fiscal Agent" on the financial statements, and investments that are held at WestCon on behalf of the Board of Developmental Disabilities are presented as "Investments with Fiscal Agent."

The County values investments and cash equivalents at cost. During 2024, the County invested in non-negotiable certificates of deposit and STAR Ohio. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The County measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Following Ohio statutes, the Board of Commissioners has specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during 2024 totaled \$1,781,893 including \$1,239,913 assigned from other County funds.

For presentation on the financial statements and in the notes to the basic financial statements, investments with an original maturity of three months or less when purchased and investments purchased from the pool are deemed cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

D. Inventory

On the modified cash basis of accounting, inventories of supplies are reported as disbursements when purchased.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Prepaid Items

On the modified cash basis of accounting, payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as disbursements when made.

F. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

G. Interfund Receivables / Payables

The County reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements. In the government-wide financial statements, advances within governmental activities or within business-type activities are eliminated.

H. Accumulated Leave

For 2024, GASB Statement No. 101, *Compensated Absences*, was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The County does not offer noncash settlements.

County employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave.

This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the County's modified cash basis of accounting.

I. Long-term Obligations

The County's modified cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and financed purchase payments are reported when paid.

J. Leases and SBITA's

The County is the lessee in various leases related to equipment under noncancelable leases. Lease receivables/payables are not reflected under the County's modified cash basis of accounting. Lease receipts/disbursements are recognized when they are received/paid.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to public safety, dog and kennel, mapping, and various other software. Subscription assets/liabilities are not reflected under the County's modified cash basis of accounting. Subscription disbursements are recognized when they are paid.

K. Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. Subsequently, settlements have been reached with other distributors. For 2024, distributions of \$219,733 are reflected as fines, forfeitures and settlements revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

L. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

M. Employer Contributions to Cost-Sharing Pension Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postemployment benefits.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as 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.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by resolution or by State Statute. State Statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

The County 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.

O. Net Position

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for road, bridge, and ditch repair, operations of the Board of Developmental Disabilities, family and job assistance, real estate assessment, sheriff and emergency management operations, and court projects and operations.

The County first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted resources are available.

P. Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts. Interfund transfers between governmental funds and business-type funds are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/cash disbursements in proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Budgetary Data

Ohio law requires all funds, other than custodial funds, to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which use the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Commissioners may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The Board of Commissioners uses the object level within each fund and department as its legal level of control.

The certificate of estimated resources may be amended during the year if the County Auditor projects increases or decreases in receipts. The amounts reported as the original budget in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budget in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The Board may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation for that fund covering the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation the Board passed during the year.

R. Operating Receipts and Disbursements

Proprietary funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts are those receipts that are generated directly from the primary activity of the proprietary funds. For the county, these receipts are sewer and solid waste collection fees. Operating disbursements are necessary costs incurred to provide the good or service that is the primary activity of the fund. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

NOTE 3 – COMPLIANCE

Ohio Administrative Code, Section 117-2-03(B), requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, the County prepared its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, deferred inflows/outflows, net position / fund balances, and disclosures that, while material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLES

For 2024, GASB Statement No. 100, *Accounting Changes and Error Corrections* was effective. This GASB pronouncement had no effect on beginning net position/fund balance as the County had no accounting changes or error corrections related to 2024. See the *Accumulated Leave* section of Note 2 for discussion of the implementation of GASB Statement No. 101, *Compensated Absences*.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 5 – DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demand upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;

DARKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
 - b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At December 31, 2024, the County had \$2,373,038 in undeposited cash on hand with the Treasurer and in various departments.

Deposits

At December 31, 2024, the book balance of the County's deposits was \$51,728,416 and the bank balance was \$54,463,155.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Investments

At December 31, 2024, the County had \$7,500,000 invested in STAR Ohio.

A reconciliation between the classifications of cash and cash equivalents and investments on the basic financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 and No. 40 is as follows:

	Primary Government	
	Cash and Cash Equivalents/Deposits	Investments
Cash and Investments per Financial Statements	\$61,598,936	\$1,352,897
Cash on Hand	(2,373,038)	0
Cash and Investments with Fiscal Agents	(7,482)	(1,342,897)
STAR Ohio	(7,500,000)	7,500,000
Non-Negotiable Certificates of Deposit	10,000	(10,000)
Cash and Investments per Note	<u><u>\$51,728,416</u></u>	<u><u>\$7,500,000</u></u>

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2024 for real and public utility property taxes represents collections of 2023 taxes.

2024 real property taxes are levied after October 1, 2024, on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and are collected in 2025 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2024, was \$6.30 per \$1,000 of assessed value. The assessed value upon which 2024 property tax receipts were based are as follows:

Category	Assessed Value	Percent
Real Property	\$1,716,212,010	94.48
Public Utility Property	100,334,300	5.52
<u>Total Assessed Value</u>	<u><u>\$1,816,546,310</u></u>	<u>100.00%</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the County. The County Auditor periodically remits to the County its portion of the taxes collected.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 7 - TAX ABATEMENTS OF OTHER GOVERNMENTS

For the year ended December 31, 2024, County property tax revenues were reduced by \$5,730 under tax abatement agreements entered into by the Village of Arcanum, by \$66,988 under tax abatement agreements entered into by the Village of Versailles, and by \$4,292 under tax abatement agreements entered into by the City of Greenville.

NOTE 8 - PERMISSIVE SALES AND USE TAX

The County Commissioners, by resolution, imposed a 1.5 percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The Ohio Department of Taxation then has five days in which to draw the warrant payable to the County. Sales and use tax receipts in 2024 amounted to \$12,114,239 in the General Fund, minus fees withheld by the State of Ohio of \$120,035.

NOTE 9 – INTERFUND BALANCES AND TRANSFERS

Interfund Balances

Interfund balances at December 31, 2024, consisted of the following individual fund receivables and payables:

Fund	Receivable	Payable
Major Fund:		
General Fund	\$3,508,568	\$0
Other Governmental Funds:		
Local Jail Improvement Fund	0	10,558
Broadband Internet Fund	0	200,000
CDBG and CHIP Grant Funds	0	886,523
FAA Grant Funds	0	292,587
Emergency Performance Grant Funds	0	161,791
Wagner Ave Government Facility Fund	0	1,957,109
Total Other Governmental Funds	<hr/> 0	<hr/> 3,508,568
Total Governmental Funds	<hr/> \$3,508,568	<hr/> \$3,508,568

Interfund balances at December 31, 2024, consisted of \$3,508,568 advanced to other governmental funds to provide working capital until grant money was received. The interfund receivables/payables are expected to be repaid within one year, with the exception of the Wagner Avenue Government Facility Fund, which will be repaid once funds are available. The interfund receivable/payable related to the Wagner Avenue Government Facility Fund not expected to be repaid within one year consisted of \$1,477,109.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 9 – INTERFUND BALANCES AND TRANSFERS (continued)

Transfers

Transfers in and out during the year ended December 31, 2024, were as follows:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$0	\$1,606,986
BODD Fund	0	50,000
Other Governmental Funds	<u>1,656,986</u>	0
Total Governmental Funds	<u>\$1,656,986</u>	<u>\$1,656,986</u>

Transfers are used to move receipts from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations, grant match requirements, or debt services; and to return money to the fund from which it was originally provided once a project is complete. All transfers made in 2024 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

For the BODD Fund, Transfers Out were used to provide resources to the BODD Capital Improvement Fund (Other Governmental Funds).

NOTE 10 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset) /Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability and the net OPEB liability represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

The net pension/net OPEB liability (asset) are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the modified cash basis framework.

The remainder of this note includes the pension disclosures. See Note 11 for the OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees, other than certified teachers and other faculty members, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local		Public Safety	Law Enforcement
	Traditional	Combined		
2024 Statutory Maximum Contribution Rates				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
2024 Actual Contribution Rates				
Employer:				
Pension ****	14.0 %	12.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	2.0	0.0	0.0
Total Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee	10.0 %	10.0 %	12.0 %	13.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

The County's contractually required contribution was \$2,744,973 for calendar year 2024.

Net Pension Liability (Asset)

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the County's proportionate share:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.10653200%	0.09456300%	
Prior Measurement Date	<u>0.10654300%</u>	<u>0.09044600%</u>	
Change in Proportionate Share	<u>-0.00001100%</u>	<u>0.00411700%</u>	
Proportionate Share of the:			
Net Pension Liability	\$27,890,514	\$0	\$27,890,514
Net Pension Asset	0	(222,875)	(222,875)

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

County's proportionate share of the net pension liability (asset)	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
OPERS Traditional Plan	\$43,907,164	\$27,890,514	\$14,569,316
OPERS Combined Plan	(134,864)	(222,875)	(292,206)

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 11 - POSTEMPLOYMENT BENEFITS

Net OPEB Liability (Asset)

See Note 10 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The County's contractually required contribution was \$0 for 2024.

Net OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability (asset) was based on the County's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share:

Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

OPERS	
Proportion of the Net OPEB Liability (Asset):	
Current Measurement Date	0.103633%
Prior Measurement Date	<u>0.104144%</u>
Change in Proportionate Share	<u>-0.0005110%</u>
Proportionate Share of the Net OPEB Liability (Asset)	(\$935,313)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00%</u>	

Discount Rate A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. (Fidelity Index's "20-Year Municipal GO AA Index") The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070.

Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the County's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70 percent, as well as what the County's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
County's proportionate share of the net OPEB asset (liability)	\$514,020	(\$935,313)	(\$2,135,876)

Sensitivity of the County's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability (asset)	(\$974,150)	(\$935,313)	(\$891,244)

NOTE 12 – OTHER EMPLOYEE BENEFITS

Deferred Compensation Plans

County employees and elected officials may elect to participate in the Ohio Public Employees Deferred Compensation Plan or the Ohio County Commissioners Association Deferred Compensation Plan. Both plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency. Both plans give their participants the option to contribute to a Roth 457 account, which allows loans to be placed against it.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 12 – OTHER EMPLOYEE BENEFITS (continued)

Compensated Absences

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. Overtime hours can be accrued as compensatory time at one and one half times the amount of hours worked. All accumulated, unused vacation and compensatory time is paid upon separation if the employee has at least one year of service with the County.

NOTE 13 – LONG-TERM DEBT

Governmental Activities

Details of the changes in the governmental activities long-term debt for the year ended December 31, 2024 are indicated below:

	Balance at 12/31/23	Increases	Decreases	Balance at 12/31/24	Due Within One Year
2015 Sewer OWDA Loan – 0.00%	\$404,292	\$0	\$32,343	\$371,949	\$32,343
Total Long-Term Obligations	<u>\$404,292</u>	<u>\$0</u>	<u>\$32,343</u>	<u>\$371,949</u>	<u>\$32,343</u>

The principal payments on the sewer loan were made from the bond retirement fund (non-major governmental fund) in the year ended December 31, 2024.

Direct Borrowing Loan:

In October 2015, the County signed a loan agreement with the Ohio Water Development Authority (OWDA) for a \$646,865 loan for the purpose of eliminating the existing waste water treatment plants at the County Jail and County Home and pumping the waste to the City of Greenville for treatment. The loan is a zero percent interest, twenty-year loan that reaches final maturity on July 1, 2036.

According to the terms of the OWDA loan, a failure of the County to make any required repayment or failure of the County to perform any other obligation or provision of the agreement that continues for more than thirty days past written receipt of written notice by the OWDA constitutes a default on the loan. In the event of a default, the OWDA may terminate, suspend, or require immediate repayment of financial assistance. In addition, the State may (1) declare the full amount of the unpaid principal to be immediately due and payable, and/or (2) require the borrower to effect the subordination of the payment of any fines or penalties imposed for the violation of any federal, state, or local violation of any environmental law or regulation to the payment of the principal and interest outstanding.

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors should not exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt should not exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The effects of the debt limitations at December 31, 2024, are an overall debt margin of \$43,913,658 and an unvoted debt margin of \$18,165,463.

The following is a summary of the County's future annual principal and interest requirements for governmental long-term obligations:

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 13 – LONG-TERM DEBT (continued)

Year	2015 County Home and Jail Sewer System OWDA loan	
	Principal	Interest
2025	\$32,343	\$0
2026	32,343	0
2027	32,343	0
2028	32,343	0
2029	32,343	0
2030-2034	161,715	0
2035-2036	16,176	0
Totals	\$371,949	\$0

Conduit Debt

To economically provide hospital services to the residents of Darke County, the County has issued bonds that provide capital financing to a nonprofit entity for the construction and improvement of hospital facilities. The County acquired a leasehold interest in the existing properties and subleased the facilities back to the nonprofit, and the bonds are payable solely from the nonprofit's lease payments. A trust has been set up to handle the payments. In addition, no commitments beyond the leasehold interest and maintenance of the tax-exempt status of the conduit debt obligation were extended by the County for any of those bonds. At December 31, 2024, the bonds have an aggregate outstanding principal amount payable of \$43,959,759.

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Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 14 – FUND BALANCE

Fund balance of the governmental funds is classified as restricted, committed, assigned, and/or unassigned based on the constraints imposed on the use of the resources.

The constraints placed on fund balance for the major governmental funds and all other governmental funds at December 31, 2024 were as follows:

Fund Balance	General	Auto License and Gas Tax	BODD
Restricted for:			
Roads and Bridges		\$7,395,184	
Ditch Maintenance and Construction			
Job and Family Services			
Developmental Disabilities			\$7,782,878
Delinquent Real Estate Collection			
Real Estate Assessment			
Children's Services			
Child Support Enforcement			
Court Operations and Projects			
Felony Delinquent Care and Custody			
Broadband Internet			
Sheriff			
EMA Operations			
Dog and Kennel			
TB Control			
Election Security Grant			
Opioid Settlement			
Community Development			
Total Restricted	0	7,395,184	7,782,878
Committed for:			
Capital Outlay			
Assigned for:			
Unpaid Obligations	229,941		
Subsequent Year Appropriations	15,071,481		
Employee Wellness	154,927		
Juvenile Center Operations			
Economic Development			
Government Complex Maintenance			
Capital Improvements			
BODD Capital Improvements			
Total Assigned	15,456,349	0	0
Unassigned	5,845,397	0	0
Total Fund Balance	\$21,301,746	\$7,395,184	\$7,782,878

Darke County, Ohio
 Notes to the Basic Financial Statements
 For the Year Ended December 31, 2024

NOTE 14 – FUND BALANCE (continued)

Fund Balance	Other Governmental Funds	Total
Restricted for:		
Roads and Bridges	\$400,615	\$7,795,799
Ditch Maintenance and Construction	980,648	980,648
Job and Family Services	1,030,633	1,030,633
Developmental Disabilities		7,782,880
Delinquent Real Estate Collection	415,768	415,768
Real Estate Assessment	2,573,168	2,573,168
Children's Services	2,531,779	2,531,779
Child Support Enforcement	404,755	404,755
Court Operations and Projects	2,549,685	2,549,685
Felony Delinquent Care and Custody	84,398	84,398
Broadband Internet	955,671	955,671
Sheriff	797,523	797,523
EMA Operations	140,350	140,350
Dog and Kennel	187,980	187,980
TB Control	20,394	20,394
Election Security Grant	144,000	144,000
Opioid Settlement	349,499	349,499
Community Development	563,429	563,429
Total Restricted	14,130,295	29,308,357
Committed for:		
Capital Outlay	3,802,855	3,802,855
Assigned for:		
Unpaid Obligations		229,941
Subsequent Year Appropriations		15,071,481
Employee Wellness		154,927
Juvenile Center Operations	646,519	646,519
Economic Development	1,049,929	1,049,929
Government Complex Maintenance	749,851	749,851
Capital Improvements	2,067,120	2,067,120
BODD Capital Improvements	275,911	275,911
Total Assigned	4,789,330	20,245,679
Unassigned		
Total Fund Balance	\$22,722,480	\$59,202,288

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 15 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

Shared Risk Pools

A. County Risk Sharing Authority, Incorporated

The County is a member of the County Risk Sharing Authority, Inc. (CORSA), which is a risk sharing pool among forty-one counties in Ohio. CORSA was formed in and as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self –insurance and risk management program. Member counties agree to jointly participate in coverage and losses and pay all contributions necessary for the specified insurance coverage provided by CORSA.

Coverages provided by CORSA are as follows:

General, Auto and Law	\$1,000,000
Public Officials	1,000,000
Bond Excess	250,000
Flood and Earthquake	125,000,000
Boiler and Machinery	100,000,000
Employees Dishonesty	1,000,000
Money and Securities within premises	1,000,000
Money and Securities outside of premises	1,000,000
Money Orders and Counterfeit Currency	1,000,000
Depositors Forgery	1,000,000

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any one time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees.

The continued existence of CORSA is dependent upon the County's continued participation; however the County does not have an equity interest in CORSA. In 2024, the County contributed \$268,023. Complete financial statements can be obtained from the County Risk Sharing Authority, Inc. at 209 E. State Street, Columbus, Ohio 43215.

There has been no reduction in coverage from the prior year and settled claims have not exceeded this coverage in any of the past three years.

B. County Commissioners' Association of Ohio Worker's Compensation Group Rating Program

For 2024, the County participated in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Program provided by the County Commissioners' Association of Ohio Service Corporation (CCAOSC), a workers' compensation insurance purchasing pool. The intent of the CCAOSC is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 15 - RISK MANAGEMENT (continued)

The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the CCAOSC. Each participant pays its workers' compensation premium to the State based on the rate for the CCAOSC rather than its individual rate. In order to allocate the savings derived by formation of the CCAOSC, and to maximize the number of participants in the CCAOSC, annually the CCAOSC's executive committee calculates the total savings which accrued to the CCAOSC through its formation. This savings is then compared to the overall savings percentage of the CCAOSC. The CCAOSC's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the CCAOSC is limited to counties that can meet the CCAOSC's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the CCAOSC. Each year, the County pays an enrollment fee to the CCAOSC to cover the costs of administering the CCAOSC.

The County may withdraw from the CCAOSC if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the CCAOSC prior to withdrawal, and any participant leaving the CCAOSC allows representatives of the CCAOSC to access loss experience for three years following the last year of participation.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

A. Tri County Board of Recovery and Mental Health Services

The Tri County Board of Recovery and Mental Health Services (Tri County Mental Health Board) is a jointly governed organization among Shelby, Miami and Darke counties. The Tri County Mental Health Board provides leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming while respecting, protecting and advocating for the rights of persons as consumers of alcohol, drug addiction and mental health services. The ability to influence operations depends on the County's representation on the Board. The Board of Trustees consists of eighteen members: four members are appointed by the Director of the Ohio Department of Mental Health, four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services and the remaining ten members are appointed by the County Commissioners of Shelby, Miami and Darke counties in the same proportion as the County's population bears to the total population of the three counties combined. During 2024, the County contributed \$646,367 by voted tax levy for the operations of the organization.

Darke County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (continued)

B. West Central Ohio Network

The West Central Ohio Network (WestCon) is a jointly governed organization among Darke, Miami, Auglaize, Mercer, Logan, Shelby, Preble, Hardin, Union, Champaign, Sandusky, and Wyandot counties. WestCon was created to serve as an administrator and fiscal agent of Supported Living funds for the Boards of Developmental Disabilities (DODD Boards) of each of the participating counties. The degree of control exercised by any participating government is limited to its representation on the Board of Directors (the Board) of West Con. The Board consists of one delegate, who is the Superintendent, from each of the participating DODD Boards. Payments to WestCon are limited to the supported living funds of each participating county. During 2024, the County contributed \$890,000 in waiver match to WestCon. Financial information can be obtained from Lynn Wolters, Executive Director, 1200 Childrens Home Road, Sidney, Ohio 45365.

NOTE 17- SIGNIFICANT CONTRACTUAL COMMITMENTS

Vendor	Project	Contract Amount	Amount Expended	Balance At 12/31/24
Agile Network Builders, LLC	Broadband Internet	\$1,957,179	\$1,001,507	\$955,672
Pictometry International Corp	Aerial Imaging	353,610	235,740	117,870
Collins Equipment Corporation	Aviation Fuel Systems	873,977	436,989	436,988

NOTE 18 – CONTINGENCIES

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

In the opinion of the County Prosecutor, any potential liability related to claims or lawsuits would not have a material effect on the County's financial condition.

SUPPLEMENTARY INFORMATION

DARKE COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/ Pass Through Grantor Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number/ Additional Award Identification	(1) Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through the Ohio Department of Job and Family Services</i>			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2425-11-6126	\$ 358,255
Total SNAP Cluster			<u>358,255</u>
Total U.S. Department of Agriculture			<u>358,255</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through the Ohio Department of Development</i>			
Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii	14.228	B-C-21-1AR-1	113,228
Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii	14.228	B-E-22-1AR-1	383,176
Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii	14.228	B-F-22-1AR-1	79,190
Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii	14.228	B-X-22-1AR-1	493,987
Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii	14.228	B-X-22-1AR-2	444,607
Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii	14.228	B-X-23-1AR-1	47,088
Total Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii			<u>1,561,276</u>
Home Investment Partnerships Program	14.239	B-C-21-1AR-2	<u>57,596</u>
Total U.S. Department of Housing and Urban Development			<u>1,618,872</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through the Ohio Department of Public Safety</i>			
Residential Substance Abuse Treatment for State Prisoners	16.593	23JG-A03-6873	<u>40,433</u>
Total U.S. Department of Justice			<u>40,433</u>
U.S. DEPARTMENT OF LABOR			
<i>Passed Through the Ohio Department of Job and Family Services: Area 7 Workforce Investment Board</i>			
Employment Service Cluster			
Employment Service/Wagner Peyser Funded Activities	17.207	N/A	<u>1,880</u>
Total Employment Service Cluster			<u>1,880</u>
Unemployment Insurance	17.225	N/A	<u>35,692</u>
WIOA Cluster			
WIOA Adult Program	17.258	G-2425-11-6126	66,938
WIOA Youth Activities	17.259	G-2425-11-6126	32,858
WIOA Dislocated Worker Formula Grants	17.278	G-2425-11-6126	15,569
Total WIOA Cluster			<u>115,365</u>
Trade Adjustment Assistance	17.245	N/A	<u>229</u>
Total U.S. Department of Labor			<u>153,166</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Direct Program</i>			
Airport Improvement Program	20.106	AIP-3-39-0082-019-2022	138,889
Airport Improvement Program	20.106	AIP-3-39-0082-022-2024	29,052
Total Airport Improvement Program			<u>167,941</u>
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction	20.205	112308	1,781,806
Highway Planning and Construction	20.205	112308	35,000
Total Planning and Construction			<u>1,816,806</u>
<i>Passed through the Ohio Department of Public Safety</i>			
Interagency Hazardous Materials Public Sector Training & Planning Grants			
FY 2022 Hazardous Materials Emergency Preparedness Grant Program	20.703	693JK32240034HMEP	<u>14,736</u>
Total U.S. Department of Transportation			<u>1,999,483</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Direct Program</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID 19, SLFRP1822	4,060,185
<i>Passed through the Ohio Department of Job and Family Services</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Medicaid Unwinding Regular	21.027	COVID-19, G-2223-11-6916	<u>18,462</u>
Total Coronavirus State and Local Fiscal Recovery Funds and U.S. Department of the Treasury			<u>4,078,647</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Special Education - Grants for Infants & Families	84.181	H181A220024	60,745
COVID-19 - Special Education - Grants for Infants & Families	84.181X	COVID-19, H181X220024	<u>72,319</u>
Total Special Education - Grants for Infants & Families and U.S. Department of Education			<u>133,064</u>

DARKE COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number/ Additional Award Identification	(1) Expenditures
U.S. ELECTION ASSISTANCE COMMISSION			
<i>Passed through Ohio Secretary of State</i>			
HAVA Election Security Grants	90.404	N/A	<u>15,050</u>
Total U.S. Election Assistance Commission			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through the Ohio Department of Job and Family Services</i>			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G-2425-11-6126	<u>6,143</u>
Temporary Assistance for Needy Families	93.558	G-2425-11-6126	<u>897,803</u>
Child Support Services	93.563	G-2425-11-6126	<u>536,403</u>
CCDF Cluster			
Child Care and Development Block Grant	93.575	G-2425-11-6126	<u>21,946</u>
Total CCDF Cluster			<u>21,946</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2425-11-6126	<u>38,500</u>
Foster Care - Title IV-E	93.658	G-2425-11-6126	<u>152,622</u>
Adoption Assistance	93.659	G-2425-11-6126	<u>326,792</u>
Social Services Block Grant	93.667	G-2425-11-6126	<u>229,369</u>
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Social Services Block Grant	93.667	24010HSOSR	<u>33,917</u>
Total Social Services Block Grant			<u>263,286</u>
<i>Passed Through the Ohio Department of Job and Family Services</i>			
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2023-11-5916	<u>3,665</u>
COVID-19 Elder Abuse Prevention Interventions Program	93.747	COVID-19, G-2021-11-5916	<u>4,856</u>
Children's Health Insurance Program	93.767	G-2021-11-5916	<u>1,343</u>
Medicaid Cluster			
Medical Assistance Program	93.778	G-2223-11-6916/G-2425-11-6126	<u>817,168</u>
Total Medicaid Cluster			<u>817,168</u>
Total U.S. Department of Health and Human Services			<u>3,070,527</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed through the Ohio Department of Public Safety</i>			
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006-S01	<u>16,264</u>
Emergency Management Performance Grants	97.042	EMC-2023-EP-00003-S01	<u>55,650</u>
Emergency Management Performance Grants	97.042	EMC-2024-EP-00050-S01	<u>4,228</u>
Total Emergency Management Performance Grants			<u>76,142</u>
BRIC: Building Resilient Infrastructure and Communities	97.047	EMC-2022-BR-020-0012	<u>16,793</u>
Total U.S. Department of Homeland Security			<u>92,935</u>
Total Expenditures of Federal Awards			<u>\$ 11,560,432</u>

(1) There were no amounts passed through to subrecipients.

The accompanying notes to this schedule are an integral part of this schedule.

DARKE COUNTY, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Darke County (the County) under programs of the federal government for the year ended December 31, 2024. 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 County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

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

NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG) WITH REVOLVING LOAN BALANCE

The current cash balance on the County's local program income account as of December 31, 2024 is \$315,619.

NOTE E - HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) WITH REVOLVING LOAN FUND BALANCE

The current cash balance on the County's local program income account as of December 31, 2024 is \$37,802.

NOTE F – MATCHING REQUIREMENTS

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

**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***

Darke County
504 South Broadway Street
Greenville, Ohio, 45331

To the Members of the Board of Commissioners:

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 modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Darke County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Darke County's basic financial statements and have issued our report thereon dated July 28, 2025, wherein we noted Darke County uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Darke 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 statements, but not for the purpose of expressing an opinion on the effectiveness of Darke County's internal control. Accordingly, we do not express an opinion on the effectiveness of Darke 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Darke County's financial statements 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2024-002 that we consider to be a significant deficiency.

Darke County

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*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Darke County's financial statements are 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-001.

Darke County's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on Darke County's responses to the findings identified in our audit and described in the accompanying corrective action plan. Darke County's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Darke County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Darke County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

July 28, 2025

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

Darke County
504 South Broadway Street
Greenville, Ohio 45331

To the Members of the Board of Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Darke County's 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 Darke County's major federal programs for the year ended December 31, 2024. Darke County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, Darke County 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, 2024.

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; 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). 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 Darke County 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 Darke County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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 Darke County's federal programs.

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

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 Darke County'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 generally accepted auditing standards, *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 Darke County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Darke County'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 Darke County'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 Darke County'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 a 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.

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

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.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 28, 2025

DARKE COUNTY, OHIO

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2024

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None reported
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program(s) (listed):</i>	Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii (ALN 14.228), Highway Planning and Construction (ALN 20.205), Medicaid Cluster, and COVID-19 – Coronavirus State and Local Fiscal Recovery Fund (ALN 21.027)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

DARKE COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024

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

Finding Number	2024-001
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Noncompliance – Annual Financial Report:

Ohio Revised Code Section 117.38 provides each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Revised Code Section 117.38. Ohio Administrative Code Section 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP).

The County prepared its financial statements in accordance with the modified cash basis of accounting in a report format similar to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This presentation differs from GAAP. There would be variances on the financial statements between this accounting practice and GAAP that, while presumably material, cannot be reasonably determined at this time.

Failure to prepare proper GAAP financial statements may result in the County being fined or other administrative remedies.

We recommend the County prepare its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Officials Response: See Corrective Action Plan.

Finding Number	2024-002
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Significant Deficiency – Financial Statement Presentation:

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements.

An adjustment was made to the financial statements and notes to reflect the County's Coronavirus State and Local Fiscal Recovery Fund Grant.

A lack of detailed review over the period-end reporting, could lead to financial statement or note disclosure adjustments, which if uncorrected, could result in the misrepresentation of the County's activity.

We recommend the County review the adjustments, and design and implement additional policies and procedures in order to provide a more detailed review of all manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements.

Officials Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Carol Ginn
Darke County Auditor

Courthouse 1st Floor
504 South Broadway
Greenville, Ohio 45331-1984
Phone: (937) 547-7310

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2024

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2023-001	2008	<u>Noncompliance</u> - Ohio Admin. Code § 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, the County prepared its financial statements in accordance with the modified cash basis of accounting.	Not Corrected	Finding repeated as 2024-001 as the County prepared modified cash basis financial statements.



Carol Ginn
Darke County Auditor

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2024

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	Darke County does not have a plan to file GAAP due to the cost involved and the extra staff needed to complete. Darke County will continue to file the modified cash basis financial reports.	N/A	Carol Ginn, Auditor
2024-002	The issue appears to have resulted from a breakdown in communication between the audit team, myself, and the individual producing the financial reports. To avoid similar issues in the future, I recommend establishing a consistent process for information sharing and confirmation among all three parties.	Immediately	Carol Ginn, Auditor

OHIO AUDITOR OF STATE KEITH FABER



DARKE 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
www.ohioauditor.gov