

**BUCKEYE JOINT-COUNTY
INSURANCE COUNCIL**
LAWRENCE COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEARS ENDED
DECEMBER 31, 2023, 2022 & 2021**



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board Members
Buckeye Joint-County Insurance Council
P.O. Box 702
Ironton, Ohio 45638

We have reviewed the *Independent Auditor's Report* of the Buckeye Joint-County Insurance Council, Lawrence County, prepared by Julian & Grube, Inc., for the audit period January 1, 2022 through December 31, 2023. 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 Buckeye Joint-County Insurance Council 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

October 03, 2024

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**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

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Independent Auditor's Report

Buckeye Joint-County Insurance Council
Lawrence County
P.O. Box 702
Ironton, Ohio 45638

To the Members of the Board:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Buckeye Joint-County Insurance Council, Lawrence County, Ohio, as of and for the years ended December 31, 2023, 2022, and 2021, and the related notes to the financial statements, which collectively comprise the Buckeye Joint-County Insurance Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Buckeye Joint-County Insurance Council, as of December 31, 2023, 2022, and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Buckeye Joint-County Insurance Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Buckeye Joint-County Insurance Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Buckeye Joint-County Insurance Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Buckeye Joint-County Insurance Council'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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 supplementary 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 basic 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 8, 2024 on our consideration of the Buckeye Joint-County Insurance Council'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 Buckeye Joint-County Insurance Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Buckeye Joint-County Insurance Council's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
July 8, 2024

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
Management's Discussion and Analysis
Years Ended December 31, 2023 and 2022

The discussion and analysis of the Buckeye Joint-County Insurance Council's financial performance provides an overview and analysis of the Council's financial activities for the years ended December 31, 2023 and 2022. The intent of this discussion and analysis is to look at the Council's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the Council's financial performance.

FINANCIAL HIGHLIGHTS

- The assets exceeded liabilities at December 31, 2023 and 2022 by \$64,399 and \$63,916, respectively.
- Net position increased by \$ 483 in 2023 and decreased by \$ 7,218 in 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements are the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, the Statements of Cash Flows and the accompanying notes to the financial statements. These statements report information about the Council as a whole and about its activities. The Council is a single enterprise fund using proprietary fund accounting, which means these statements are presented in a manner similar to a private-sector business. The statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The Statements of Net Position presents the Council's financial position and reports the resources owned by the Council (assets), obligations owed by the Council (liabilities) and Council net position (the difference between assets and liabilities). It provides a way to measure the financial health of the Council by providing the basis for evaluating the capital structure of the Council and assessing the liquidity and financial flexibility of the Council.

The Statements of Revenues, Expenses, and Changes in Net Position present a summary of how the Council's net position changed during the year. Revenue is reported when earned and expenses are reported when incurred. These statements measure the success of the Council's operations over the past year and can be used to determine whether the Council has successfully recovered all its costs through user fees.

The Statements of Cash Flows provide information about the Council's cash receipts and disbursements during the year. It summarizes net changes in cash resulting from operating, investing and financing activities.

The notes to the financial statements provide additional information that is essential for a full understanding of the financial statements.

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
Management's Discussion and Analysis
Years Ended December 31, 2023 and 2022

FINANCIAL ANALYSIS OF THE COUNCIL'S FINANCIAL POSITION AND RESULTS OF OPERATIONS					
	2023	2022	Change	2021	Change
Revenue					
Member Contribution	\$ 819,492	\$ 1,110,021	\$ (290,529)	\$ 1,120,374	\$ (10,353)
Interest Income	43	117	(74)	182	(65)
Total Revenue	819,535	1,110,138	(290,603)	1,120,556	(10,418)
Expenses					
Claims Expense	-	-	-	21,238	(21,238)
Insurance Purchases	800,302	1,080,683	(280,381)	1,056,032	24,651
General and Administrative	18,750	36,673	(17,923)	31,974	4,699
Total Expenses	819,052	1,117,356	(298,304)	1,109,244	8,112
Change in Net Position	483	(7,218)	7,701	11,312	(18,530)
Net Position, January 1	63,915	71,133	(7,218)	59,821	11,312
Net Position, December 31	\$ 64,399	\$ 63,915	\$ 483	\$ 71,133	\$ (7,218)

December 31, 2023 total assets increased by \$ 483.

For the year ended December 31, 2023, total liabilities of the Council increased by \$ 273,164 and for the year ended December 31, 2022 total liabilities decreased by \$ -0-.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Table 2

	2023	2022	Change	2021	Change
Revenue					
Member Contribution	\$ 819,492	\$ 1,110,021	\$ (290,529)	\$ 1,120,374	\$ (10,353)
Interest Income	43	117	(74)	182	(65)
Total Assets	819,535	1,110,138	(290,603)	1,120,556	(10,418)
Expenses					
Claims Expense	-	-	-	21,238	(21,238)
Insurance Purchases	800,302	1,080,683	(280,381)	1,056,032	24,651
General and Administrative	18,750	36,673	(17,923)	31,974	4,699
Total Expenses	819,052	1,117,356	(298,304)	1,109,244	8,112
Change in Net Position	483	(7,218)	7,701	11,312	(18,530)
Net Position, January 1	63,916	71,133	(7,217)	59,821	11,312
Net Position, December 31	\$ 64,400	\$ 63,915	\$ 484	\$ 71,133	\$ (7,218)

Member contributions decreased by \$290,529 (26.17%) for 2023 and decreased by \$10,353 (0.92%) for 2022. Insurance premiums decreased by \$280,381 (25.94%) for 2023 and increased by \$24,651 (2.33%) for 2022 mainly due to the change in insurance carriers and the market price of the cost of insurance.

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
Management's Discussion and Analysis
Years Ended December 31, 2023 and 2022

CURRENT FINANCIAL RELATED ACTIVITIES

The Council is an insurance-purchasing pool, formed to carry out a cooperative purchasing program for the provision and administration of Property and Liability insurance. The Council is constantly assessing insurance needs of its members and acting to provide these services cost-effectively.

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our clients and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it received. If you have questions about this report or need additional information, contact Randall Lambert, Fiscal Officer, Buckeye Joint-County Insurance Council, P.O. Box 702, Ironton, Ohio 45638.

FINANCIAL STATEMENTS

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

STATEMENT OF NET POSITION
December 31, 2023
(WITH COMPARATIVE AMOUNTS FOR 2022)

	<u>2023</u>	<u>2022</u>
Assets:		
Equity in cash and cash equivalents	\$ 68,269	\$ 55,776
Prepaid bonds, insurance and administrative expenses	<u>269,295</u>	<u>8,140</u>
Total Assets	<u>\$ 337,564</u>	<u>\$ 63,916</u>
Liabilities		
Unearned Revenue	<u>273,164</u>	<u>-</u>
Net Position:		
Unrestricted	<u>64,400</u>	<u>63,916</u>
Total Liabilities and Net Position	<u>\$ 337,564</u>	<u>\$ 63,916</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
December 31, 2023
(WITH COMPARATIVE AMOUNTS FOR 2022)

	2023	2022
Operating Revenues		
Member contributions	\$ 819,492	\$ 1,110,021
Total Operating Revenues	819,492	1,110,021
 Operating Expenses		
Insurance premiums	784,745	1,059,419
General and administrative	34,306	57,937
Total Operating Expenses	819,051	1,117,356
Operating Income (Loss)	441	(7,335)
 Non-operating revenues:		
Interest income	43	117
Total Non-operating revenues	43	117
 Changes in Net Position	484	(7,218)
 Net Position at beginning of year	63,916	71,134
 Net Position at end of year	\$ 64,400	\$ 63,916

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

STATEMENT OF CASH FLOWS

December 31, 2023

(WITH COMPARATIVE AMOUNTS FOR 2022)

	2023	2022
Increase in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash received from members	\$ 1,092,656	\$ 1,110,021
Cash payments for insurance premiums	(1,045,900)	(1,053,892)
Cash payments for general and administrative	(34,306)	(57,937)
Net Cash Provided by Operating Activities	12,450	(1,808)
Cash Flows from Investing Activities:		
Interest received	43	117
Change in Cash and Cash Equivalents	12,493	(1,691)
Cash and Cash Equivalents at beginning of year	55,776	57,467
Cash and Cash Equivalents at end of year	\$ 68,269	\$ 55,776
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 441	\$ (7,335)
Changes in Assets:		
(Increased) Decrease in prepaid bonds, insurance and adm. expenses	(261,155)	5,527
Increase (Decrease) in unearned revenue	273,164	-
Net Cash Provided by Operating Activities	\$ 12,450	\$ (1,808)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 1 - DESCRIPTION OF THE COUNCIL

The Buckeye Joint-County Insurance Council, Lawrence County, Ohio (the Council), a Regional Council of Governments organized under Ohio Revised Code, Chapter 167, was established for the purpose of establishing and carrying out a cooperative insurance purchasing pool. The Council is established for the purpose of exercising the rights and privileges conveyed to it by the Bylaws of the Council.

The Buckeye Joint-County Insurance Council is a legally separate Council. The Council is in a jointly governed organization with member governmental entities. The Council was formed for the primary purpose of establishing and carrying out a cooperative insurance purchasing program for its member governmental entities. The governing board consists of County Commissioners or other designees appointed by each of the members of the Council.

Management believes the financial statement included in this report represents all of the financial activity of the Council over which the Council has the ability to exercise direct operating control.

The Council is an insurance purchasing pool for property and liability insurance, and members are fully insured by the Ohio Government Risk Management Plan who has full responsibility over claims through the year ended December 31, 2022. In January 2023, the Council became fully insured by the County Risk Sharing Authority who has full responsibility over claims effective January 1, 2023.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Insurance Council consists of all funds, departments, boards, and agencies that are not legally separate from the Insurance Council. For Buckeye Joint-County Insurance Council this is the general operations.

Component units are legally separate organizations for which the Insurance Council is financially accountable. The Insurance Council is financially accountable for an organization if the Insurance Council appoints a voting majority of the organization's governing board and (1) the Insurance Council is able to significantly influence the programs or services performed or provided by the organization; or (2) the Insurance Council is legally entitled to or can otherwise access the organization's resources; the Insurance Council is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Council is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Insurance Council in that the Insurance Council approves the budget, the issuance of debt, or the levying of taxes. The Insurance Council has no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Council's significant accounting policies are described below.

The Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments. Certain items of significance in the Statement include the following:

A. Basis of Presentation

The Council's basic financial statements consist of a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows.

The Council uses a single enterprise presentation for its financial records. Enterprise reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

B. Measurement Focus

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statements of net position. Statements of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The Council's financial statements are prepared using the accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenue resulting from the nonexchange transactions, in which the Council receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the period when the resources are required to be used or the period when use is first permitted, matching requirements, in which the Council must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the Council on a reimbursement basis. Expenses are recognized at the time they are incurred.

D. Assets, Liabilities and Net Position

Cash and Investments:

For purposes of reporting cash flows, the Council considers all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly-liquid debt investments purchased with a maturity of three months or less to be cash.

The Council maintains one account, which is presented on the Statements of Net Position as "Equity in Cash and Cash Equivalents". The Council does not maintain any investments.

Receivables:

All receivables are shown net of an allowance for uncollectible amounts, as applicable. Receivables in excess of 90 days are evaluated for the ability to collect them and an allowance is established, as deemed necessary, based on the best information available and in an amount that management believes is adequate. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

Net Position:

Net position represents the difference between assets and liabilities. If adequate provision has been made for the payment of all claims and expenses of the Council, the Board of Trustees, at its discretion, may distribute surplus funds to members during that particular year, provided that such members are also members in the year in which the distribution is made. In lieu of distributing surplus funds to the members, the Board may carry forward the surplus to offset annual or supplemental payments in the subsequent year.

In the event the Council is terminated, all members of the Council are obligated for any necessary supplemental payments applicable to the years during which they were members. After all related expenses have been paid or reserves established for the payment of any such expenses, any surplus funds will be distributed to members, past or present, who constituted the Council for that fiscal year.

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Council applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

As of December 31, 2023 and 2022, all of the Council's net position are considered unrestricted.

E. Revenues and Expenses

Premiums, member and supplemental contributions, claims handling fees and administrative fees: Premiums are determined based on the member's allocated insurance coverage costs as determined by the Council administrator and are recognized ratably as revenue and related expenses over the insurance coverage period.

Member and supplemental contributions are determined based on a formula approved by the Board of Trustees and applied to all members to provide sufficient funds within the insurance pool to adequately fund administrative expenses of the Council. Claims expense is a result of the deductible each member is responsible for according to the insurance agreement. The deductible is recognized ratably as a revenue and related expense as a claim occurs.

Under the terms of the cooperative agreement, should the annual contributions not be sufficient to fund operations or obligations of the Council, additional supplementary payments shall be required to be made by every member based on the formula used to determine the annual contributions.

F. Budgetary Process

Under Ohio law, the Council is not required to follow a budgetary process and, therefore, no budgetary information is provided in these financial statements.

G. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

H. Unearned Revenue

Unearned revenue arises when resources are received by the Council before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Council's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Council.

At December 31, 2023 and 2022, the carrying amount of all Council deposits was \$68,269 and \$55,776, respectively. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of December 31, 2023 and 2022, of the Council's bank balance of \$338,954 and \$55,776. Of these balances \$250,000 was covered by Federal Deposit Insurance Corporation while the remaining balance was while the remaining was covered by eligible pledged securities.

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE 3 - DEPOSITS AND INVESTMENTS - continued

Investments: As of December 31, 2023 and 2022, the Council held no investments and the Council does not have an investment policy.

NOTE 4 - RISK MANAGEMENT

The Buckeye Joint-County Insurance Council is a regional council of government organized under Ohio Revised Code, Chapter 167, for the purpose of establishing and carrying out a cooperative insurance purchasing program. The Council is governed by a Board of Trustees who selects qualified insurance companies that provide the insurance program that is adequate to meet the needs of each member.

The Council became an insurance purchasing pool for property and liability insurance on April 10, 1986. The Council contracted with the Ohio Government Risk Management Plan to provide insurance for its members since April 1, 1997 through December 31, 2022. The Council contracted with the County Risk Sharing Authority to provide insurance for its members effective January 1, 2023. Each member pays a fee based on their contributions.

NOTE 5 - CONTINGENCIES

General: In the normal course of business, the Council is involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the financial statements.

Concentration by Geographic Location and Industry:

The Council is exposed to certain risks by writing all its business in the State of Ohio, thus increasing exposure to a single geographic area. Council membership is limited to counties.

NOTE 6 - SUBSEQUENT EVENTS

There were no subsequent events noted to be disclosed through the report date of July 8, 2024. Any subsequent events after that date have not been considered in this response.

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
Management's Discussion and Analysis
Years Ended December 31, 2022 and 2021

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FINANCIAL HIGHLIGHTS

- The assets exceeded liabilities at December 31, 2022 and 2021 by \$63,916 and \$71,133, respectively.
- Net position decreased by \$ 7,218 in 2022 and increased by \$11,312 in 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements are the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, the Statements of Cash Flows and the accompanying notes to the financial statements. These statements report information about the Council as a whole and about its activities. The Council is a single enterprise fund using proprietary fund accounting, which means these statements are presented in a manner similar to a private-sector business. The statements are presented using the economic resources measurement focus and the accrual basis of accounting.

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The Statements of Revenues, Expenses, and Changes in Net Position present a summary of how the Council's net position changed during the year. Revenue is reported when earned and expenses are reported when incurred. These statements measure the success of the Council's operations over the past year and can be used to determine whether the Council has successfully recovered all its costs through user fees.

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BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
Management's Discussion and Analysis
Years Ended December 31, 2022 and 2021

FINANCIAL ANALYSIS OF THE COUNCIL'S FINANCIAL POSITION AND RESULTS OF OPERATIONS					
	2022	2021	Change	2020	Change
Revenue					
Member Contribution	\$ 1,110,021	\$ 1,120,374	\$ (10,353)	\$ 1,054,830	\$ 65,544
Interest Income	117	182	(65)	176	6
Total Revenue	1,110,138	1,120,556	(10,418)	1,055,006	65,550
Expenses					
Claims Expense	-	21,238	(21,238)	16,790	4,448
Insurance Purchases	1,080,683	1,056,032	24,651	1,003,915	52,117
General and Administrative	36,673	31,974	4,699	36,555	(4,581)
Total Expenses	1,117,356	1,109,244	8,112	1,057,260	51,984
Change in Net Position	(7,218)	11,312	(18,530)	(2,254)	13,566
Net Position, January 1	71,133	59,821	11,312	62,075	(2,254)
Net Position, December 31	\$ 63,916	\$ 71,133	\$ (7,218)	\$ 59,821	\$ 11,312
December 31, 2022 total assets decreased by \$ 7,218.					
For the year ended December 31, 2022, total liabilities of the Council decreased by \$ -0- and for the year ended					
December 31, 2021 total liabilities decreased by \$ -0-.					

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION					
	2022	2021	Change	2020	Change
Table 2					
Revenue					
Member Contribution	\$ 1,110,021	\$ 1,120,374	\$ (10,353)	\$ 1,054,830	\$ 65,544
Interest Income	117	182	(65)	176	6
Total Assets	1,110,138	1,120,556	(10,418)	1,055,006	65,550
Expenses					
Claims Expense	-	21,238	(21,238)	16,790	4,448
Insurance Purchases	1,080,683	1,056,032	24,651	1,003,915	52,117
General and Administrative	36,673	31,974	4,699	36,555	(4,581)
Total Expenses	1,117,356	1,109,244	8,112	1,057,260	51,984
Change in Net Position	(7,218)	11,312	(18,530)	(2,254)	13,566
Net Position, January 1	71,133	59,821	11,312	62,075	(2,254)
Net Position, December 31	\$ 63,916	\$ 71,133	\$ (7,218)	\$ 59,821	\$ 11,312
Member contributions decreased by \$10,353 (0.92%) for 2022 and increased by \$65,544 (6.21%) for 2021. Insurance premiums increased by \$24,651 (2.33%) for 2022 and increased by \$52,117 (5.19%) for 2021 mainly due to the market price of the cost of insurance.					

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
Management's Discussion and Analysis
Years Ended December 31, 2022 and 2021

CURRENT FINANCIAL RELATED ACTIVITIES

The Council is an insurance-purchasing pool, formed to carry out a cooperative purchasing program for the provision and administration of Property and Liability insurance. The Council is constantly assessing insurance needs of its members and acting to provide these services cost-effectively.

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our clients and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it received. If you have questions about this report or need additional information, contact Randall Lambert, Fiscal Officer, Buckeye Joint-County Insurance Council, P.O. Box 702, Ironton, Ohio 45638.

FINANCIAL STATEMENTS

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

STATEMENT OF NET POSITION
December 31, 2022
(WITH COMPARATIVE AMOUNTS FOR 2021)

	<u>2022</u>	<u>2021</u>
Assets:		
Equity in cash and cash equivalents	\$ 55,776	\$ 57,467
Prepaid bonds, insurance and administrative expenses	<u>8,140</u>	<u>13,667</u>
Total Assets	<u>\$ 63,916</u>	<u>\$ 71,134</u>
Net Position:		
Unrestricted	<u>63,916</u>	<u>71,134</u>
Total Liabilities and Net Position	<u>\$ 63,916</u>	<u>\$ 71,134</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
December 31, 2022
(WITH COMPARATIVE AMOUNTS FOR 2021)

	2022	2021
Operating Revenues		
Member contributions	\$ 1,110,021	\$ 1,099,137
Deductibles	-	21,238
Total Operating Revenues	1,110,021	1,120,375
 Operating Expenses		
Claims expense	-	21,238
Insurance premiums	1,059,419	1,033,350
General and administrative	57,937	54,656
Total Operating Expenses	1,117,356	1,109,244
Operating Income (Loss)	(7,335)	11,131
 Non-operating revenues:		
Interest income	117	182
Total Non-operating revenues	117	182
 Changes in Net Position	(7,218)	11,313
 Net Position at beginning of year	71,134	59,821
 Net Position at end of year	\$ 63,916	\$ 71,134

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO**

STATEMENT OF CASH FLOWS

December 31, 2022

(WITH COMPARATIVE AMOUNTS FOR 2021)

	2022	2021
Increase in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash received from members	\$ 1,110,021	\$ 1,120,375
Cash payments for insurance premiums	(1,053,892)	(1,042,069)
Cash payments for claims expense	-	(21,238)
Cash payments for general and administrative	(57,937)	(54,656)
Net Cash Provided by Operating Activities	(1,808)	2,412
Cash Flows from Investing Activities:		
Interest received	117	182
Change in Cash and Cash Equivalents	(1,691)	2,594
Cash and Cash Equivalents at beginning of year	57,467	54,873
Cash and Cash Equivalents at end of year	\$ 55,776	\$ 57,467
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (7,335)	\$ 11,131
Changes in Assets and Liabilities:		
(Increased) Decrease in prepaid bonds, insurance and adm. expenses	5,527	(8,719)
Net Cash Provided by Operating Activities	\$ (1,808)	\$ 2,412

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 1 - DESCRIPTION OF THE COUNCIL

The Buckeye Joint-County Insurance Council, Lawrence County, Ohio (the Council), a Regional Council of Governments organized under Ohio Revised Code, Chapter 167, was established for the purpose of establishing and carrying out a cooperative insurance purchasing pool. The Council is established for the purpose of exercising the rights and privileges conveyed to it by the Bylaws of the Council.

The Buckeye Joint-County Insurance Council is a legally separate Council. The Council is in a jointly governed organization with member governmental entities. The Council was formed for the primary purpose of establishing and carrying out a cooperative insurance purchasing program for its member governmental entities. The governing board consists of County Commissioners or other designees appointed by each of the members of the Council.

Management believes the financial statement included in this report represents all of the financial activity of the Council over which the Council has the ability to exercise direct operating control.

The Council is an insurance purchasing pool for property and liability insurance, and members are fully insured by the Ohio Government Risk Management Plan who has full responsibility over claims.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Council consists of all funds, departments, boards, and agencies that are not legally separate from the Insurance Council. For Buckeye Joint-County Insurance Council this is the general operations.

Component units are legally separate organizations for which the Insurance Council is financially accountable. The Insurance Council is financially accountable for an organization if the Insurance Council appoints a voting majority of the organization's governing board and (1) the Insurance Council is able to significantly influence the programs or services performed or provided by the organization; or (2) the Insurance Council is legally entitled to or can otherwise access the organization's resources; the Insurance Council is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Insurance Council is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Insurance Council in that the Insurance Council approves the budget, the issuance of debt, or the levying of taxes. The Insurance Council has no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Council's significant accounting policies are described below.

The Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments. Certain items of significance in the Statement include the following:

A. Basis of Presentation

The Council's basic financial statements consist of a statement of net position; a statement of revenues, expenses and changes in net position; and a statement of cash flows.

The Council uses a single enterprise presentation for its financial records. Enterprise reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

B. Measurement Focus

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statements of net position. Statements of revenues, expenses and changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The Council's financial statements are prepared using the accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenue resulting from the nonexchange transactions, in which the Council receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the period when the resources are required to be used or the period when use is first permitted, matching requirements, in which the Council must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the Council on a reimbursement basis. Expenses are recognized at the time they are incurred.

D. Assets, Liabilities and Net Position

Cash and Investments:

For purposes of reporting cash flows, the Council considers all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly-liquid debt investments purchased with a maturity of three months or less to be cash.

The Council maintains one account, which is presented on the Statements of Net Position as "Equity in Cash and Cash Equivalents". The Council does not maintain any investments.

Receivables:

All receivables are shown net of an allowance for uncollectible amounts, as applicable. Receivables in excess of 90 days are evaluated for the ability to collect them and an allowance is established, as deemed necessary, based on the best information available and in an amount that management believes is adequate. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

Net Position:

Net position represents the difference between assets and liabilities. If adequate provision has been made for the payment of all claims and expenses of the Council, the Board of Trustees, at its discretion, may distribute surplus funds to members during that particular year, provided that such members are also members in the year in which the distribution is made. In lieu of distributing surplus funds to the members, the Board may carry forward the surplus to offset annual or supplemental payments in the subsequent year.

In the event the Council is terminated, all members of the Council are obligated for any necessary supplemental payments applicable to the years during which they were members. After all related expenses have been paid or reserves established for the payment of any such expenses, any surplus funds will be distributed to members, past or present, who constituted the Council for that fiscal year.

**BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Council applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

As of December 31, 2022 and 2021, all of the Council's net position are considered unrestricted.

E. Revenues and Expenses

Premiums, member and supplemental contributions, claims handling fees and administrative fees: Premiums are determined based on the member's allocated insurance coverage costs as determined by the Council administrator and are recognized ratably as revenue and related expenses over the insurance coverage period.

Member and supplemental contributions are determined based on a formula approved by the Board of Trustees and applied to all members to provide sufficient funds within the insurance pool to adequately fund administrative expenses of the Council. Claims expense is a result of the deductible each member is responsible for according to the insurance agreement. The deductible is recognized ratably as a revenue and related expense as a claim occurs.

Under the terms of the cooperative agreement, should the annual contributions not be sufficient to fund operations or obligations of the Council, additional supplementary payments shall be required to be made by every member based on the formula used to determine the annual contributions.

F. Budgetary Process

Under Ohio law, the Council is not required to follow a budgetary process and, therefore, no budgetary information is provided in these financial statements.

G. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the Council's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Council.

At December 31, 2022 and 2021, the carrying amount of all Council deposits was \$55,776 and \$57,467, respectively. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of December 31, 2022 and 2021, all of the Council's bank balance of \$55,776 and \$58,098, respectively was covered by Federal Deposit Insurance Corporation.

Investments: As of December 31, 2022 and 2021, the Council held no investments and the Council does not have an investment policy.

BUCKEYE JOINT-COUNTY INSURANCE COUNCIL
LAWRENCE COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 4 - RISK MANAGEMENT

The Buckeye Joint-County Insurance Council is a regional council of government organized under Ohio Revised Code, Chapter 167, for the purpose of establishing and carrying out a cooperative insurance purchasing program. The Council is governed by a Board of Trustees who selects qualified insurance companies that provide the insurance program that is adequate to meet the needs of each member.

The Council became an insurance purchasing pool for property and liability insurance on April 10, 1986. The Council contracts with the Ohio Government Risk Management Plan to provide insurance for its members since April 1, 1997. Each member pays a fee based on their contributions.

NOTE 5 - CONTINGENCIES

General: In the normal course of business, the Council is involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the financial statements.

Concentration by Geographic Location and Industry:

The Council is exposed to certain risks by writing all its business in the State of Ohio, thus increasing exposure to a single geographic area. Council membership is limited to counties.

NOTE 6 – SUBSEQUENT EVENTS

In January 2023, the Council became fully insured by the County Risk Sharing Authority who has full responsibility over claims.

**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***

Buckeye Joint-County Insurance Council
Lawrence County
P.O. Box 702
Ironton, Ohio 45638

To the Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Buckeye Joint-County Insurance Council, Franklin County, Ohio, as of and for the years ended December 31, 2023, 2022, and 2021, and the related notes to the financial statements, which collectively comprise the Buckeye Joint-County Insurance Council’s basic financial statements, and have issued our report thereon dated July 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Buckeye Joint-County Insurance Council’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 Buckeye Joint-County Insurance Council’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Buckeye Joint-County Insurance Council’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Buckeye Joint-County Insurance Council’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Buckeye Joint-County Insurance Council
Lawrence County

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Buckeye Joint-County Insurance Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Julian & Grube, Inc.
July 8, 2024

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OHIO AUDITOR OF STATE KEITH FABER



BUCKEYE JOINT COUNTY INSURANCE COUNCIL

LAWRENCE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/15/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov