

**GREATER CINCINNATI  
INSURANCE CONSORTIUM**  
HAMILTON COUNTY, OHIO

**REGULAR AUDIT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**



OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

Board of Directors  
Greater Cincinnati Insurance Consortium  
11083 Hamilton Ave.  
Cincinnati, OH 45231

We have reviewed the *Independent Auditor's Report* of the Greater Cincinnati Insurance Consortium, Hamilton County, prepared by Julian & Grube, Inc., for the audit period July 1, 2021 through June 30, 2022. 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 Greater Cincinnati Insurance Consortium is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

March 10, 2023

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**GREATER CINCINNATI INSURANCE CONSORTIUM  
HAMILTON COUNTY, OHIO**

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## Independent Auditor's Report

Greater Cincinnati Insurance Consortium  
Hamilton County  
11083 Hamilton Avenue  
Cincinnati, Ohio 45231

To the Members of the Board of Directors:

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying cash basis financial statements of the Greater Cincinnati Insurance Consortium, Hamilton County, Ohio, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Greater Cincinnati Insurance Consortium's 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 cash basis financial position of the Greater Cincinnati Insurance Consortium, as of June 30, 2022, and the respective changes in cash basis financial position, thereof for the fiscal year then ended in accordance with the cash basis of accounting described in Note 2.

#### *Basis for Opinion*

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

Ohio Administrative Code § 117-2-03(B) requires the Greater Cincinnati Insurance Consortium to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greater Cincinnati Insurance Consortium'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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Greater Cincinnati Insurance Consortium'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 Greater Cincinnati Insurance Consortium's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2023 on our consideration of the Greater Cincinnati Insurance Consortium's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Greater Cincinnati Insurance Consortium'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 Greater Cincinnati Insurance Consortium's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
January 12, 2023

**Greater Cincinnati Insurance Consortium**  
**Statement of Net Cash Position - Cash Basis**  
**June 30, 2022**

**Assets:**

Equity in Pooled Cash and Investments	<u>\$ 17,563,105</u>
Total Assets	<u>17,563,105</u>

**Net Cash Position:**

Unrestricted	<u>17,563,105</u>
Total Net Cash Position	<u>\$ 17,563,105</u>

See accompanying notes to the financial statements.

**Greater Cincinnati Insurance Consortium**  
**Statement of Cash Receipts, Cash Disbursements and Changes in**  
**Net Cash Position - Cash Basis**  
**For the Fiscal Year Ended June 30, 2022**

**Operating Cash Receipts:**

Contributions from member districts	\$ 43,681,635
COBRA receipts	131,799
Miscellaneous	<u>118,600</u>

Total operating cash receipts	<u>43,932,034</u>
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**Operating Cash Disbursements:**

Claim settlements	45,144,230
Third party administrator fee	151,971
Insurance premiums	953,936
Administration expenses	50,210
Miscellaneous	<u>505,218</u>

Total operating cash disbursements	<u>46,805,565</u>
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<b>Operating cash receipts over (under) operating cash disbursements</b>	<b>(2,873,531)</b>
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**Non-Operating Cash Receipts (Disbursements):**

Interest	<u>123,544</u>
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Change in Net Cash Position	(2,749,987)
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**Net Cash Position:**

Beginning of year	<u>20,313,092</u>
End of year	<u>\$ 17,563,105</u>

See accompanying notes to the financial statements.

**Greater Cincinnati Insurance Consortium**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Note 1 - Description of the Entity**

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The Greater Cincinnati Insurance Consortium, Hamilton County, Ohio (the Consortium), organized under Ohio Revised Code Chapter 167, was established for the purpose of establishing and carrying out a cooperative health program. The Consortium is established for the purpose of exercising the rights and privileges conveyed to it by the Bylaws of the Consortium.

The Consortium is a shared risk pool as defined by Government Accounting Standards Board (GASB) Statement No. 10 as amended by GASB Statement No. 30. It was formed to carry out a cooperative program for the provisions and administration of health care benefits for member employees in accordance with the Consortium's bylaws.

The Consortium is a legally separate consortium. The Consortium is a jointly governed organization with member governmental entities. The Consortium was formed to maximize benefits and/or reduce costs of medical, prescription drug, dental, and/or other group insurance coverage for their employees and the eligible dependents and designated beneficiaries of such employees. The governing board consists of the superintendent or other designee appointed by each of the members of the Consortium. As of June 30, 2022, there were 14 member Districts.

The Consortium utilizes the Hamilton County Educational Service Center (the Service Center) as its fiscal agent.

The Consortium is a self-insurance pool sponsored by the Service Center and administered by a third party administrator. The Consortium's third party administrator for the medical insurance plan is Anthem and for the dental insurance plan is Dental Care Plus and Prescription Drug Benefits is Envision Rx. Claims are made to the third party administrators by covered individuals. The third party administrators process the claims, approve or deny, and make payments to medical, prescription and dental providers. The third party administrators submit a list of claims paid to the Consortium, who in turn submits payments to the third party administrators.

Membership in the Consortium is dependent upon each member enrolling in all benefit programs offered by or through the Consortium. If a member district withdraws from the Consortium, it would not receive a refund of premiums paid to the consortium and it may not rejoin for a period of two years. A new school district may become a member of the Consortium only upon approval by the Board of Directors of the Consortium.

The Consortium's management believes these cash basis financial statements present all activities for which the Consortium is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

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**Basis of Accounting**

These financial statements are prepared using the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In cases where these cash basis statements contain items that are the same as, or similar to, those items in the financial

**Greater Cincinnati Insurance Consortium**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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statements prepared in conformity with GAAP, similar informative disclosures are provided. On these financial statements, receipts are recorded in the Consortium'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.

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

The Consortium uses an enterprise fund to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Governing Body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for public policy, management control, accountability or other purposes.

Operating cash receipts are those receipts that are generated directly from the primary activity of the Consortium. Operating cash disbursements are necessary costs incurred to provide the service that is the primary activity of the Consortium. All cash receipts and cash disbursements not meeting this definition are reported as non-operating.

**Basis of Presentation**

The financial statements consist of a statement of net cash position cash basis and a statement of cash receipts, cash disbursements and changes in net cash position cash basis.

**Cash and Investments**

The Consortium's cash is held and invested by the Service Center, who acts as custodian for Consortium monies. 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 disbursements, respectively. During fiscal year 2022, the Consortium's investments were limited to U.S. Treasury Notes, U.S. Agency securities, Commercial Paper, negotiable CDs and a U.S. Government Money Market Mutual Fund, which are valued at cost.

**Budgetary Process**

The Consortium is not required to follow the budgetary process by law.

**Net Cash Position**

Net cash position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Consortium had no restricted net cash position at fiscal year end.

**Greater Cincinnati Insurance Consortium**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Note 3 – Deposits and Investments**

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State statutes classify monies held by the Consortium into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Consortium 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 public deposits that the Board has identified as not required for use within the current five 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 deposits are deposits of interim monies. Interim monies are those monies which 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.

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities are made only through eligible institutions;

**Greater Cincinnati Insurance Consortium**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase; and,
8. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Consortium, and must be purchased with the expectation that it will be held to maturity.

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

#### **Deposits with Financial Institutions**

Custodial credit risk for deposits is the risk that in the event of bank failure, the Consortium will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2022, the carrying amount of all Consortium deposits was \$3,568,056. As of June 30, 2022, \$3,509,846 of the Consortium's bank balance of \$3,759,846 was potentially exposed to custodial risk credit risk because it was uninsured and could be uncollateralized. The Consortium's financial institution was approved for a reduced collateral rate through the OPCS of 50 percent.

The Consortium has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the Consortium and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or, if eligible, a reduced collateral rate set by the Treasurer of State.

#### **Investments**

The fair value of these investments is not materially different than measurement value. As of June 30, 2022, the Consortium had the following investments and maturities:

**Greater Cincinnati Insurance Consortium**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

	Measurement Value	Weighted Average Maturity (Years)
US Treasury Note	\$500,000	3.34
Federal National Mortgage Association Notes	1,354,032	2.20
Federal Farm Credit Bank Notes	599,310	2.41
Federal Home Loan Bank Notes	1,375,000	1.83
Federal Home Loan Mortgage Notes	1,139,305	1.22
Commercial Paper	5,545,390	0.33
Negotiable CDs	3,471,745	1.61
U.S. Government Money Market Mutual Fund	10,267	0.00
	<u>\$13,995,049</u>	
Portfolio Weighted Average Maturity		1.27

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Consortium's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The Consortium's investments in federal agency securities and the U.S. Treasury Note, were rated AA+/AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Commercial Paper and the Negotiable CDs were not rated. The U.S. Government Money Market Mutual Fund was rated AAAM and Aaa-mf by Standard & Poor's and Moody's Investor Services, respectively. The Consortium's investment policy does not specifically address credit risk beyond requiring the Consortium to only invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Consortium will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the Consortium's name. The Consortium has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The Consortium places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Consortium at June 30:

	<u>% of Investments</u>
US Treasury Note	3.6%
Federal National Mortgage Association Notes	9.7%
Federal Farm Credit Bank Notes	4.3%
Federal Home Loan Bank Notes	9.8%
Federal Home Loan Mortgage Notes	8.1%
Commercial Paper	39.6%
Negotiable CDs	24.8%
U.S. Government Money Market Mutual Fund	0.1%
	<u>100.0%</u>



**Greater Cincinnati Insurance Consortium**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Note 4 – Risk Management**

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The Consortium is self-insured for medical, dental and prescription drug insurance. Membership rates are charged based on claims approved by the third party administrators (Anthem, Dental Care Plus and Envision Rx). Member districts may withdraw from the Consortium at the end of any fiscal year, and may be removed for failure to make the required payments. The Consortium will pay the run out of all benefit claims of the withdrawing member as long as the withdrawing member prior to the effective date of withdrawal paid to the Consortium a withdrawal fee in an amount equal to two months' premiums at the current rates. Upon automatic withdrawal for non-payment by any member district, the Consortium will pay the run out of all benefit claims provided the Consortium has received all outstanding and unpaid premiums.

**Note 5 – Loss Reserve**

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Since the medical, dental and prescription drug programs are self-insured; the loss reserve must be equal to or less than the actual fund balance. The fund balance as of June 30, 2022 was \$17,563,105.

The loss reserve, certified by a statement of actuarial opinion provided by an actuary who is a member of the American Academy of Actuaries, for the fiscal year ended June 30, 2022 was \$3,924,800.

The medical, dental and prescription drug programs meet the loss reserve.

**Note 6 – Contracted Services**

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For fiscal year 2022, the Consortium contracted with Arthur J. Gallagher & Company to assist them with the annual renewals of its health and welfare plans. Arthur J. Gallagher & Company also helps the Consortium and its members with maintaining the current plan of benefits including design, claim adjudication, customer service, billing and compliance issues. In addition, they review alternative plan design and determine that claims are paid in accordance to specifications of the plan.

**Note 7 – Compliance**

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

**Note 8 – COVID-19**

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The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the Consortium.

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

Greater Cincinnati Insurance Consortium  
Hamilton County  
11083 Hamilton Avenue  
Cincinnati, Ohio 45231

To the Members of 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 cash basis financial statements of the Greater Cincinnati Insurance Consortium, Hamilton County, Ohio, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Greater Cincinnati Insurance Consortium’s financial statements and have issued our report thereon dated January 12, 2023, wherein we noted the Greater Cincinnati Insurance Consortium 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 Greater Cincinnati Insurance Consortium’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater Cincinnati Insurance Consortium’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Greater Cincinnati Insurance Consortium’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 Greater Cincinnati Insurance Consortium’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.

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

As part of obtaining reasonable assurance about whether the Greater Cincinnati Insurance Consortium's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2022-001.

### **Greater Cincinnati Insurance Consortium's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Greater Cincinnati Insurance Consortium's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Greater Cincinnati Insurance Consortium's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 Greater Cincinnati Insurance Consortium'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 Greater Cincinnati Insurance Consortium's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
January 12, 2023

**GREATER CINCINNATI INSURANCE CONSORTIUM  
HAMILTON COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2022**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
<b>Finding Number</b>	2022-001

Noncompliance

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

The Consortium prepared its annual financial statements in accordance with the cash basis of accounting in a report format similar to the requirements of Governmental Accounting Standards Board Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This presentation differs from GAAP. There would be variances on the financial statements between this accounting practice and GAAP that, while presumably material, cannot be reasonably determined at this time.

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

The Consortium should prepare its annual financial statements in accordance with GAAP.

Client Response: Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient and does not present a higher risk for the Consortium's assets.

**GREATER CINCINNATI INSURANCE CONSORTIUM  
HAMILTON COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2022**

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2021-001	2017	<u>Noncompliance – GAAP Reporting</u> – Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Consortium did not prepare its financial statements in accordance with Ohio Revised Code Section 117.38 and Ohio Admin. Code Section 117-2-03(B).	Not Corrected	Repeated as Finding 2022-001

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# OHIO AUDITOR OF STATE KEITH FABER



**GREATER CINCINNATI INSURANCE CONSORTIUM**

**HAMILTON 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 3/23/2023**

88 East Broad 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)