

# **CLEARWATER COUNCIL OF GOVERNMENTS**

**OTTAWA COUNTY, OHIO**

**REGULAR AUDIT**

**For the Year Ended December 31, 2024**







65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

Board of Directors  
Clearwater Council of Governments  
235 N. Toussaint South Road  
Oak Harbor, Ohio 43449

We have reviewed the *Independent Auditor's Report* of the Clearwater Council of Governments, Ottawa County, prepared by Charles E. Harris & Associates, 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. The Clearwater Council of Governments is responsible for compliance with these laws and regulations.

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

October 01, 2025

**This page intentionally left blank.**

**CLEARWATER COUNCIL OF GOVERNMENTS**  
OTTAWA COUNTY, OHIO  
Regular Audit  
For the Year Ended December 31, 2024

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Statement of Net Position – Modified Cash Basis	9
Statement of Activities – Modified Cash Basis	10
Statement of Modified Cash Basis Assets and Fund Balances - Governmental Fund	11
Statement of Receipts, Disbursements and Changes In Modified Cash Basis Fund Balances – Governmental Fund	12
Statement of Fiduciary Net Position – Modified Cash Basis	13
Statement of Change in Fiduciary Net Position – Modified Cash Basis	14
Notes to the Basic Financial Statements	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	31

**This page intentionally left blank.**

**INDEPENDENT AUDITOR'S REPORT**

Clearwater Council of Governments  
Ottawa County  
235 N. Toussaint South Road  
Oak Harbor, Ohio 43449

To the Board of Directors:

***Report on the Audit of the Financial Statements***

***Opinion***

We have audited the modified cash basis financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Clearwater Council of Governments, Ottawa County, Ohio (the Council), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Council as of December 31, 2024, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Council, 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 opinion.

***Emphasis of Matter - Accounting Basis***

We draw attention to Note 1 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 opinion is not modified with respect to this matter.

*Clearwater Council of Governments*

Ottawa County

Independent Auditor's Report

Page 2

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council'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 GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial 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 the Council'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 the Council's ability to continue as a going concern for a reasonable period of time.

*Clearwater Council of Governments*

Ottawa County

Independent Auditor's Report

Page 3

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.

***Other Information***

We applied no procedures to Management's Discussion & Analysis. Accordingly, we express no opinion or any other assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

*Charles E. Harris & Associates*

***Charles E. Harris & Associates, Inc.***

June 24, 2025

**Clearwater Council of Governments  
Management's Discussion and Analysis  
For Year Ended December 31, 2024  
Unaudited**

The following discussion and analysis provides a summary overview of the financial activities of the Clearwater Council of Governments ("Council") for the year ended December 31, 2024, within the limitations of the Council's modified cash basis of accounting. This information should be read in conjunction with the basic financial statements and notes included in this report.

**Financial Highlights**

- Net position of governmental activities increased \$135,667 or 3%.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Council's modified cash basis of accounting.

**Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Council as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Council as a way to segregate and keep track of money specified for a particular purpose. The Council has a general fund to report its activities.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Council has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Council's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**Clearwater Council of Governments  
Management's Discussion and Analysis, Continued  
For Year Ended December 31, 2024  
Unaudited**

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

**Reporting the Council as a Whole**

The statement of net position and the statement of activities reflect how the Council did financially during 2024, within the limitations of the modified cash basis accounting. The statement of net position presents the cash balance and investments of the governmental activities of the Council at year end. The statement of activities compares cash disbursements and program receipts for each program or function of the Council's governmental activities. 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. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a modified cash basis or draws from the general receipts of the Council.

These statements report the Council's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the Council's financial health. Over time, increases or decreases in the Council's cash position is one indicator of whether the Council's financial health is improving or deteriorating. When evaluating the Council's financial condition, you should also consider other nonfinancial factors as well.

**Reporting the Council's Most Significant Funds**

Fund financial statements provide detailed information about the Council's major funds – not the Council as a whole. The Council establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The Council has a governmental fund and fiduciary funds.

Governmental Funds - The Council's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Council's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Council's programs. Significant governmental funds are presented on financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The

**Clearwater Council of Governments  
Management's Discussion and Analysis, Continued  
For Year Ended December 31, 2024  
Unaudited**

Council has one governmental fund, the General Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**Fiduciary Funds** – The Council has four fiduciary funds. One is used to pay insurance premiums on behalf of one of our member counties, another is a payee account for individual with developmental disabilities, the third is to pay future match payments on behalf of our member counties and the fourth is for county board of developmental disabilities for which the Council acts as a fiscal agent. The Council has custodial funds. Custodial funds are purely custodial in nature and are used to account for assets held by the Council for county board of developmental disabilities.

**The Council as a Whole**

Table 1 provides a summary of the Council's net position for 2024 compared to 2023 on the modified cash basis:

(Table 1)  
**Net Position**

	<u>Governmental Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Assets</b>				
Cash	\$3,398,870	\$3,068,203	\$330,667	11%
Investments	<u>1,903,000</u>	<u>2,098,000</u>	<u>( 195,000)</u>	( 9%)
<b>Total Assets</b>	<b><u>\$5,301,870</u></b>	<b><u>\$5,166,203</u></b>	<b><u>\$135,667</u></b>	<b>3%</b>
<b>Net Position</b>				
Unrestricted	\$5,301,870	\$5,166,203	\$135,667	3%
<b>Total Net Position</b>	<b><u>\$5,301,870</u></b>	<b><u>\$5,166,203</u></b>	<b><u>\$135,667</u></b>	<b>3%</b>

As mentioned previously, net position of governmental activities increased \$135,667, or 3% during 2024.

**Clearwater Council of Governments  
Management's Discussion and Analysis, Continued  
For Year Ended December 31, 2024  
Unaudited**

Table 2 reflects the changes in net assets on the modified cash basis in 2024 and 2023 for governmental activities.

	<u>2024</u>	<u>2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Receipts</b>				
Program Receipts:				
Waiver Revenue	\$ 336,353	\$ 402,663	(\$ 66,310)	(16%)
Waiver Match Revenue	1,219,920	850,000	369,920	44%
Services Revenue	1,983,247	1,897,326	85,921	5%
Other Revenue	39,309	42,166	( 2,857)	( 7%)
Medicaid Revenue	791,172	880,511	( 89,339)	(10%)
Supported Living Revenue	<u>497,552</u>	<u>418,909</u>	<u>78,643</u>	19%
Total Program Receipts	4,867,553	4,491,575	375,978	8%
General Receipts:				
Interest Revenue	<u>258,188</u>	<u>241,860</u>	16,328	7%
<b>Total Receipts</b>	<b>5,125,741</b>	<b>4,733,435</b>	<b>392,306</b>	<b>8%</b>
<b>Disbursements:</b>				
Program	4,685,292	4,086,585	598,707	15%
Administrative	<u>304,782</u>	<u>271,828</u>	<u>32,954</u>	12%
<b>Total Disbursements</b>	<b><u>4,990,074</u></b>	<b><u>4,358,413</u></b>	<b><u>631,661</u></b>	<b>14%</b>
<b>Change in Net Position</b>	<b><u>\$ 135,667</u></b>	<b><u>\$ 375,022</u></b>	<b><u>(\$239,355)</u></b>	<b>(64%)</b>

For the year ended December 31, 2024:

- The 16% decrease in Waiver Revenue is due to one county paying for the County Board Service for part of 2022 and the whole year of 2023 in 2023. Along with that, one County paid their 2024 fees in 2023. In 2024, only the 2025 fees were paid.
- The 44% increase in Waiver Match Revenue is due to one county paying about 370,000 more for match payments.
- The 10% decrease in Medicaid Revenue is primarily due to receiving two settlement payments in 2023 and one settlement payment in 2024.
- The 19% increase in Supported Living is primarily due to two counties together sending about \$163,000 more for their supported living services and one county sending about \$119,000 less for their supported living services in 2024 compared to 2023.

**Clearwater Council of Governments  
Management's Discussion and Analysis, Continued  
For Year Ended December 31, 2024  
Unaudited**

- The 15% increase in Program Expense is due mostly to the increase in Salary and Benefits due to adding staff. Along with that, about \$287,000 more was sent to DODD in 2024 compared to 2023.
- The 12% increase in Administrative Expenses is due mostly to the increase in Salary and Benefits due to adding staff.

**General Fund**

General fund balance increased \$135,667 in 2024. This increase is due primarily to the same reasons for the increase in net position, as previously discussed.

**Economic Factors**

It should be noted that future receipts could be reduced due to the possibility of State budget cuts.

**Contacting the Council's Financial Management**

This financial report is designed to provide a general overview of the Council's finances and to reflect the Council's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be addressed to the Director of Fiscal Operations, Clearwater Council of Governments, 235 N. Toussaint South Road, Oak Harbor, OH 43449, or by telephone at (419) 898-8264.

**CLEARWATER COUNCIL OF GOVERNMENTS**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2024**

	<b>Governmental <u>Activities</u></b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 3,398,870
Investments	<u>1,903,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,301,870</u></b>
<b>NET POSITION</b>	
Unrestricted	<u>\$ 5,301,870</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 5,301,870</u></b>

**"The Accompanying Notes are an Integral  
Part of These Financial Statements"**

**CLEARWATER COUNCIL OF GOVERNMENTS**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**Year Ended December 31, 2024**

	<b>Cash Disbursements</b>	<b>Program Cash Receipts Charges for Services</b>	<b>Net (Disbursement) Receipts and Changes in Net Position</b>
			<b>in Net Position</b>
<b>GOVERNMENTAL ACTIVITIES</b>			
Community Support	\$ 4,685,292	\$ 4,570,632	(\$ 114,660)
General and Administrative	<u>304,782</u>	<u>296,921</u>	( <u>7,861</u> )
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 4,990,074</u></b>	<b><u>\$ 4,867,553</u></b>	<b>(<u>122,521</u>)</b>
General Receipts			
Interest			258,188
Total General Receipts			<u>258,188</u>
Change in Net Position			
Net Position Beginning of Year			<u>5,166,203</u>
Net Position End of Year			<u>\$ 5,301,870</u>

**"The Accompanying Notes are an Integral  
Part of These Financial Statements"**

**CLEARWATER COUNCIL OF GOVERNMENTS**  
**STATEMENT OF MODIFIED CASH BASIS ASSETS AND FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**December 31, 2024**

**General Fund**

**ASSETS**

Cash	\$ 3,398,870
Investments	<u>1,903,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,301,870</u></b>

**FUND BALANCE**

Unassigned	\$ 5,301,870
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 5,301,870</u></b>

**"The Accompanying Notes are an Integral  
Part of These Financial Statements"**

**CLEARWATER COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN MODIFIED CASH BASIS FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2024**

**General Fund**

**RECEIPTS**

Waiver Revenue	\$ 336,353
Other Revenue	39,309
Waiver Match	1,219,920
Services Revenue	1,983,247
Medicaid	791,172
Supported Living Revenue	497,552
Interest Revenue	258,188
<b>TOTAL RECEIPTS</b>	<b>5,125,741</b>

**DISBURSEMENTS**

Program	4,685,292
Administrative	304,782
<b>TOTAL DISBURSEMENTS</b>	<b>4,990,074</b>

**NET CHANGE IN FUND BALANCE** 135,667

**FUND BALANCE - BEGINNING OF YEAR** 5,166,203

**FUND BALANCE - END OF YEAR** \$ 5,301,870

**"The Accompanying Notes are an Integral  
Part of These Financial Statements"**

**CLEARWATER COUNCIL OF GOVERNMENTS**  
**STATEMENT OF FIDUCIARY NET POSITION - MODIFIED**  
**CASH BASIS**  
**December 31, 2024**

	<u><b>Custodial</b></u>
<b>ASSETS</b>	
Equity in Pooled Cash Equivalents	\$ 99,965
Investments	<u>575,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 674,965</u></b>
<b>NET POSITION</b>	
Held on Behalf of member - Payee	\$ 28,591
Held on Behalf of member - Insurance	28,026
Held on Behalf of members - Future Waiver Match	<u>618,348</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 674,965</u></b>

**"The Accompanying Notes are an Integral  
Part of These Financial Statements"**

**CLEARWATER COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CHANGE IN FIDUCIARY NET POSITION -**  
**MODIFIED CASH BASIS**  
**Year Ended December 31, 2024**

**Custodial**

**ADDITIONS**

Other Amounts Collected for Distribution - Payee	\$ 438,449
Other Amounts Collected for Distribution - Pooled Funds	16,630
Other Amounts Collected for Distribution - Insurance	482,874
Other Amounts Collected for Distribution - Match	<u>31,330</u>
<b>TOTAL RECEIPTS</b>	<b>969,283</b>

**DEDUCTIONS**

Distributions - Payee	446,414
Distributions - Pooled Funds	81,630
Distributions - Insurance	<u>607,044</u>
<b>TOTAL DISBURSEMENTS</b>	<b>1,135,088</b>

<b>NET CHANGE IN NET POSITION</b>	( 165,805)
-----------------------------------	------------

<b>NET POSITION - BEGINNING OF YEAR</b>	<u>840,770</u>
---	----------------

<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 674,965</u></u>
-----------------------------------	--------------------------

**"The Accompanying Notes are an Integral  
Part of These Financial Statements"**

**CLEARWATER COUNCIL OF GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Clearwater Council of Governments (“Council”) was organized in 1996 under Chapter 167 of the Ohio Revised Code. The Council is authorized to administer programs on behalf of the following nine county boards of developmental disabilities in North-Central Ohio: Crawford, Erie, Huron, Lucas, Marion, Morrow, Ottawa, Richland and Seneca. The Council, pursuant to its bylaws, contracts for services with providers for the use of funds for specific programs awarded from the State of Ohio and is responsible for monitoring the use of the funds by such providers.

The Council, being a public body, is tax exempt under the laws of Ohio.

**Basis of Presentation**

The financial statements of the Council are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from generally accepted accounting principles (GAAP) in the United States. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent applicable to the modified cash basis of accounting. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Council’s basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

*Government-Wide Financial Statements*

The statement of net position and the statement of activities display information about the Council as a whole. These statements include the financial activities of the Council.

The statement of net position presents the cash balance and investments of the governmental activities of the Council at year end. The statement of activities compares disbursements and program receipts for each program or function of the Council’s governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Council is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Basis of Presentation, Continued**

*Government-Wide Financial Statements, Continued*

Receipts which are not classified as program receipts are presented as general receipts of the Council, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a modified cash basis or draws from the general receipts of the Council.

*Fund Financial Statements*

During the year, the Council segregates transactions related to certain Council functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Council at this more detailed level. The focus of governmental 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.

*Fund Accounting*

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council has a governmental fund and four fiduciary funds.

*Governmental Funds*

Governmental funds are those through which most governmental functions of the Council are financed. The following is the Council's only governmental fund:

General – The General Fund accounts for all financial resources of the Council, except those required to be accounted for in another fund. The primary financial resources are State of Ohio and other funding.

*Fiduciary Funds*

Fiduciary fund reporting focuses on net position. The custodial funds are the Council's only fiduciary funds. The custodial fund is purely custodial in nature and is used to account for assets held by the Council for other parties. One custodial fund is used for county boards of developmental disabilities for which the Council acts as a fiscal agent. One is used to pay insurance premiums on behalf of one of our member counties. The second is a payee account for individuals with developmental disabilities. The third is used to pay future match payments on behalf of our member counties. The fourth is used for county board of developmental disabilities for which the Council acts as a fiscal agent.

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Basis of Presentation, Continued**

The Council's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Council's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Council are described in the appropriate section of this note.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue 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.

**Budgetary Process**

The Council is not required to prepare a budget in accordance with the Ohio Revised Code. Accordingly, a statement of actual to budget has not been included in these financial statements.

**Cash and Investments**

The Council considers all demand deposits in banks to be cash equivalents.

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.

During 2024, the Council invested in certificates of deposit, federal agency securities, money market funds and STAR Ohio. Certificates of deposit and federal agency securities are valued at cost. The Council's money market fund investments are recorded at the amount reported by PNC at December 31, 2024.

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 Council 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 a NAV per share that approximates fair value.

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits or withdrawal exceeding \$100 million. STAR Ohio serves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Interest receipts credited to the General Fund during 2024 were \$258,188.

**Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**Accumulated Leave**

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Council's modified cash basis of accounting.

**Employer Contributions to Cost-Sharing Pension Plans**

The Council recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 3 and 4, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**Long-Term Obligations**

The Council'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 when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

**Leases**

The Council is the lessee (as defined by GASB 87) in various leases related to buildings under noncancelable leases. Lease receivables/deferred inflow of resources and intangible right to use asset/lease payable are not reflected under the Council's modified cash basis of accounting. Lease disbursements are recognized when they are paid.

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Net Position**

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Council has no restricted components of net position.

The Council's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**Fund Balances**

In the fund financial statements, fund balance for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the Council is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* - Nonspendable fund balance includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

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

*Committed* - Committed fund balance consists of amounts that can be used only for specific purposes imposed by formal action of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specific use by taking the same type of action it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed funds balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

*Assigned* - Assigned fund balance consists of amounts that are constrained by the Council's intent to be used for specific purposes but are neither restricted nor committed. In the general fund, *assigned* amounts represent intended uses established by the Council or a Council official delegated that authority by resolution, or by State Statute. The Council may also assign fund balance as a result

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

*Unassigned* - Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes.

The Council 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.

The Council has no nonspendable, restricted, committed or assigned fund balances.

**NOTE 2 - CASH AND INVESTMENTS**

There are no legal restrictions on the Council's investments or deposits. However, the Council has adopted as their investment policy the legal restrictions imposed by the Ohio Revised Code on certain political subdivisions.

Monies held by the Council are classified into three categories.

Active monies are monies determined to be necessary to meet current demands upon the Treasury. Active monies must be maintained either as cash in the Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are deposits that the Council has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Council can be deposited or invested in the following securities:

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;

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 2 - CASH AND INVESTMENTS, Continued**

2. Bonds, notes, debentures, or any other obligation 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. Interim deposits in eligible institutions. Such deposits are to be awarded to the depository offering to pay the highest permissible rate of interest. The treasurer or the board is to determine the periods for which such deposits are to be made;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in 1. and 2. above and repurchase agreements secured by such obligations; and
6. The State Treasurer's investment pool (STAR Ohio).

The Council may also enter into overnight or term repurchase agreements consisting of an agreement to repurchase any of the securities listed in 1. or 2. above.

**Depository Credit Risk**

As of December 31, 2024, the carrying amount of the Council's deposits was \$193,117 and the bank balance was \$205,109. Of the bank balance, \$205,109 is insured by the Federal Deposit Insurance Corporation.

**Depository Custodial Risk**

The Council has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool 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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The banks of the Council are approved for a reduced collateral rate of 50%.

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 2 - CASH AND INVESTMENTS, Continued**

**Investments**

As of December 31, 2024, the Council had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Carrying Value</u>
Federal Agency Securities:		
T Bond	05/15/2024	\$225,000
Federal Home Loan Bank	03/07/2025	130,000
Federal Farm Credit Bank	04/21/2025	150,000
Federal Home Loan Bank	05/23/2025	175,000
Federal Home Loan Mortgage Corp.	09/30/2025	435,000
Federal National Mortgage Assoc.	11/07/2025	175,000
T Bond	02/15/2026	398,000
Federal National Mortgage Assoc.	04/24/2026	105,000
Federal Home Loan Bank	09/11/2026	345,000
Federal Home Loan Bank	04/21/2027	180,000
T Bond	05/31/2027	160,000
Star Ohio	31.9 days	2,966,677
Money Market Fund	N/A	<u>339,041</u>
Total Investments		<u>\$5,783,718</u>

Interest Rate Risk - Council policy requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Council, and that an investment must be purchased with the expectation that it will be held to maturity. Council policy limits investments in commercial paper to a maximum maturity of 180 days from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2% and be marked to market daily. Council policy limits the investment of interim and inactive monies to certificates of deposit with a term of no more than five years and the expiration of the depository agreement, respectively.

Credit Risk - The investment in the money market fund carry a rating of AAAm by Standard and Poor's. The Council's investments in the federal agency securities were rated AA+ by Standard and Poor's. Council policy requires that money market funds have the highest credit rating issued by at least one national rating service.

Custodial Credit Risk - Council policy requires that depositories must collateralize deposits and that securities underlying term repurchase agreements must be delivered to the Council or its designee. The Council has no other policies that address custodial credit risk.

Concentration of Credit Risk - Council places no limit on the amount it may invest in any one issuer.

**CLEARWATER COUNCIL OF GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Year Ended December 31, 2024**

**NOTE 3 - PENSIONS**

The employees of the Council participate in the Ohio Public Employees Retirement System (OPERS) 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 cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. 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. While members may elect the member-directed plan and the combined plan, substantially all members are in the OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension 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 state statute per 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 <http://www.opers.org/financial/reports.shtml>, by writing to OPERS, 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:

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
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
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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.

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 3 - PENSIONS, Continued**

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, an annual cost of living adjustment (COLA) is provided. 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 of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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 purchase of a annuitization of their benefit (which includes joint and survivor options), 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 combination of these options. When members choose 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:

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 3 - PENSIONS, Continued**

	<u>State and Local</u>
<b>2024 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2024 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u><u>14.0 %</u></u>
Employee	<u><u>10.0 %</u></u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Council's contributions to OPERS for the year ended December 2024 was \$252,819. All required contributions were made prior to the end of each the year.

**NOTE 4 - POST-EMPLOYMENT BENEFITS**

The Ohio Public Employees Retirement System (OPERS) 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. The combined plan is a cost sharing, multiple-employer defined benefit pension plan that has the elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trusts, 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.

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 4 - POST-EMPLOYMENT BENEFITS, Continued**

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;

**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:

**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 heath care service credit and at least age 52;

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

Retirees who don't 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:

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 4 - POST-EMPLOYMENT BENEFITS, Continued**

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
<b>December 1, 2014 or Prior</b>	<b>December 1, 2014 or Prior</b>	<b>December 1, 2014 or Prior</b>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<b>January 1, 2015 through December 31, 2021</b>	<b>January 1, 2015 through December 31, 2021</b>	<b>January 1, 2015 through December 31, 2021</b>
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.

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 4 - POST-EMPLOYMENT 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. 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.

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 requiring public employers to fund post-retirement 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. In 2024, local government employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not fund health care.

Each year, the OPERS Board of Trustees 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 contributions 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 retirees 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.

The Council's contributions for health care to OPERS for the year ending December 31, 2024 was \$0 which was equal to the required contributions for the year.

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 5 - LEASE COMMITMENTS**

The Council rents office space on a year-to-year basis from the Marion and Ottawa County Board of Developmental Disabilities. The rent expense for 2024 was \$13,585.

The Council leases equipment under a noncancelable lease. The Council disbursed \$5,100 to pay lease costs for the year ended December 31, 2024. Future lease payments are as follows:

<b><u>Year Ending December 31</u></b>	<b><u>Amount</u></b>
2025	\$ 5,232
2026	5,232
2027	436
2028	0
2029 and thereafter	0
Total	<u><b>\$10,900</b></u>

**NOTE 6 - COMPLIANCE WITH GRANTS AND CONTRACTS**

The Council serves as a pass-through agency for the State of Ohio's Medicaid allocations to its providers. Providers are required to comply with the terms and conditions specified in the Medicaid provider agreements. Medicaid permits the providers one full year from the date services were provided to bill for reimbursements.

Ohio has the authority to audit the providers' compliance with such agreements and grants. Any disallowed claims resulting from such audits would require repayment by the provider. The management of the Council is not aware of any material disallowed or questioned costs due to noncompliance.

**NOTE 7 - RELATED PARTY**

The Council has a relationship with a represented county for payroll services. The county processes the Council's payroll transactions. The amount paid to the county in 2024 for payroll and payroll services was approximately \$2,077,000.

**NOTE 8- RISK MANAGEMENT**

The Council 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. The Council maintains comprehensive insurance coverage with a private carrier for building contents and general liability. Contents are fully insured. There have been no claims in each of the past three years. There have been no reductions in insurance coverage from the prior year.

**CLEARWATER COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Year Ended December 31, 2024**

**NOTE 9 - CONTINGENCIES**

The Medicaid Administrative Claiming income is subject to retroactive adjustment which could result in increases or decreases in future revenue upon settlement. The Council is unable to determine the amount, if any, of the cost settlements for the open years of 2022, 2023 and 2024.

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

Clearwater Council of Governments  
Ottawa County  
235 N. Toussaint South Road  
Oak Harbor, Ohio 43449

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Clearwater Council of Governments, Ottawa County (the Council) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated June 24, 2025, wherein we noted the Council 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 the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

*Clearwater Council of Governments*  
Ottawa County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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

As part of obtaining reasonable assurance about whether the Council'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

*Charles E. Harris & Associates*

***Charles E. Harris & Associates, Inc.***

June 24, 2025

# OHIO AUDITOR OF STATE KEITH FABER



CLEARWATER COUNCIL OF GOVERNMENTS

OTTAWA 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 10/14/2025

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