

# **County Risk Sharing Authority, Inc.**

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**Financial Report  
with Supplemental Information  
April 30, 2015**





# Dave Yost • Auditor of State

Board of Directors  
County Risk Sharing Authority, Inc.  
209 E State Street  
Columbus, Ohio 43215

We have reviewed the *Report of Independent Auditors* of the County Risk Sharing Authority, Inc., Franklin County, prepared by Plante & Moran, PLLC, for the audit period May 1, 2014 through April 30, 2015. 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 County Risk Sharing Authority, Inc. is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

November 9, 2015

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# **County Risk Sharing Authority, Inc.**

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## Independent Auditor's Report

To the Board of Directors  
County Risk Sharing Authority, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of County Risk Sharing Authority, Inc. (CORSA) as of and for the year ended April 30, 2015 and the related notes to the financial statements, which collectively comprise CORSA's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of County Risk Sharing Authority, Inc. as of April 30, 2015 and the changes in its financial position and its cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors  
County Risk Sharing Authority, Inc.

***Emphasis of Matter***

As described in Note 1 to the financial statements, the 2014 financial statements have been restated for the reclassification of certain assets and liabilities between current and noncurrent, to conform to the 2015 presentation. Our opinion is not modified with respect to this matter.

***Other Matters***

*Report on Prior Year Financial Statements*

The financial statements of County Risk Sharing Authority, Inc. as of and for the year ended April 30, 2014 were audited by a predecessor auditor, who expressed an unmodified opinion on those statements. The predecessor auditor's report was dated July 29, 2014.

*Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of claims development be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2015 on our consideration of County Risk Sharing Authority, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 County Risk Sharing Authority, Inc.'s internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

July 28, 2015

# County Risk Sharing Authority, Inc.

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## Management's Discussion and Analysis

### Using this Annual Report

This annual report consists of the statement of net position, the statement of revenue, expenses, and changes in net position, and the statement of cash flows. Along with the notes, these statements provide detailed financial information concerning County Risk Sharing Authority, Inc. (CORSA). This section, the management's discussion and analysis, is intended to provide an overview of CORSA's financial condition, results of operations, and other key information.

### Financial Overview

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplemental information.

The basic financial statements, which follow this section, provide both long-term and short-term information about CORSA's financial status. CORSA uses the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

The three basic financial statements presented are as follows:

- **Statement of Net Position** - This statement presents information reflecting CORSA's assets, liabilities, and net position and is categorized into current and noncurrent assets and liabilities.
- **Statement of Revenue, Expenses, and Changes in Net Position** - This statement reflects operating and nonoperating revenue and expenses. Operating revenue consists primarily of premiums net of reinsurance premiums, with the major sources of operating expenses being claims and claims adjustment expense, and general and administrative expenses. Nonoperating revenue and expenses consist primarily of investment activity.
- **Statement of Cash Flows** - This statement is presented on the direct method of reporting and reflects cash flows from operating, financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash and cash equivalents for the fiscal year.

County Risk Sharing Authority, Inc. is a self-insurance pool that was established by the County Commissioners Association of Ohio with a mission to provide its members with comprehensive property and liability coverage and high-quality risk management services at a stable and competitive cost.

# County Risk Sharing Authority, Inc.

## Management's Discussion and Analysis (Continued)

### Financial Overview (Continued)

At April 30, 2015, sixty-five (65) Ohio counties and twenty-seven (27) county-related entities were members of CORSA. In addition, the County Commissioners' Association of Ohio (CCAO) and its affiliated entities were members of CORSA during the 2014-2015 fiscal year.

Approximately 99, 97, and 99 percent of total assets consist of cash, cash equivalents, and investments at April 30, 2015, 2014, and 2013, respectively. Approximately 80, 66, and 72 percent of total liabilities consist of loss and loss adjustment expense reserves at April 30, 2015, 2014, and 2014, respectively. CORSA participates in a joint venture for shared facility costs and has no significant investments in capital assets. CORSA carries no long-term debt. CORSA's financial position is presented below:

	April 30		
	2015	2014	2013
<b>Current Assets</b>			
Cash and cash equivalents	\$ 6,896,773	\$ 12,988,291	\$ 9,743,864
Investments	4,939,421	-	2,002,120
Other assets	1,203,368	2,528,999	926,709
Total current assets	13,039,562	15,517,290	12,672,693
<b>Noncurrent Assets</b>			
Investments	93,290,730	86,801,663	81,016,778
Capital assets, net of depreciation	84,524	115,014	94,697
Total assets	106,414,816	102,433,967	93,784,168
<b>Current Liabilities</b>			
Reserves for unpaid losses and loss adjustment expenses	9,024,000	10,409,000	9,635,000
Other liabilities	4,951,433	11,343,575	8,135,450
Total current liabilities	13,975,433	21,752,575	17,770,450
<b>Noncurrent Liabilities - Reserves for unpaid losses and loss adjustment expenses</b>			
	10,207,002	11,737,284	10,865,000
Total liabilities	24,182,435	33,489,859	28,635,450
<b>Equity - Net position</b>			
Net investment in capital assets	84,524	115,014	94,697
Unrestricted	82,147,857	68,829,094	65,054,021
Total net position	<u>\$ 82,232,381</u>	<u>\$ 68,944,108</u>	<u>\$ 65,148,718</u>

# County Risk Sharing Authority, Inc.

## Management's Discussion and Analysis (Continued)

### Financial Overview (Continued)

The following table shows the major components of income from operations:

	Year Ended April 30		
	2015	2014	2013
<b>Operating Revenue</b>	\$ 19,475,810	\$ 20,029,328	\$ 20,047,850
<b>Operating Expenses</b>			
Provision for losses	6,498,182	11,816,467	11,644,737
Distribution to members	1,600,000	1,601,424	1,600,000
Other general and administrative expenses	<u>4,808,803</u>	<u>4,500,052</u>	<u>4,678,782</u>
Total operating expenses	<u>12,906,985</u>	<u>17,917,943</u>	<u>17,923,519</u>
<b>Operating Income</b>	6,568,825	2,111,385	2,124,331
<b>Nonoperating Revenue (Expenses)</b>			
Interest and dividend income	2,573,654	2,368,175	2,623,816
Realized and unrealized gains (losses) on investments	2,896,691	(503,395)	2,670,495
Other nonoperating expenses	<u>1,249,103</u>	<u>(180,775)</u>	<u>(167,296)</u>
Total nonoperating income	<u>6,719,448</u>	<u>1,684,005</u>	<u>5,127,015</u>
<b>Change in Net Position</b>	<u>\$ 13,288,273</u>	<u>\$ 3,795,390</u>	<u>\$ 7,251,346</u>

### Condensed Comparative Financial Highlights

- Losses and loss adjustment expense reserves (reported net of estimated reinsurance recoveries), both reported and incurred but not reported, decreased by \$2,915,282 between April 30, 2014 and April 30, 2015, due in part to a decreased estimation of the payout on prior year's claims.
- Operating revenue, which represents premiums net of reinsurance premium expense, decreased by \$553,518 in 2015 and \$18,522 in 2014. The decrease in member contributions in 2015 is the result of a funding decrease recommended by CORSA's actuaries because of overall favorable loss development on current claims.
- Total operating expenses stayed relatively flat between 2013 and 2014, but decreased by \$5,010,958 between 2014 and 2015, mostly due to a large decrease in the estimation of the ultimate payout of prior year's claims, mainly for the 2012-2013 and 2013-2014 years in property claims.

# **County Risk Sharing Authority, Inc.**

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## **Management's Discussion and Analysis (Continued)**

### **Condensed Comparative Financial Highlights (Continued)**

- Overall, CORSA's net position increased by \$13,288,273 from \$68,944,108 in 2014 to \$82,232,381 in 2015 and increased by \$3,795,390 from \$65,148,718 in 2013 to \$68,944,108 in 2014. The increase in 2015 was due to an operating gain of \$6.5 million driven by favorable loss development, and positive investment gains, including unrealized gains, of over \$5 million.

### **Economic Factors and Risks**

The risks to CORSA are primarily external in nature and are due to the reinsurance market, weather events, and the economic and legal climates in Ohio. CORSA provides members with a vast array of risk management services to assist in preventing and controlling property and liability risks. With CORSA's \$1,000,000 self-insured retention, CORSA members are less vulnerable to the pricing cycles of the commercial insurance market. The legal climate in Ohio is stable, with no significant judicial or legislative developments expected to occur in the next year that would have a significant impact on the operations of CORSA. The provision for claim payments is expected to be consistent with historical trends and all other operating expenses are expected to remain consistent with the prior year.

### **Contacting CORSA's Management**

This financial report is designed to provide the users of CORSA's services, governments, taxpayers, and creditors with a general overview of the organization's finances. If you have questions about this report or need additional information, we welcome you to contact David Brooks, CORSA Managing Director, County Risk Sharing Authority, Inc., 209 E State Street, Columbus, Ohio 43215.

# County Risk Sharing Authority, Inc.

## Statement of Net Position

	<u>April 30, 2015</u>	<u>April 30, 2014</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 6,896,773	\$ 12,988,291
Investments (Note 2)	4,939,421	-
Receivables:		
Member deductibles	690,761	597,097
Accrued interest	453,570	393,117
Reinsurance	-	1,500,000
Other	23,654	38,785
Prepaid expenses	<u>35,383</u>	<u>-</u>
Total current assets	13,039,562	15,517,290
Noncurrent assets:		
Investments (Note 2)	90,525,888	85,466,215
Investment in CRL (Note 8)	1,813,917	383,204
Investment in LLC (Note 7)	950,925	952,244
Capital assets - Net of depreciation (Note 5)	<u>84,524</u>	<u>115,014</u>
Total noncurrent assets	<u>93,375,254</u>	<u>86,916,677</u>
Total assets	106,414,816	102,433,967
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	35,326	229,447
Current portion of reserve for unpaid loss and loss adjustment expenses (Note 3)	9,024,000	10,409,000
Unearned member contributions	<u>4,916,107</u>	<u>11,114,128</u>
Total current liabilities	13,975,433	21,752,575
Noncurrent liabilities - Reserve for unpaid loss and loss adjustment expenses (Note 3)	<u>10,207,002</u>	<u>11,737,284</u>
Total liabilities	<u>24,182,435</u>	<u>33,489,859</u>
<b>Equity - Net position</b>		
Net investment in capital assets	84,524	115,014
Unrestricted	<u>82,147,857</u>	<u>68,829,094</u>
Total net position	<u>\$ 82,232,381</u>	<u>\$ 68,944,108</u>

# County Risk Sharing Authority, Inc.

## Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended April 30	
	2015	2014
<b>Operating Revenue</b>		
Member contributions	\$ 23,220,699	\$ 23,620,353
Reinsurance premium expense (Note 4)	(3,744,889)	(3,591,025)
Total operating revenue	19,475,810	20,029,328
<b>Operating Expenses</b>		
Provision for losses (Note 3):		
Loss and loss adjustment expenses	13,248,000	14,978,958
Benefit for insured events of prior years	(6,749,818)	(3,162,491)
Total claims expenses	6,498,182	11,816,467
Agent fees	1,354,506	1,384,582
General and administrative	2,474,776	2,488,615
Brokerage fees	275,000	275,000
Special program expenses	668,926	313,647
Distribution to members	1,600,000	1,601,424
Depreciation	35,595	38,208
Total operating expenses	12,906,985	17,917,943
<b>Operating Income</b>	6,568,825	2,111,385
<b>Nonoperating Revenue (Expenses)</b>		
Interest and dividend income	2,573,654	2,368,175
Realized and unrealized gain (loss) on investments	2,896,691	(503,395)
Gain on investment in CRL (Note 8)	1,430,714	-
Loss on investment in LLC (Note 7)	(1,318)	(12,398)
Investment fees	(183,083)	(169,577)
Other income	2,790	1,200
Total nonoperating revenue	6,719,448	1,684,005
<b>Change in Net Position</b>	13,288,273	3,795,390
<b>Net Position - Beginning of year</b>	68,944,108	65,148,718
<b>Net Position - End of year</b>	<b>\$ 82,232,381</b>	<b>\$ 68,944,108</b>

# County Risk Sharing Authority, Inc.

## Statement of Cash Flows

	Year Ended April 30	
	2015	2014
<b>Cash Flows from Operating Activities</b>		
Cash received for premiums and other	\$ 16,844,145	\$ 23,559,493
Cash paid for excess insurance	(3,780,272)	(3,591,025)
Cash paid for loss and loss adjustment	(9,413,464)	(10,170,183)
Cash paid to vendors for goods and services	(4,967,329)	(4,358,003)
Net cash (used in) provided by operating activities	(1,316,920)	5,440,282
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from sales of capital assets	-	4,824
Purchase of capital assets	(5,105)	(63,349)
Net cash used in capital and related financing activities	(5,105)	(58,525)
<b>Cash Flows from Investing Activities</b>		
Interest and dividends received on investments	2,513,201	2,329,605
Purchase of investment securities	(21,338,132)	(40,208,309)
Proceeds from sale and maturities of investment securities	14,238,521	35,910,951
Investment fees paid	(183,083)	(169,577)
Net cash used in investing activities	(4,769,493)	(2,137,330)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(6,091,518)	3,244,427
<b>Cash and Cash Equivalents - Beginning of year</b>	12,988,291	9,743,864
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 6,896,773</b>	<b>\$ 12,988,291</b>

A reconciliation of operating income to net cash (used in) provided by operating activities is as follows:

<b>Reconciliation of Operating Income to Net Cash (Used In) Provided by Operating Activities</b>		
Operating income	\$ 6,568,825	\$ 2,111,385
Adjustments to reconcile operating income to net cash (used in) provided by operating activities:		
Depreciation	35,595	38,208
Changes in assets and liabilities:		
Member deductibles receivable	(93,664)	(57,990)
Other receivables	15,131	(5,730)
Reinsurance receivable	1,500,000	(1,500,000)
Prepaid expenses	(35,383)	-
Accounts payable	(194,121)	103,841
Loss and loss adjustment expense reserves	(2,915,282)	1,646,284
Unearned member contributions	(6,198,021)	3,104,284
Net cash (used in) provided by operating activities	<b>\$ (1,316,920)</b>	<b>\$ 5,440,282</b>

There were noncash transactions related to distribution to members which totaled \$1,600,000 and \$1,601,424 during the years ended April 30, 2015 and 2014, respectively. These amounts, representing a reduction of the premiums, not a cash payment, were also included within member contributions on the statement of revenue, expenses, and changes in net position.

# County Risk Sharing Authority, Inc.

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## Notes to Financial Statements April 30, 2015

### Note 1 - Nature of Business and Significant Accounting Policies

County Risk Sharing Authority, Inc. (CORSA) is a self-insurance pool that was established in 1987 by the County Commissioners' Association of Ohio (CCAO) for the purpose of providing property and liability coverage and comprehensive risk-management services for CCAO members. As of April 30, 2015, sixty-five (65) Ohio counties and twenty-seven (27) county-related entities were members of CORSA. In addition, the County Commissioners' Association of Ohio (CCAO) and its affiliated entities were members of CORSA during the 2014-2015 fiscal year.

CORSA was incorporated in 1987 as an Ohio not-for-profit corporation under Ohio Revised Code (ORC) Section 1702.01, and is governed by ORC 2744.081. CORSA is governed by a nine-member board of directors who are county commissioners from member counties. The directors are elected by members and are eligible to serve three two-year terms.

Pursuant to participation agreements, each member agrees to pay all contributions necessary for the specified types of coverage and risk management services provided by CORSA. CORSA provides members with a vast array of risk management services to assist in preventing and controlling property and liability claims. Coverage provided to members includes property, equipment breakdown, automobile liability and physical damage, general liability, medical professional liability (physicians and dentists excluded, except for physicians who provide services in jails), law enforcement liability, and errors and omissions. The annual renewal date is May 1 for all members. Members' contributions are collected on an annual basis and are due on May 1.

CORSA follows all applicable GASB pronouncements. The accompanying financial statements are presented using the accrual method of accounting.

CORSA distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with CORSA's principal ongoing operations. The principal operating revenue relates to member contributions. Operating expenses include the provision for claims, cost of services, and administrative expenses. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

**Cash and Cash Equivalents** - CORSA considers all investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of funds in interest-bearing checking accounts and short-term money market securities.

**Investments** - Investments consist of bonds, mutual funds, and equities which are stated at fair value. Investment income, including changes in the fair value of investments, is recognized as nonoperating revenue in the statement of revenue, expenses, and changes in net position.

# County Risk Sharing Authority, Inc.

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## Notes to Financial Statements April 30, 2015

### **Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

Realized gains on investments totaled \$430,305 and \$435,519 for the years ended April 30, 2015 and 2014, respectively. Unrealized gains (losses) on investments totaled \$2,466,386 and (\$938,914), respectively.

CORSA's investment in CRL and investment in LLC are accounted for under the equity method. Accordingly, the investment in CRL and investment in LLC are carried at cost, adjusted for CORSA's proportionate share of earnings or losses.

**Member Contributions and Unearned Contributions** - Member contributions are recognized as income ratably over the coverage period. Receivables are recorded when earned. Management has determined amounts are collectible, and no allowance for doubtful accounts is required. Premiums collected in advance of applicable coverage periods are classified as unearned contributions.

**Deductible Receivable** - CORSA pays third-party claims at their full value and then bills members for their deductible portion. A member deductibles receivable is recognized when the deductible is due. Based on historical factors and CORSA's allowance experience, no allowance for uncollectible receivables has been reserved.

**Reinsurance Receivable** - Paid losses recoverable from excess insurance carriers are recognized when the claim is approved by their carrier. Management has determined amounts are collectible, and no allowance for doubtful accounts is required.

**Reserve for Unpaid Loss and Loss Adjustment Expenses** - CORSA's reserve for unpaid losses is determined using an actuarial analysis and is computed in accordance with accepted loss reserving standards. The reserve represents an estimate of the ultimate net cost of all losses incurred which were unpaid at April 30, 2015 and 2014. This includes an estimate of losses incurred but not yet reported as of April 30, 2015 and 2014.

Although CORSA considers its experience and industry data in determining such reserves, assumptions and projections as to future events are necessary and ultimate losses may differ significantly from amounts projected. The effects of changes in reserve estimates are included in the statement of revenue, expenses, and changes in net position in the period in which estimates are changed. Reserves are not discounted.

**Capital Assets** - CORSA's capital assets are reported at cost net of depreciation. All capital assets are depreciated using the straight-line method of depreciation. All major classes of depreciable assets have a useful life of five years, except certain computer equipment, which has a useful life of three years. Costs of maintenance and repairs are charged to expense when incurred.

# County Risk Sharing Authority, Inc.

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## Notes to Financial Statements April 30, 2015

### **Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

**Risk Management** - CORSA is exposed to various risks of loss incurred by members related to property loss, torts, and errors and omissions, up to the limit of its self-insured retention. CORSA is also exposed to the limit of liability for property and third-party liability provided to members, in the unlikely event that CORSA's reinsurers and excess insurance carriers would be unable to fulfill their financial obligations to CORSA.

**Net Position** - Net position represents the difference between assets and liabilities in the statement of net position. Net position is reported as unrestricted, net investment in capital assets, or restricted when there are legal limitations imposed on their use by external restrictions by creditors, grantors, laws, or regulations of other governments.

As of April 30, 2015 and 2014, CORSA does not have any "restricted" net position. The CORSA board of directors may authorize the distribution of the net position to those members who constituted the self-insurance pool during the years when such net position was earned, provided that such members must also be members of CORSA in the year in which said distribution is made.

In the event of dissolution of CORSA, any funds which remain unencumbered after all claims and all other CORSA obligations have been paid shall be distributed only to the counties that are members of CORSA immediately prior to its distribution. Any such surplus funds shall be distributed to members in proportion to their interest in the surplus funds.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates exist relating to the reserve for loss and loss adjustment expenses as described in Note 3.

**Tax Status** - CORSA's income is exempt from taxation under Internal Revenue Code Section 115. Accordingly, no provision for income taxes is reflected in the financial statements.

**Contribution Deficiency** - Anticipated investment income is considered in determining if a premium deficiency exists. No premium deficiency reserve was required at April 30, 2015 or 2014.

**Reclassification** - Certain 2014 amounts have been reclassified to conform to the 2015 presentation.

# County Risk Sharing Authority, Inc.

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## Notes to Financial Statements April 30, 2015

### Note 1 - Nature of Business and Significant Accounting Policies (Continued)

**Upcoming Accounting Pronouncement** - In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. CORSA is currently evaluating the impact this standard will have on the financial statements when adopted, during CORSA's 2017 year end.

**Subsequent Events** - CORSA has evaluated events or transactions occurring subsequent to the statement of net position date for recognition and disclosure in the accompanying financial statements through the date the financial statements are available to be issued, which is July 28, 2015.

### Note 2 - Deposits and Investments

CORSA's investment policy authorizes CORSA to make investments in the following allowable assets: cash equivalents (U.S. Treasury Bills, money market funds, commercial paper, bankers' acceptances, repurchase agreements, and certificates of deposit), fixed-income securities of all investment grade quality (including U.S. government and agency securities, asset-backed securities, investment grade corporate notes and bonds, mortgage-backed bonds, and preferred stock), real estate investments which include ownership interests in office property or in companies whose sole asset is office property, risk assets, domestic common stocks, convertible notes and bonds, convertible preferred stocks, American Depository Receipts (ADRs) of non-U.S. companies, U.S. high yield bonds, International Emerging Market Equities, international equities, and mutual funds and/or exchange traded funds.

CORSA's investments are held in CORSA's name. CORSA has designated Huntington Bank, Wells Fargo, Fidelity, Vanguard, and Dimensional for deposit of its funds. McDonnell Investment Management, LLC acts as the fixed-income portfolio manager.

CORSA's cash and investments are subject to several types of risk, which are examined in more detail below:

**Deposits** - Cash and cash equivalents include operating and claims checking accounts and money market funds. Cash and cash equivalents totaled \$6,896,773 and \$12,988,291 at April 30, 2015 and 2014, respectively.

# County Risk Sharing Authority, Inc.

## Notes to Financial Statements April 30, 2015

### Note 2 - Deposits and Investments (Continued)

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, CORSA's deposits may not be returned to it. CORSA does not have a deposit policy for custodial credit risk. At year end, CORSA had bank deposits of \$7,652,289. Of this amount, \$600,410 was insured by the Federal Depository Insurance Corporation (FDIC) and \$250,000 was insured by the Securities Investor Protection Corporation (SIPC). CORSA believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, CORSA evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**Investments** - Investments are reported at fair value. At April 30, 2015 and 2014, CORSA had the following investments:

	Fair Value	
	2015	2014
Fixed-income securities	\$ 70,868,716	\$ 62,938,264
Mutual funds	5,522,774	5,153,306
Equities	19,073,819	17,374,645
Total investments	<u>\$ 95,465,309</u>	<u>\$ 85,466,215</u>

**Interest Rate Risk** - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. Interest rate risk is primarily managed by establishing guidelines for portfolio duration and average maturity. CORSA's investment policy stipulates that the weighted average portfolio maturity for all fixed-income securities may not exceed 15 years.

At April 30, 2015, CORSA had the following average maturities of fixed-income securities:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury securities	\$ 12,908,020	10.43
U.S. agencies and pass-throughs	30,819,351	3.74
Asset-backed securities	786,123	2.87
Corporate bonds	22,760,352	8.74
Foreign bonds	1,640,370	11.67
Municipal bonds	1,954,500	7.93
Total	<u>\$ 70,868,716</u>	

# County Risk Sharing Authority, Inc.

## Notes to Financial Statements April 30, 2015

### Note 2 - Deposits and Investments (Continued)

At April 30, 2014, CORSA had the following average maturities of fixed-income securities:

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury securities	\$ 7,589,397	7.50
U.S. agencies and pass-throughs	29,660,315	4.50
Asset-backed securities	1,973,912	1.61
Corporate bonds	19,526,619	8.06
Foreign bonds	2,532,362	8.33
Municipal bonds	1,655,659	9.20
Total	<u>\$ 62,938,264</u>	

**Credit Risk** - Credit risk is the risk that an issuer to an investment will not fulfill its obligations.

# County Risk Sharing Authority, Inc.

## Notes to Financial Statements April 30, 2015

### Note 2 - Deposits and Investments (Continued)

At April 30, 2015, the credit quality ratings of fixed-income securities by type (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Asset-backed securities	\$ 674,933	Aaa	Moody's
	<u>111,190</u>	NA	
Total	<u>\$ 786,123</u>		
Corporate bonds	\$ 528,053	Aaa	Moody's
	550,265	Aa1	Moody's
	361,719	Aa2	Moody's
	961,674	Aa3	Moody's
	5,592,783	Baa1	Moody's
	6,042,698	Baa2	Moody's
	926,591	Baa3	Moody's
	1,517,438	A1	S&P
	3,033,349	A2	S&P
	<u>3,245,782</u>	A3	S&P
Total	<u>\$ 22,760,352</u>		
Foreign bonds	\$ 151,616	Baa3	Moody's
	520,581	A1	S&P
	<u>968,173</u>	A3	S&P
Total	<u>\$ 1,640,370</u>		
Municipal bonds	\$ 308,748	Aa1	Moody's
	692,442	Aa2	Moody's
	263,270	Aa3	Moody's
	443,596	A1	S&P
	<u>246,444</u>	A3	S&P
Total	<u>\$ 1,954,500</u>		

# County Risk Sharing Authority, Inc.

## Notes to Financial Statements April 30, 2015

### Note 2 - Deposits and Investments (Continued)

At April 30, 2014, the credit quality ratings of fixed-income securities by type (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Asset-backed securities	\$ 600,538	Aaa	Moody's
	1,226,721	AAA	S&P
	<u>146,653</u>	NA	
Total	<u>\$ 1,973,912</u>		
Corporate bonds	\$ 469,955	Aaa	Moody's
	341,033	Aa1	Moody's
	350,829	Aa2	Moody's
	838,059	Aa3	Moody's
	3,991,095	Baa1	Moody's
	6,323,899	Baa2	Moody's
	802,739	Baa3	Moody's
	1,642,037	A1	S&P
	2,379,439	A2	S&P
	<u>2,387,534</u>	A3	S&P
Total	<u>\$ 19,526,619</u>		
Foreign bonds	\$ 901,907	Baa1	Moody's
	425,462	Baa2	Moody's
	356,631	A1	S&P
	476,003	A2	S&P
	<u>372,359</u>	A3	S&P
Total	<u>\$ 2,532,362</u>		
Municipal bonds	\$ 293,733	Aa1	Moody's
	417,652	Aa2	Moody's
	265,276	Aa3	Moody's
	447,968	A1	S&P
	<u>231,030</u>	A3	S&P
Total	<u>\$ 1,655,659</u>		

**Concentration of Credit Risk** - Excluding investments issued or guaranteed by the U.S. government, there were no investments that individually exceeded 5 percent of CORSA's total investments at April 30, 2015 and 2014.

# County Risk Sharing Authority, Inc.

## Notes to Financial Statements April 30, 2015

### Note 2 - Deposits and Investments (Continued)

**Foreign Currency Risk** - Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. CORSA's investment policy does not address foreign currency risk. CORSA has no investments subject to foreign currency risk.

### Note 3 - Reserve for Unpaid Loss and Loss Adjustment Expenses

The reserve for unpaid loss and loss adjustment expenses is estimated by an independent actuary based upon CORSA's historical experience of losses incurred prior to April 30, 2015. The estimates reflect the best judgment as to the potential for losses to increase beyond the amounts already paid. Although management believes that the reserve for unpaid loss and loss adjustment expenses is adequate, no assurance can be given that the ultimate settlement of these liabilities may not be greater or less than such estimates. Any future adjustments to these amounts will affect the reported results of future periods.

The following table represents changes in the reserve for unpaid loss and loss adjustment expense for CORSA for the years ended April 30, 2015, 2014, and 2013, respectively:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Reserve for Unpaid Loss and Loss Adjustment Expenses</b> - Beginning of year	\$ 22,146,284	\$ 20,500,000	\$ 22,450,000
<b>Incurred Loss and Loss Adjustment Expense</b>			
Provision for loss and loss adjustment expenses incurred in current year	13,248,000	14,978,958	15,086,880
Change in provision for loss and loss adjustment expenses incurred in prior years	<u>(6,749,818)</u>	<u>(3,162,491)</u>	<u>(3,442,143)</u>
Total incurred loss and loss adjustment expenses	6,498,182	11,816,467	11,644,737
<b>Payments</b>			
Loss and loss adjustment expenses paid for losses incurred in current year	3,072,620	4,151,661	5,057,937
Loss and loss adjustment expenses paid for losses incurred in prior years	<u>6,340,844</u>	<u>6,018,522</u>	<u>8,536,800</u>
Total payments	<u>9,413,464</u>	<u>10,170,183</u>	<u>13,594,737</u>
<b>Reserve for Unpaid Loss and Loss Adjustment Expenses</b> - End of year	<u>\$ 19,231,002</u>	<u>\$ 22,146,284</u>	<u>\$ 20,500,000</u>

# County Risk Sharing Authority, Inc.

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## Notes to Financial Statements April 30, 2015

### **Note 3 - Reserve for Unpaid Loss and Loss Adjustment Expenses (Continued)**

Reserve for unpaid loss and loss adjustment expenses attributable to insured events in prior years changed as a result of re-estimation of unpaid loss and loss adjustment expense. This change is generally a result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

### **Note 4 - Excess Insurance Coverage**

CORSA retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by excess insurance and reinsurance contracts. CORSA's retention limit for all coverage was \$1,000,000 per occurrence for fiscal years ended 2015 and 2014. The exceptions were \$2,000,000 for the general liability and medical professional liability for county homes, \$250,000 for cyber-liability starting in fiscal year 2014-2015, and \$50,000 for equipment breakdown/boiler claims. As of April 30, 2015, CORSA provided liability coverage for 21 county homes, with 10 being certified as Medicare/Medicaid care, and the remaining being assisted-living facilities.

CORSA maintains reinsurance contracts with insurance carriers who provide coverage above CORSA's self-insured retention limits. For liability coverage, each member chooses its limits of liability, with limits varying between \$1,000,000 and \$11,000,000.

In the event that a loss should exceed the amount of coverage provided by CORSA, then the payment of any loss in excess of the limit provided by CORSA is the obligation of the member or members against which the claims were made. In the unlikely event that all or any of the insurance companies are unable to meet their obligations under the excess insurance and reinsurance contracts, CORSA and its members would be responsible for such defaulted amounts. Premiums ceded to reinsurers were \$3,744,889 and \$3,591,025 for fiscal years 2015 and 2014, respectively. The amount deducted from the reserves for unpaid losses and loss adjustment expenses for estimated amounts recoverable under reinsurance was \$2,874,535 and \$1,674,895 for the fiscal years 2015 and 2014, respectively.

# County Risk Sharing Authority, Inc.

## Notes to Financial Statements April 30, 2015

### Note 5 - Capital Assets

Capital asset activity for the years ended April 30, 2015 and 2014 was as follows:

	Balance May 1, 2014	Additions	Disposals	Balance April 30, 2015
Capital assets being depreciated:				
Furniture and fixtures	\$ 62,103	\$ -	\$ -	\$ 62,103
Vehicles	175,505	-	-	175,505
Computer and equipment	19,285	5,105	-	24,390
Claims system	80,838	-	-	80,838
Subtotal	337,731	5,105	-	342,836
Accumulated depreciation:				
Furniture and equipment	61,830	271	-	62,101
Vehicles	60,764	35,100	-	95,864
Computer and equipment	19,284	224	-	19,508
Claims system	80,839	-	-	80,839
Subtotal	222,717	35,595	-	258,312
Net capital assets	<u>\$ 115,014</u>	<u>\$ (30,490)</u>	<u>\$ -</u>	<u>\$ 84,524</u>
	Balance May 1, 2013	Additions	Disposals	Balance April 30, 2014
Capital assets being depreciated:				
Furniture and equipment	\$ 62,103	\$ -	\$ -	\$ 62,103
Vehicles	159,426	63,349	47,270	175,505
Computer and equipment	19,285	-	-	19,285
Claims system	80,838	-	-	80,838
Subtotal	321,652	63,349	47,270	337,731
Accumulated depreciation:				
Furniture and equipment	61,108	722	-	61,830
Vehicles	19,284	-	-	19,284
Computer and equipment	80,839	-	-	80,839
Claims system	65,724	37,486	42,446	60,764
Subtotal	226,955	38,208	42,446	222,717
Net capital assets	<u>\$ 94,697</u>	<u>\$ 25,141</u>	<u>\$ 4,824</u>	<u>\$ 115,014</u>

Total depreciation expense was \$35,595 and \$38,208 for April 30, 2015 and 2014, respectively.

# **County Risk Sharing Authority, Inc.**

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## **Notes to Financial Statements April 30, 2015**

### **Note 6 - Related Party Transactions**

CORSA, and its health insurance counterpart, County Employee Benefits Consortium of Ohio (CEBCO), were created by the County Commissioners Association of Ohio (CCAO) to provide insurance for county employees. The three entities share office space, services, and operating expenses, which include salaries, telephone service, internet service, supplies, postage, and subscriptions. All employees of CORSA are employed by CCAO. Shared services are purchased by the various entities and costs are shared and include liability coverage provided by CORSA and healthcare coverage provided by CEBCO, and additional external directors and officers coverage purchased by CORSA. CCAO pays for most of the other shared expenses, and CORSA and CEBCO pay CCAO for their portion based on an allocation approved by all three boards of directors. Investment consulting and management services are shared between CORSA and CEBCO. The amount paid for shared services by CORSA to CCAO was \$2,014,191 and \$1,665,334 for April 30, 2015 and 2014, respectively. CORSA's accrued expenses owed to CCAO as of April 30, 2015 and 2014 were \$2,981 and \$111,286, respectively.

### **Note 7 - Investment in LLC**

In May 2008, CORSA entered into a joint venture with CCAO and CEBCO to form County Governance Facility, LLC (LLC). The LLC was formed as a partnership with the three entities as members. The main purpose of this joint venture was to purchase a building for office space for the three members. CORSA contributed \$1,000,000 to fund its 33.3 percent portion of the joint venture. CORSA accounts for the investment under the equity method. CORSA's portion of the loss was \$1,318 and \$12,398 as of April 30, 2015 and 2014, respectively.

### **Note 8 - Investment in County Reinsurance, Ltd.**

As of April 30, 2015, CORSA has a 4 percent interest in County Reinsurance, Ltd. (CRL). CRL is a member-owned reinsurance company, which provides reinsurance coverage for property, liability, and workers' compensation insurance. CORSA accounts for the investment under the equity method. CORSA recognized income of \$1,430,714 and \$0 during the years ended April 30, 2015 and 2014, respectively, from its interest in CRL.

# **County Risk Sharing Authority, Inc.**

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## **Notes to Financial Statements April 30, 2015**

### **Note 9 - Retirement Benefits**

The CCAO maintains a defined contribution plan covering employees who meet certain age requirements. Eligible CORSA employees are covered under this plan. The amount contributed to the plan by CCAO is not to exceed 10 percent of each eligible employee's annual qualified compensation. Contributions to the plan are made at the discretion of the board of directors of CCAO. CORSA then compensates CCAO for their portion of the contribution. The amount contributed by CORSA is approved by the CORSA board. CORSA has no further retirement benefit obligation. Expense of \$101,491 and \$98,453 was incurred by CORSA for fiscal years ended April 30, 2015 and 2014, respectively.

CCAO also provides postemployment medical and life insurance benefits to age and service retirees with qualifying service credit and to surviving spouses of such retirees. These benefits are funded by yearly contributions from CCAO, as determined by the CCAO board. CORSA then compensates CCAO for their portion of the contribution. The amount contributed by CORSA is approved by the CORSA board. CORSA has no further postemployment insurance benefit obligation. Expense of \$2,927 and \$5,855 was incurred by CORSA for fiscal years ended April 30, 2015 and 2014, respectively.

## **Required Supplemental Information**

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# **County Risk Sharing Authority, Inc.**

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## **Required Supplemental Information Schedule of Claims Development**

### **Claims Development Information**

The table on the following page illustrates how CORSA earned revenue (net of excess insurance) and investment income compare to related costs of loss (net of loss assumed by excess insurers) and other expenses assumed by CORSA as of the end of each year presented. The columns of the table show data for successive policy years. The rows of the table are defined as follows:

1. This line shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to excess insurers, and net earned contribution revenue and reported investment revenue.
2. This line shows each fiscal year's other operating costs of CORSA, including overhead and claims expense not allocable to individual claims.
3. This line shows CORSA's gross incurred claims and allocated claim adjustment expenses, claims assumed by excess insurers, and net incurred claims and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. This section of rows shows the cumulative net amounts paid as of the end of successive years for each policy year.
5. This line shows the latest re-estimated amount of claims assumed by excess insurers as of the end of the current year for each accident year.
6. This section of rows shows how each policy year's net incurred claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, re-evaluation of existing information on known claims, as well as emergence of new claims not previously known.
7. This line compares the latest re-estimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought. As data for individual policy years matures, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

# County Risk Sharing Authority, Inc.

## Required Supplemental Information Schedule of Claims Development

	2008	2009	2010	2011	2012	2013	2014	2015
1. Required contributions and investment income:								
Earned	\$ 25,320,120	\$ 16,658,160	\$ 32,510,497	\$ 29,595,864	\$ 31,067,691	\$ 28,706,132	\$ 25,473,935	\$ 28,692,516
Ceded	4,496,308	2,855,263	3,114,000	3,434,533	3,212,141	3,357,681	3,591,025	3,744,889
Net	20,823,812	13,802,897	29,396,497	26,161,331	27,855,550	25,348,451	21,882,910	24,947,627
2. Expenses other than allocated loss adjustment expenses	7,319,657	7,102,200	7,592,856	6,281,102	6,702,290	6,452,368	6,271,046	6,591,884
3. Estimated loss and allocated loss adjustment expenses - End of policy year:								
Incurred	16,595,959	16,470,746	14,930,406	13,217,939	12,480,233	16,258,444	15,119,798	14,236,116
Ceded	-	613,961	517,323	-	-	1,171,564	140,934	988,116
Net	16,595,959	15,856,785	14,413,083	13,217,939	12,480,233	15,086,880	14,978,864	13,248,000
4. Cumulative paid loss and allocated loss adjustment expenses:								
End of policy year	4,366,627	4,949,790	3,746,175	3,002,120	3,035,505	5,057,937	4,151,661	3,072,620
One year later	9,780,937	7,808,885	6,655,871	7,271,874	6,865,094	7,108,802	8,992,245	-
Two years later	11,054,653	10,043,440	7,079,093	9,045,134	8,898,313	6,725,846	-	-
Three years later	11,635,469	11,006,656	7,997,247	9,482,010	9,406,288	-	-	-
Four years later	12,369,186	12,605,162	8,193,133	11,320,376	-	-	-	-
Five years later	12,554,834	12,738,320	8,053,387	-	-	-	-	-
Six years later	12,544,602	12,512,851	-	-	-	-	-	-
Seven years later	12,864,526	-	-	-	-	-	-	-
5. Re-estimated ceded loss and expenses	-	706,202	1,252,482	1,699,683	-	5,490,748	423,656	988,116
6. Re-estimated incurred loss and allocated loss adjustment expenses:								
End of policy year	16,595,959	15,856,785	14,413,083	13,217,939	12,480,242	15,086,880	14,978,958	13,248,000
One year later	16,501,112	14,529,964	10,689,509	13,133,778	12,624,085	12,832,585	13,054,000	-
Two years later	14,518,167	14,732,020	9,226,352	11,548,166	11,044,666	8,808,000	-	-
Three years later	13,405,412	14,182,062	8,575,783	11,632,157	10,354,000	-	-	-
Four years later	12,856,139	13,296,436	8,563,693	12,470,000	-	-	-	-
Five years later	12,958,086	12,910,175	8,167,000	-	-	-	-	-
Six years later	12,706,016	12,589,000	-	-	-	-	-	-
Seven years later	12,976,000	-	-	-	-	-	-	-
7. Increase (decrease) in estimated incurred loss and allocated loss adjustment expenses subsequent to initial policy year end	(3,619,959)	(3,267,785)	(6,246,083)	(747,939)	(2,126,242)	(6,278,880)	(1,924,958)	-

The above schedule is not on a 10-year basis due to a change in 2008 from a policy-year basis to a claims-made basis.

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*

Independent Auditor's Report

To Management and the Board of Directors  
County Risk Sharing Authority, Inc.

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 County Risk Sharing Authority, Inc. (CORSA), which comprise the statement of net position as of April 30, 2015 and the related statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 28, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County Risk Sharing Authority, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CORSA's internal control. Accordingly, we do not express an opinion on the effectiveness of CORSA'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 CORSA'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 may exist that have not been identified.

To Management and the Board of Directors  
County Risk Sharing Authority, Inc.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether County Risk Sharing Authority, Inc.'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 determination of financial statement amounts. 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 CORSA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CORSA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Moran, PLLC*

July 28, 2015



# Dave Yost • Auditor of State

## COUNTY RISK SHARING AUTHORITY

### FRANKLIN COUNTY

#### CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
NOVEMBER 19, 2015