
County Risk Sharing Authority, Inc.

**Financial Report
with Supplemental Information
April 30, 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
County Risk Sharing Authority
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We have reviewed the *Independent Auditor's Report* of the County Risk Sharing Authority, Franklin County, prepared by Plante & Moran, PLLC, for the audit period May 1, 2020 through April 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 01, 2021

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of County Risk Sharing Authority, Inc. (CORSA) as of and for the years ended April 30, 2021 and 2020 and the related notes to the financial statements, which collectively comprise CORSA's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of County Risk Sharing Authority, Inc. as of April 30, 2021 and 2020 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matter

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of claims development be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the 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 August 10, 2021 on our consideration of County Risk Sharing Authority, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County Risk Sharing Authority, Inc.'s internal control over financial reporting and compliance.

Plante & Moran, PLLC

August 10, 2021

Using This Annual Report

The management of County Risk Sharing Authority, Inc. (CORSA) offers this overview of the organization and analysis of the financial activities of CORSA for the fiscal years ended April 30, 2021, 2020, and 2019. Readers are encouraged to consider the information presented here in conjunction with CORSA's financial statements and notes to the financial statements to enhance their understanding of CORSA's financial position.

Financial Overview

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

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

The three basic financial statements presented are as follows:

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

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

As of April 30, 2021, 66 counties and 40 county-related entities were members of CORSA during the 2020-2021 fiscal year.

Approximately 98 percent of total assets consists of cash, cash equivalents, and investments at April 30, 2021, 2020, and 2019. Approximately 76 percent, 71 percent, and 73 percent of total liabilities consist of loss and loss adjustment expense reserves at April 30, 2021, 2020, and 2019, respectively. CORSA participates in a joint venture for shared facility costs and has no significant investments in capital assets. CORSA carries no long-term debt. CORSA's financial position is presented below:

	2021	2020	2019
Assets			
Current assets	\$ 40,307,182	\$ 36,466,566	\$ 32,424,571
Noncurrent assets	110,747,757	105,798,097	99,118,654
Total assets	151,054,939	142,264,663	131,543,225
Liabilities			
Current liabilities	26,349,878	27,511,390	22,955,520
Noncurrent liabilities	24,150,000	20,314,000	19,527,000
Total liabilities	50,499,878	47,825,390	42,482,520
Net Position	\$ 100,555,061	\$ 94,439,273	\$ 89,060,705

County Risk Sharing Authority, Inc.

Management's Discussion and Analysis (Continued)

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

	2021	2020	2019
Operating Revenue	\$ 18,013,195	\$ 18,267,114	\$ 17,206,318
Operating Expenses	23,339,472	20,451,275	29,969,955
Operating Loss	(5,326,277)	(2,184,161)	(12,763,637)
Nonoperating Revenue	11,442,065	7,562,729	7,221,806
Change in Net Position	\$ 6,115,788	\$ 5,378,568	\$ (5,541,831)

Total estimated claims incurred for the policy year consist of claim payments, known reserves, and an estimate of claims incurred but not reported determined by an independent actuary. The methods of making such estimates are reviewed by management and are made according to industry practice. Any changes to these estimates will have an impact on reported results of future periods.

Condensed Comparative Financial Highlights

- Reserves for unpaid loss and loss adjustment expenses (reported net of estimated reinsurance recoveries) increased by \$4,867,003 between April 30, 2020 and April 30, 2021. This was mainly due to higher than expected reported loss development and a slowdown in the timing of payments of claims. Reserves for unpaid loss and loss adjustment expenses increased by \$2,906,995 between April 30, 2019 and April 30, 2020. This was mainly due to a slowdown in the timing of payments of claims.
- Operating revenue, which represents member premiums net of reinsurance premium expense, decreased by \$253,919 between April 30, 2020 and April 30, 2021 and increased by \$1,060,796 between April 30, 2019 and April 30, 2020. The decrease in 2021 was attributable to an increase in the reinsurance premium due. The increase in 2020 was due to a lower reinsurance cost in 2020 than in 2019.
- Loss and loss adjustment expenses increased by \$3,026,619 between April 30, 2020 and April 30, 2021 and decreased by \$8,890,140 between April 30, 2019 and April 30, 2020. The increase in 2021 was attributable to a handful of large claims having a higher than expected loss development. The decrease in 2020 relates to policy changes on several coverage types that occurred in 2019. In 2019, policy coverages changed from claims-made occurrence on several coverage types, which provided enhanced coverage to members without an increase in premium, and resulted in including claims incurred in all prior years that had not yet been reported. In 2020, the loss expenses decreased because only one year of losses was included.
- Other operating expenses were relatively consistent for all three years.
- Nonoperating revenue increased by \$3,879,336 from April 30, 2020 to April 30, 2021 and by \$340,923 from April 30, 2019 to April 30, 2020. Changes in respective years were mainly attributable to changes in the market value of investments.
- Overall, CORSA's net position increased by \$6,115,788 from \$94,439,273 at April 30, 2020 to \$100,555,061 at April 30, 2021. This increase was mainly due to positive unrealized investment gains. CORSA's net position increased by \$5,378,568 from \$89,060,705 at April 30, 2019 to \$94,439,273 at April 30, 2020. This increase was mainly due to positive unrealized investment gains.

Economic Factors and Risks

The risks to CORSA are primarily external in nature and are driven by the reinsurance market, weather events, and the economic and legal climates in Ohio. CORSA provides members with a vast array of risk management services to assist in preventing and controlling property and liability risks. CORSA has expanded its coverage and risk management services in recent years to meet the needs of members caused by cybercrimes and other cyber risks. With CORSA's \$1,000,000 self-insured retention for liability and \$1,500,000 self-insured retention for property, CORSA members are less vulnerable to the pricing cycles of the commercial insurance market.

The legal climate in Ohio is stable, with no significant judicial or legislative developments expected to occur in the next year that would have a significant impact on the operations of CORSA. As of the date of this report, CORSA has continued to evaluate the impacts that the COVID-19 pandemic may have on CORSA's claims costs. However, the long-term impacts are still unknown.

Contacting the Pool's Management

This financial report is designed to provide the users of CORSA's services, governments, taxpayers, and creditors with a general overview of the organization's finances. If you have any questions about this report or need additional information, we welcome you to contact the managing director of property and casualty insurance at 209 E. State Street, Columbus, OH 43215.

County Risk Sharing Authority, Inc.

Statement of Net Position

April 30, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 14,808,137	\$ 18,238,984
Investments (Notes 3 and 11)	23,293,558	16,123,099
Receivables:		
Other	2,379	11,567
Member deductibles	990,032	856,955
Accrued interest	519,861	564,600
Prepaid expenses	693,215	671,361
Total current assets	40,307,182	36,466,566
Noncurrent assets:		
Investments (Notes 3 and 11)	99,683,304	95,767,662
Investment in County Reinsurance, Ltd. (Note 9)	4,172,373	3,888,896
Investment in County Reinsurance, Ltd. Property Plus (Note 9)	5,791,683	5,132,399
Investment in County Governance Facility, LLC (Note 8)	1,001,160	896,527
Capital assets - Net of depreciation (Note 6)	99,237	112,613
Total noncurrent assets	110,747,757	105,798,097
Total assets	151,054,939	142,264,663
Liabilities		
Current liabilities:		
Accounts payable	223,670	209,855
Current portion of reserves for unpaid loss and loss adjustment expenses (Note 4)	14,446,003	13,415,000
Unearned member contributions	11,680,205	13,886,535
Total current liabilities	26,349,878	27,511,390
Noncurrent liabilities - Reserve for unpaid loss and loss adjustment expenses (Note 4)	24,150,000	20,314,000
Total liabilities	50,499,878	47,825,390
Net Position		
Net investment in capital assets	99,237	112,613
Unrestricted	100,455,824	94,326,660
Total net position	<u>\$ 100,555,061</u>	<u>\$ 94,439,273</u>

County Risk Sharing Authority, Inc.

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended April 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenue		
Member contributions	\$ 22,163,026	\$ 21,988,118
Reinsurance premium expense (Note 5)	<u>(4,149,831)</u>	<u>(3,721,004)</u>
Total operating revenue	18,013,195	18,267,114
Operating Expenses		
Provision for losses: (Note 4)		
Loss and loss adjustment expenses	16,790,000	14,340,000
Benefit for insured events of prior years	<u>(1,708,751)</u>	<u>(2,285,370)</u>
Total provision for losses	15,081,249	12,054,630
Agent fees	1,703,575	1,302,506
General and administrative fees	2,327,626	2,680,766
Brokerage fees	125,000	125,000
Special program expenses	1,642,706	1,742,832
Distribution to members	2,418,769	2,511,028
Depreciation (Note 6)	<u>40,547</u>	<u>34,513</u>
Total operating expenses	<u>23,339,472</u>	<u>20,451,275</u>
Operating Loss	(5,326,277)	(2,184,161)
Nonoperating Revenue (Expense)		
Interest and dividend income	3,265,385	3,711,795
Realized and unrealized gains on investments	7,434,071	2,965,457
Gain on investment in County Reinsurance, Ltd. (Note 9)	283,477	958,122
Gain on investment in County Reinsurance, Ltd. Property Plus (Note 9)	659,284	132,399
Gain (loss) on investment in County Governance Facility, LLC (Note 8)	4,633	(17,788)
Investment fees	(211,608)	(200,052)
Other income	<u>6,823</u>	<u>12,796</u>
Total nonoperating revenue	<u>11,442,065</u>	<u>7,562,729</u>
Change in Net Position	6,115,788	5,378,568
Net Position - Beginning of year	<u>94,439,273</u>	<u>89,060,705</u>
Net Position - End of year	<u><u>\$ 100,555,061</u></u>	<u><u>\$ 94,439,273</u></u>

County Risk Sharing Authority, Inc.

Statement of Cash Flows

Years Ended April 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Cash received from premiums and other	\$ 19,965,884	\$ 24,400,090
Cash paid for excess insurance	(4,221,684)	(3,743,708)
Cash paid for loss and loss adjustment	(10,347,323)	(9,040,063)
Cash paid to vendors for goods and services	(8,153,862)	(8,388,265)
Net cash (used in) provided by operating activities	(2,756,985)	3,228,054
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	13,560	15,000
Purchase of capital assets	(33,908)	(65,100)
Net cash used in capital and related financing activities	(20,348)	(50,100)
Cash Flows from Investing Activities		
Interest and dividends received on investments	2,914,300	3,128,658
Purchases of investment securities	(47,025,184)	(21,353,684)
Proceeds from sale and maturities of investment securities	43,768,978	28,094,698
Investment fees paid	(211,608)	(200,052)
Investment in CRL Property Plus Program	-	(5,000,000)
Capital contribution to County Governance Facility, LLC	(100,000)	-
Net cash (used in) provided by investing activities	(653,514)	4,669,620
Net (Decrease) Increase in Cash and Cash Equivalents	(3,430,847)	7,847,574
Cash and Cash Equivalents - Beginning of year	18,238,984	10,391,410
Cash and Cash Equivalents - End of year	\$ 14,808,137	\$ 18,238,984
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (5,326,277)	\$ (2,184,161)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	40,547	34,513
Changes in assets and liabilities:		
Member deductibles receivable	(133,077)	107,572
Other receivables	9,188	(8,497)
Prepaid expenses	(21,854)	(64,243)
Accounts payable	13,815	15,406
Unearned member contributions	(2,206,330)	2,420,469
Reserves for unpaid loss and loss adjustment expenses	4,867,003	2,906,995
Net cash (used in) provided by operating activities	\$ (2,756,985)	\$ 3,228,054
Significant Noncash Transactions - Noncash investing activities - Net unrealized gains on investments	\$ 5,965,557	\$ 2,143,592

There were noncash transactions related to distributions to members totaling \$2,418,769 and \$2,511,028 during the years ended April 30, 2021 and 2020, respectively. These amounts, representing a reduction of the premiums, not a cash payment, were also included within member contributions on the statement of revenue, expenses, and changes in net position.

April 30, 2021 and 2020

Note 1 - Nature of Business

County Risk Sharing Authority, Inc. (CORSA) is a self-insurance pool that was established in 1987 by the County Commissioners Association of Ohio (CCAO) for the purpose of providing property and liability coverage and comprehensive risk-management services for CCAO members. As of April 30, 2021, 66 Ohio counties and 40 county-related entities were members of CORSA. In addition, CCAO and its affiliated entities were members of CORSA during the 2020-2021 fiscal year.

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

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

Note 2 - Significant Accounting Policies

Basis of Presentation

CORSA follows all applicable Governmental Accounting Standards Board (GASB) pronouncements. The accompanying financial statements are presented using the accrual method of accounting.

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

Cash and Cash Equivalents

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

Investments

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

CORSA's investments in County Reinsurance, Ltd. (CRL); County Reinsurance, Ltd. Property Plus (CRL PP); and County Governance Facility, LLC (LLC) are accounted for under the equity method. Accordingly, the investments in CRL, CRL PP, and LLC are carried at cost, adjusted for CORSA's proportionate share of earnings or losses.

Member Contributions and Unearned Member Contributions

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

April 30, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

Deductible Receivable

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

Reserve for Unpaid Loss and Loss Adjustment Expenses

CORSA's reserve for unpaid loss and loss adjustment expenses is determined using an actuarial analysis and is computed in accordance with accepted loss reserving standards. The reserve represents an estimate of the ultimate net cost of all losses incurred that were unpaid at April 30, 2021 and 2020. This includes an estimate of losses incurred but not yet reported as of April 30, 2021 and 2020.

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

Capital Assets

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

Risk Management

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

Net Position

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

As of April 30, 2021 and 2020, CORSA does not have any restricted net position. CORSA's board of directors may authorize the distribution of the net position to those members that constituted the self-insurance pool during the years when such net position was earned, provided that such members were also members of CORSA in the year in which said distribution is made.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates exist relating to the reserve for unpaid loss and loss adjustment expenses, as described in Note 4, and investment valuation.

April 30, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

Tax Status

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

Contribution Deficiency

Anticipated investment income is considered in determining if a premium deficiency exists. No premium deficiency reserve was required at April 30, 2021 or 2020.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including August 10, 2021, which is the date the financial statements were available to be issued.

Note 3 - Deposits and Investments

CORSA's investment policy authorizes CORSA to make investments in the following allowable assets: cash equivalents (U.S. Treasury bills, money market funds, commercial paper, bankers' acceptances, repurchase agreements, and certificates of deposit); fixed-income securities (including U.S. government and agency securities, asset-backed securities, investment-grade corporate notes and bonds, mortgage-backed bonds, and municipal bonds); risk assets, including domestic common stocks, convertible notes and bonds, and convertible preferred stocks; American Depositary Receipts (ADRs) of non-U.S. companies; U.S. high-yield bonds; international emerging market equities; international EAFE equities, and bank loans. The policy also allows mutual funds and/or exchange-traded funds and some nonmarketable portfolio assets relating to a joint venture and partial ownership in CORSA's reinsurance carrier.

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

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

Deposits

Cash and cash equivalents include operating and claims checking accounts, insured sweep accounts, and money market funds. Cash and cash equivalents totaled \$14,808,137 and \$18,238,984 at April 30, 2021 and 2020, respectively.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, CORSA's deposits may not be returned to it. CORSA does not have a deposit policy for custodial credit risk. At year end, CORSA had \$11,964,105 of bank deposits. Of this amount, \$347,233 was insured by the Federal Deposit Insurance Corporation (FDIC). CORSA believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. However, during the 2019-2020 policy year, CORSA did move some of its cash holdings from regular checking and money market accounts to Insured Cash Sweep accounts, which are money market funds made up of several bank holdings, each under \$250,000 and, therefore, fully insured. The amount of cash in these accounts was \$97,233 and \$15,095,400 as of April 30, 2021 and 2020, respectively.

April 30, 2021 and 2020

Note 3 - Deposits and Investments (Continued)

Investments

Investments are reported at fair value. At April 30, 2021 and 2020, CORSA had the following investments:

	Fair Value	
	2021	2020
Fixed-income securities	\$ 91,515,997	\$ 88,627,640
Mutual funds	8,736,214	7,621,465
Equities	22,724,651	15,641,656
Total investments	<u>\$ 122,976,862</u>	<u>\$ 111,890,761</u>

Interest Rate Risk

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

At April 30, 2021 and 2020, CORSA had the following average maturities of fixed-income securities and mutual funds:

Investment	2021		2020	
	Fair Value	Weighted-average Maturity (Years)	Fair Value	Weighted-average Maturity (Years)
U.S. Treasury securities	\$ 7,433,687	11.14	\$ 7,327,008	13.67
Asset-backed securities	6,032,334	3.30	4,480,233	1.71
Corporate bonds	36,865,930	10.16	36,782,946	10.49
Municipal bonds	12,453,263	9.00	8,668,186	12.30
Mortgage-backed/Collateralized mortgage-backed securities	28,730,783	3.62	31,369,267	4.28
Mutual funds - Bank loans	4,156,404	5.11	3,629,496	5.00
Mutual funds - High-yield bonds	4,579,810	4.30	3,991,969	5.53
Total	<u>\$ 100,252,211</u>		<u>\$ 96,249,105</u>	

Credit Risk

Credit risk is the risk that the issuer of an investment will not fulfill its obligations.

April 30, 2021 and 2020

Note 3 - Deposits and Investments (Continued)

At April 30, 2021 and 2020, the credit quality ratings of fixed-income securities by type are as follows:

Investment	2021			2020		
	Fair Value	Rating	Rating Organization	Fair Value	Rating	Rating Organization
U.S. Treasury securities	<u>\$ 7,433,687</u>	Aaa	Moody's	<u>\$ 7,327,008</u>	Aaa	Moody's
Asset-backed securities	4,157,562	Aaa	Moody's	4,133,086	Aaa	Moody's
	192,668	A1	Moody's	347,147	AAA	S&P
	556,036	A2	Moody's	-		
	304,949	AA-	S&P	-		
	251,720	A	S&P	-		
	<u>569,399</u>	AAA	S&P	<u>-</u>		
Total	<u>\$ 6,032,334</u>			<u>\$ 4,480,233</u>		
Corporate bonds	419,678	Aa2	Moody's	576,678	Aaa	Moody's
	1,666,082	Aa3	Moody's	722,358	Aa1	Moody's
	281,250	Ba2	Moody's	730,107	Aa2	Moody's
	9,435,484	Baa1	Moody's	1,619,318	Aa3	Moody's
	8,328,314	Baa2	Moody's	127,851	Ba1	Moody's
	3,160,123	Baa3	Moody's	261,000	Ba2	Moody's
	2,078,761	A1	Moody's	8,765,160	Baa1	Moody's
	3,940,942	A2	Moody's	8,239,147	Baa2	Moody's
	6,044,486	A3	Moody's	3,462,766	Baa3	Moody's
	194,321	AAA	S&P	2,194,285	A1	Moody's
	494,043	A	S&P	5,535,006	A2	Moody's
	109,175	BBB-	S&P	3,963,733	A3	Moody's
	188,445	BBB	Fitch	49,547	BBB	S&P
	375,733	BBB+	Kroll	186,467	BBB	Fitch
	<u>149,093</u>	BBB	Kroll	<u>349,523</u>	BBB	Kroll
Total	<u>\$ 36,865,930</u>			<u>\$ 36,782,946</u>		
Municipal bonds	2,410,813	Aaa	Moody's	2,309,636	Aaa	Moody's
	3,672,924	Aa1	Moody's	4,007,106	Aa1	Moody's
	3,103,247	Aa2	Moody's	1,771,014	Aa2	Moody's
	399,531	Aa3	Moody's	395,541	Aa3	Moody's
	586,150	A1	Moody's	184,889	AAA	S&P
	203,124	AA	S&P	-		
	1,136,414	AA+	S&P	-		
	<u>941,060</u>	AAA	S&P	<u>-</u>		
Total	<u>\$ 12,453,263</u>			<u>\$ 8,668,186</u>		
Mutual funds - Bank loans	<u>4,156,404</u>	B	S&P	<u>3,629,496</u>	B	S&P
Mutual funds - High-yield bonds	<u>4,579,810</u>	Ba3	Moody's	<u>3,991,969</u>	B	Moody's
Mortgage-backed/Collateralized mortgage-backed securities	24,061,020	Aaa	Moody's	24,279,637	Aaa	Moody's
	3,033,335	AAA	S&P	5,210,079	AAA	S&P
	<u>1,636,428</u>	AAA	Fitch	<u>1,879,551</u>	AAA	Fitch
Total	<u>\$ 28,730,783</u>			<u>\$ 31,369,267</u>		

Note 3 - Deposits and Investments (Continued)

Concentration of Credit Risk

Excluding investments issued or guaranteed by the U.S. government, there were no investments that individually exceeded 5 percent of CORSA's total investments at April 30, 2021 and 2020.

Foreign Currency Risk

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

Note 4 - Reserve for Unpaid Loss and Loss Adjustment Expenses

The reserve for unpaid loss and loss adjustment expenses is estimated by an independent actuary based upon CORSA's historical experience of losses incurred prior to April 30, 2021. The estimates reflect the best judgment as to the potential for losses to increase beyond the amounts already paid. Although management believes that the reserve for unpaid loss and loss adjustment expenses is adequate, no assurance can be given that the ultimate settlement of these liabilities may not be greater or less than such estimates. Any future adjustments to these amounts will affect the reported results of future periods.

The following table represents changes in the reserve for unpaid loss and loss adjustment expenses for CORSA for the years ended April 30, 2021, 2020, and 2019:

	2021	2020	2019
Reserve for unpaid loss and loss adjustment expenses - Beginning of year	\$ 33,729,000	\$ 30,822,005	\$ 21,120,000
Incurring loss and loss adjustment expenses:			
Provisions for loss and loss adjustment expenses incurred in current year	16,790,000	14,340,000	23,101,000
Change in provision for loss and loss adjustment expenses incurred in prior years	<u>(1,708,751)</u>	<u>(2,285,370)</u>	<u>(2,156,230)</u>
Total incurred loss and loss adjustment expenses	15,081,249	12,054,630	20,944,770
Payments:			
Loss and loss adjustment expenses paid for losses incurred in current year	4,112,881	2,982,990	3,308,900
Loss and loss adjustment expenses paid for losses incurred in prior years	<u>6,101,365</u>	<u>6,164,645</u>	<u>7,933,865</u>
Total payments	<u>10,214,246</u>	<u>9,147,635</u>	<u>11,242,765</u>
Reserve for unpaid loss and loss adjustment expenses - End of year	<u>\$ 38,596,003</u>	<u>\$ 33,729,000</u>	<u>\$ 30,822,005</u>

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

Note 5 - Excess Insurance Coverage

CORSA retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by excess insurance and reinsurance contracts. CORSA's retention limit was \$1,500,000 per occurrence for property coverage and \$1,000,000 for liability coverage for both fiscal years ended April 30, 2021 and 2020.

The exceptions to retention limits for both fiscal years were \$250,000 for cyber liability, \$50,000 for equipment breakdown/boiler claims, and \$2,000,000 for the general liability and medical professional liability for county homes. During the fiscal years ended April 30, 2021 and 2020, CORSA provided county home liability coverage with a retention limit of \$1,000,000.

CORSA maintains reinsurance contracts with insurance carriers that provide coverage above CORSA's self-insured retention limits.

For liability coverage, each member chooses its limits of liability, with limits varying between \$1,000,000 and \$10,000,000 over the \$1,000,000 CORSA retention. There was an exception for the general liability and medical professional liability for county homes, for which there was a \$2,000,000 excess limit over the \$1,000,000 CORSA retention for the fiscal years ended April 30, 2021 and 2020. As of April 30, 2021 and 2020, CORSA provided liability coverage for 18 county homes.

In the event that a loss should exceed the amount of coverage provided by CORSA, then the payment of any loss in excess of the limit provided by CORSA is the obligation of the member or members against which the claims were made. In the unlikely event that all or any of the insurance companies are unable to meet their obligations under the excess insurance and reinsurance contracts, CORSA would be responsible for such defaulted amounts.

Premiums ceded to reinsurers were \$4,149,831 and \$3,721,004 for fiscal years 2021 and 2020, respectively. The amount deducted from the reserves for unpaid losses and loss adjustment expenses for estimated amounts recoverable under reinsurance was \$9,705,000 and \$4,016,100 for fiscal years 2021 and 2020, respectively. The adjustment to claim expenses for estimated amounts recoverable under reinsurance was \$5,920,319 and \$3,630,422 for fiscal years 2021 and 2020, respectively.

Note 6 - Capital Assets

Capital asset activity for the years ended April 30, 2021 and 2020 was as follows:

	Balance May 1, 2020	Additions	Disposals	Balance April 30, 2021
Capital assets being depreciated:				
Vehicles	\$ 196,819	\$ 33,908	\$ (31,095)	\$ 199,632
Furniture and fixtures	62,103	-	-	62,103
Computer equipment	11,255	-	(1,900)	9,355
Subtotal	270,177	33,908	(32,995)	271,090
Accumulated depreciation:				
Vehicles	84,207	40,547	(24,359)	100,395
Furniture and fixtures	62,103	-	-	62,103
Computer equipment	11,254	-	(1,899)	9,355
Subtotal	157,564	40,547	(26,258)	171,853
Net capital assets	<u>\$ 112,613</u>	<u>\$ (6,639)</u>	<u>\$ (6,737)</u>	<u>\$ 99,237</u>

April 30, 2021 and 2020

Note 6 - Capital Assets (Continued)

	Balance May 1, 2019	Additions	Disposals	Balance April 30, 2020
Capital assets being depreciated:				
Vehicles	\$ 197,746	\$ 65,100	\$ (66,027)	\$ 196,819
Furniture and fixtures	62,103	-	-	62,103
Computer and equipment	11,255	-	-	11,255
Claims system	80,838	-	(80,838)	-
Subtotal	351,942	65,100	(146,865)	270,177
Accumulated depreciation:				
Vehicles	112,577	33,716	(62,086)	84,207
Furniture and fixtures	62,103	-	-	62,103
Computer equipment	10,457	797	-	11,254
Claims system	80,838	-	(80,838)	-
Subtotal	265,975	34,513	(142,924)	157,564
Net capital assets	<u>\$ 85,967</u>	<u>\$ 30,587</u>	<u>\$ (3,941)</u>	<u>\$ 112,613</u>

Total depreciation expense was \$40,547 and \$34,513 for the years ended April 30, 2021 and 2020, respectively.

Note 7 - Related Party Transactions

CORSA and its health insurance counterpart, County Employee Benefits Consortium of Ohio (CEBCO), were created by CCAO to provide insurance for county employees. The three entities share office space, services, and operating expenses, which include salaries, telephone service, internet service, supplies, postage, and subscriptions. All employees of CORSA are employed by CCAO. Shared services are purchased by the various entities, and costs are shared and include liability coverage provided by CORSA, health care coverage provided by CEBCO, and additional external directors and officers coverage purchased by CORSA. CCAO pays for most of the other shared expenses, and CORSA and CEBCO pay CCAO for their portion based on an allocation approved by all three boards of directors. Investment consulting and management services are shared between CORSA and CEBCO. The amount paid for shared services by CORSA to CCAO was \$2,244,791 and \$2,150,598 for the years ended April 30, 2021 and 2020, respectively. CORSA's accrued expenses owed to CCAO as of April 30, 2021 and 2020 were \$50,363 and \$45,182, respectively.

Note 8 - Investment in County Governance Facility, LLC

In May 2008, CORSA entered into a joint venture with CCAO and CEBCO to form LLC. LLC was formed as a partnership with the three entities as members. The main purpose of this joint venture was to purchase a building for office space for the three members. CORSA contributed \$1,000,000 to fund its 33.3 percent portion of the joint venture. During the year ended April 30, 2021, CORSA, CCAO, and CEBCO each contributed an additional \$100,000 to LLC. CORSA accounts for the investment under the equity method. CORSA's portion of the gain (loss) was \$4,633 and \$(17,788) for the years ended April 30, 2021 and 2020, respectively.

April 30, 2021 and 2020

**Note 9 - Investment in County Reinsurance, Ltd. and County Reinsurance, Ltd.
Property Plus**

As of April 30, 2021 and 2020, CORSA has a 5 percent interest in CRL. CRL is a member-owned reinsurance company that provides reinsurance coverage for property, liability, and workers' compensation insurance. CORSA accounts for the investment under the equity method. CORSA recognized income of \$283,477 and \$958,122 during the years ended April 30, 2021 and 2020, respectively, from its interest in CRL.

As of April 30, 2021, CORSA has a 15 percent interest in CRL PP. During the fiscal year ended April 30, 2020, CORSA made an initial capital contribution in the amount of \$5,000,000 into CRL PP, which represented a 16 percent interest at that time. The program is a separate account under Vermont state statutes, with CRL as the general account. The program was created to allow CRL member pools to participate in certain excess property layers through a participation agreement. CORSA accounts for the investment under the equity method. CORSA recognized income of \$659,284 and \$132,399 during the years ended April 30, 2021 and 2020, respectively, from its interest in CRL PP.

Note 10 - Retirement Benefits

CCAO maintains a defined contribution plan covering employees who meet certain age requirements. The amount contributed to the plan by CCAO is not to exceed 10 percent of each eligible employee's annual qualified compensation. Contributions to the plan are made at the discretion of the board of directors of CCAO. CORSA then reimburses CCAO for its portion of the contribution. The amount contributed by CORSA is approved by CORSA's board. CORSA has no further retirement benefit obligation. Expense of \$129,398 and \$121,361 was incurred by CORSA for the fiscal years ended April 30, 2021 and 2020, respectively.

CCAO also provides postemployment medical and life insurance benefits to retirees with qualifying service credit and to surviving spouses of such retirees. These benefits are funded by yearly contributions from CCAO, as determined by CCAO's board. CORSA then reimburses CCAO for its portion of the contribution. The amount contributed by CORSA is approved by CORSA's board. CORSA has no further postemployment insurance benefit obligation. Expense of approximately \$6,100 was incurred by CORSA for the fiscal years ended April 30, 2021 and 2020.

Note 11 - Fair Value Measurements

CORSA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. CORSA's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

April 30, 2021 and 2020

Note 11 - Fair Value Measurements (Continued)

CORSA has the following recurring fair value measurements as of April 30, 2021:

	Assets Measured at Fair Value on a Recurring Basis at April 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)	Balance at April 30, 2021
Debt securities:				
Mutual funds - High-yield bonds	\$ 4,579,810	\$ -	\$ -	\$ 4,579,810
Mutual funds - Bank loans	4,156,404	-	-	4,156,404
Asset-backed securities	-	6,032,334	-	6,032,334
Corporate bonds	-	36,865,930	-	36,865,930
U.S. Treasury securities	7,433,687	-	-	7,433,687
Mortgage-backed/Collateralized mortgage-backed securities	-	28,730,783	-	28,730,783
Municipal bonds	-	12,453,263	-	12,453,263
Total debt securities	16,169,901	84,082,310	-	100,252,211
Equity securities - Mutual funds	22,724,651	-	-	22,724,651
Total assets	\$ 38,894,552	\$ 84,082,310	\$ -	\$ 122,976,862

CORSA has the following recurring fair value measurements as of April 30, 2020:

	Assets Measured at Fair Value on a Recurring Basis at April 30, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)	Balance at April 30, 2020
Debt securities:				
Mutual funds - High-yield bonds	\$ 3,991,969	\$ -	\$ -	\$ 3,991,969
Mutual funds - Bank loans	3,629,496	-	-	3,629,496
Asset-backed securities	-	4,480,233	-	4,480,233
Corporate bonds	-	36,782,946	-	36,782,946
U.S. Treasury securities	7,327,008	-	-	7,327,008
Mortgage-backed/Collateralized mortgage-backed securities	-	31,369,267	-	31,369,267
Municipal bonds	-	8,668,186	-	8,668,186
Total debt securities	14,948,473	81,300,632	-	96,249,105
Equity securities - Mutual funds	15,641,656	-	-	15,641,656
Total assets	\$ 30,590,129	\$ 81,300,632	\$ -	\$ 111,890,761

The following summarizes the valuation method used in determining fair value measurements:

Level 1 Measurements

The fair values of U.S. Treasury securities and mutual funds are determined using prices quoted in active markets for those securities.

April 30, 2021 and 2020

Note 11 - Fair Value Measurements (Continued)

Level 2 Measurements

The fair values of asset-backed securities, corporate bonds, mortgage-backed/collateralized mortgage-backed securities, and municipal bonds are determined by using other observable inputs, such as quoted prices for identical or similar assets in markets that are not active, contractual cash flows, credit spreads, and interest rates and yield curves that are observable at commonly quoted intervals.

Required Supplemental Information

April 30, 2021

Claims Development Information

The table on the following page illustrates how CORSA's earned revenue (net of excess insurance) and investment income compared to related costs of loss (net of loss assumed by excess insurers) and other expenses assumed by CORSA as of the end of each of the last 10 years. The columns of the table show data for successive policy years. The rows of the table are defined as follows:

1. This line shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to excess insurers, and net earned contribution revenue and reported investment revenue.
2. This line shows each fiscal year's other operating costs of CORSA, including overhead and claims expense not allocable to individual claims.
3. This line shows CORSA's gross incurred losses and allocated loss adjustment expenses, losses assumed by excess insurers, and net incurred losses and allocated adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. This section of 10 rows shows the cumulative net amounts paid as of the end of successive years for each policy year.
5. This line shows the latest re-estimated amount of losses assumed by excess insurers as of the end of the current year for each accident year.
6. This section of 10 rows shows how each policy year's net incurred losses increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known losses, re-evaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest re-estimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought.

Required Supplemental Information
Schedule of Claims Development (Continued)

April 30, 2021

Policy Year Ended December 31	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1. Required contributions and investment income:										
Earned	\$ 31,067,691	\$ 28,706,132	\$ 25,473,935	\$ 30,123,230	\$ 23,038,974	\$ 25,880,761	\$ 23,735,463	\$ 29,382,161	\$ 29,750,899	\$ 33,816,699
Ceded	3,212,141	3,357,681	3,591,025	3,744,889	3,429,558	3,486,760	3,466,181	4,755,395	3,721,004	4,149,831
Net	27,855,550	25,348,451	21,882,910	26,378,341	19,609,416	22,394,001	20,269,282	24,626,766	26,029,895	29,666,868
2. Expenses other than allocated loss adjustment expenses	6,702,290	6,452,368	6,271,046	6,591,886	7,235,090	7,696,874	8,380,347	9,223,827	8,596,697	8,469,831
3. Estimated loss and allocated loss adjustment expenses - End of policy year:										
Incurred	12,480,233	16,258,444	15,119,798	14,236,116	10,820,000	12,155,000	12,630,000	23,300,000	14,744,000	18,698,000
Ceded	-	1,171,564	140,934	988,116	-	-	193,000	199,000	404,000	1,908,000
Net	12,480,233	15,086,880	14,978,864	13,248,000	10,820,000	12,155,000	12,437,000	23,101,000	14,340,000	16,790,000
4. Cumulative paid loss and allocated loss adjustment expenses:										
End of policy year	3,035,505	5,057,937	4,151,661	3,072,620	1,917,283	3,626,620	3,088,350	3,308,900	2,982,990	4,112,881
One year later	6,865,094	7,108,802	8,992,245	6,142,444	4,162,577	5,458,889	6,715,806	6,754,287	5,020,624	-
Two years later	8,898,813	6,725,846	9,990,214	7,808,785	5,131,307	6,616,293	7,931,017	8,557,409	-	-
Three years later	9,406,288	7,362,332	10,787,870	8,201,451	7,255,670	7,173,341	8,579,408	-	-	-
Four years later	9,590,511	7,612,758	11,273,574	8,571,900	7,828,003	7,378,716	-	-	-	-
Five years later	9,757,726	8,089,947	11,371,197	8,886,044	8,937,223	-	-	-	-	-
Six years later	10,081,127	8,340,966	11,386,465	8,949,608	-	-	-	-	-	-
Seven years later	10,092,792	8,356,733	11,444,913	-	-	-	-	-	-	-
Eight years later	10,262,362	8,410,710	-	-	-	-	-	-	-	-
Nine years later	10,100,245	-	-	-	-	-	-	-	-	-
5. Re-estimated ceded loss and expenses	-	5,451,176	348,945	1,018,235	-	113,641	1,183	2,777,000	4,961,000	1,908,000
6. Re-estimated incurred loss and allocated loss adjustment expenses:										
End of policy year	12,480,233	15,086,880	14,978,958	13,248,000	10,820,000	12,155,000	12,437,000	23,101,000	14,340,000	16,790,000
One year later	12,624,085	12,832,585	13,054,000	11,149,000	8,100,000	10,055,000	11,611,000	20,868,000	14,773,000	-
Two years later	11,044,666	8,808,000	14,398,000	9,656,000	8,727,000	8,383,000	10,895,000	20,050,000	-	-
Three years later	10,354,000	8,260,000	13,658,000	9,419,000	9,124,000	8,497,000	9,771,000	-	-	-
Four years later	10,095,000	8,307,000	12,984,000	9,300,000	9,823,000	9,064,000	-	-	-	-
Five years later	10,307,000	8,194,000	12,203,000	9,225,000	9,533,000	-	-	-	-	-
Six years later	10,111,000	8,494,000	12,161,000	9,072,000	-	-	-	-	-	-
Seven years later	10,153,000	8,488,000	11,666,000	-	-	-	-	-	-	-
Eight years later	10,262,362	8,485,000	-	-	-	-	-	-	-	-
Nine years later	10,100,245	-	-	-	-	-	-	-	-	-
7. Decrease (increase) in estimated incurred losses and allocated loss adjustment expenses subsequent to initial policy year end	2,379,988	6,601,880	3,312,958	4,176,000	1,287,000	3,091,000	2,666,000	3,051,000	(433,000)	-

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of County Risk Sharing Authority, Inc. (CORSA), which comprise the basic statement of net position as of April 30, 2021 and the related basic statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the basic financial statements and have issued our report thereon dated August 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered CORSA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CORSA's internal control. Accordingly, we do not express an opinion on the effectiveness of CORSA's internal control.

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

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

Compliance and Other Matters

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

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

Purpose of This Report

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

Plante & Moran, PLLC

August 10, 2021

OHIO AUDITOR OF STATE KEITH FABER



COUNTY RISK SHARING AUTHORITY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/14/2021

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