

FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTAL INFORMATION

Ohio Municipal Joint Self-Insurance Pool

*Years ended March 31, 2019 and 2018
with Independent Auditors' Report*

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Ohio Municipal Joint Self-Insurance Pool
600 East 96th Street, Suite 425
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We have reviewed the *Independent Auditor's Report* of the Ohio Municipal Joint Self-Insurance Pool, Franklin County, prepared by Petrow Leemhuis Vincent & Kane, for the audit period April 1, 2018 through March 31, 2019. 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 Ohio Municipal Joint Self-Insurance Pool 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

September 26, 2019

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Ohio Municipal Joint Self-Insurance Pool

Financial Statements and Required Supplemental Information

Years ended March 31, 2019 and 2018

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Ohio Municipal Joint Self-Insurance Pool Management Discussion and Analysis

This section of the Ohio Municipal Joint Self Insurance Pool's (the "Pool") financial statements contains a discussion and analysis by management of the Pool's financial results as of March 31, 2019 and 2018, and for the years then ended.

Content of the audit report is broken into three sections, *management discussion and analysis* (this section) the *basic financial statements* (including footnotes) and *required supplementary information*.

Financial Highlights

The table below provides a summary of the Pool's assets and liabilities as of March 31:

	2019	2018
Assets		
Cash and short term investments	\$ 1,567,734	\$ 1,326,860
Member contributions receivable	11,319	14,268
Prepaid expenses	3,130	-
Total assets	\$ 1,582,183	\$ 1,341,128
 Liabilities and accumulated surplus		
Losses and loss adjustment expenses payable	\$ 550,577	\$ 544,492
Member contributions received in advance	536,516	326,880
Administrator, sponsor fees and commissions payable	126	13,569
Total liabilities	1,087,219	884,841
Accumulated surplus	494,964	456,187
Total liabilities and accumulated surplus	\$ 1,582,183	\$ 1,341,128

Key financial highlights for fiscal year 2019 are as follows:

The Pool's total assets increased 18%, or \$241,055, to \$1,582,183 in 2019. Cash and short term investments increased 18%, or \$240,874, from \$1,326,860 in 2018 to \$1,567,734 in 2019.

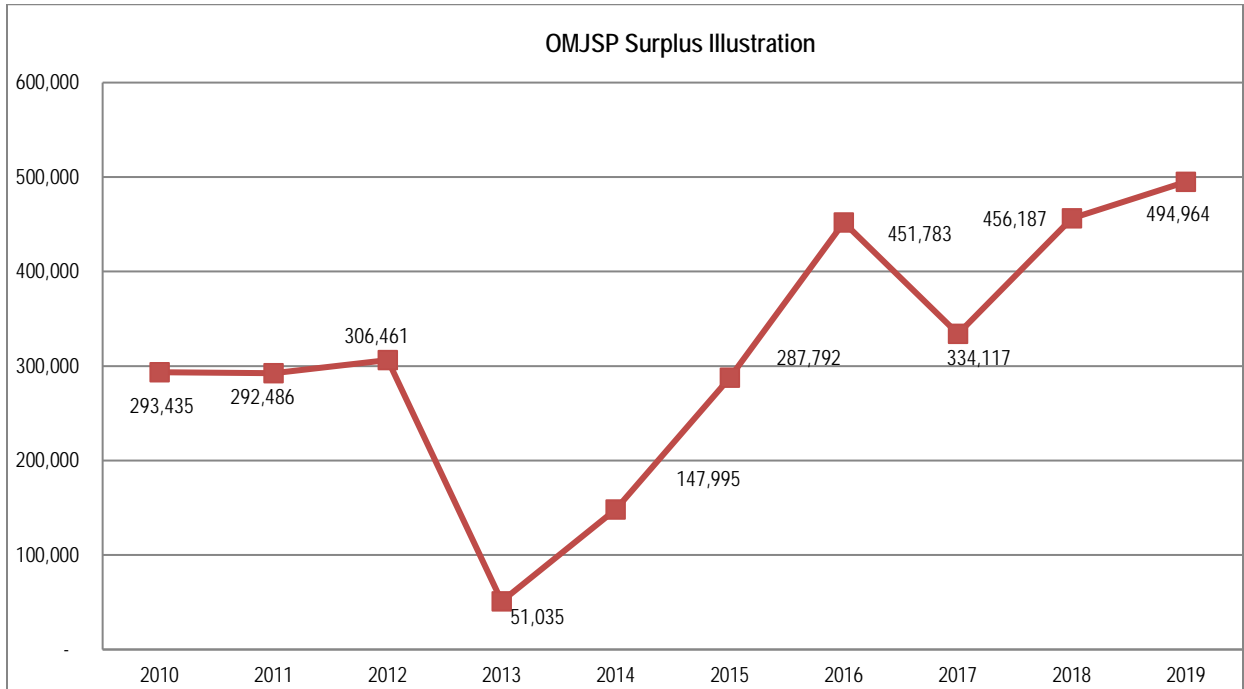
The Pool's losses and loss adjustment expenses reserves increased 1%, from \$544,492 in 2018 to \$550,577 in 2019. The Pool's consulting actuary determined that the total loss reserves, including an allocation for incurred but not reported losses, were reasonable and fell within the consulting actuary's acceptable range for unpaid losses and loss adjustment expense.

The Pool purchases excess of loss property and liability reinsurance to protect its members from unexpected large losses. The Board and the Administrator receive competitive bids annually in order to

make sure the excess reinsurance terms remain competitive for Pool members. The Pool's current self-insured retention for property losses is \$50,000 and the liability loss retention is set at \$100,000 per occurrence.

The Pool has received a determination letter from the Internal Revenue Service indicating that the Pool's income is excludable from taxation.

The Pool's surplus position for the last ten fiscal years is as follows:



Statements of Income and Expenses

The table below provides a summary of the Pool's revenues and expenses for the years ended March 31:

	<u>2019</u>	<u>2018</u>
Revenues:		
Gross written contributions	\$ 2,204,426	\$ 2,217,226
Member surplus contributions	353,191	355,426
Reinsurance premiums	(939,436)	(1,002,216)
Investment income	<u>21,295</u>	<u>9,583</u>
Total	<u>1,639,476</u>	1,580,019
Expenses:		
Losses and loss adjustment expenses	1,065,424	1,441,892
Ceded losses recovered	(98,500)	(610,879)
Administrator, sponsor fees and commissions	565,595	554,740
Professional fees	58,650	57,529
Other expenses	<u>9,530</u>	<u>14,667</u>
Total	<u>1,600,699</u>	<u>1,457,949</u>
Net income	<u>\$ 38,777</u>	<u>\$ 122,070</u>

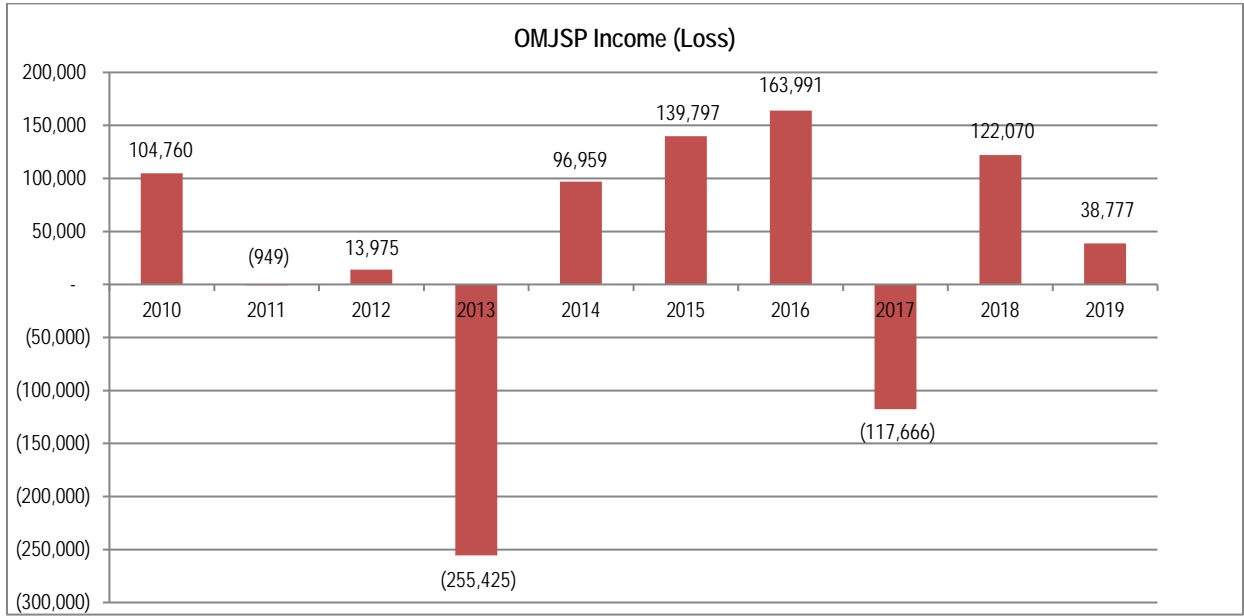
The Pool's gross contribution revenue decreased by 1%, or \$15,035, to \$2,557,617 in 2019. Total net revenues after the deduction for reinsurance expenses increased by 3%, or \$47,745, in 2019.

The Pool's net claim loss expense increased by 16%, or \$135,911, to \$966,924 in 2019 compared to \$831,013 in 2018.

Commissions and administration fee expense increased by 2%, or \$10,855 in 2019.

The Pool's total net income for the year decreased by \$83,293, to \$38,777, in 2019.

The Pool's income (loss) for the last ten fiscal years is as follows:



Independent Auditors' Report

Board of Trustees
Ohio Municipal Joint Self-Insurance Pool

Report on the Financial Statements

We have audited the accompanying financial statements of Ohio Municipal Joint Self-Insurance Pool, which comprise the balance sheets as of March 31, 2019 and 2018 and the related statements of income and changes in accumulated surplus and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of 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 the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohio Municipal Joint Self-Insurance Pool as of March 31, 2019 and 2018, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Management's Discussion and Analysis (page 1) and the Schedule of Claims Development Information (page 15) are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2019 on our consideration of Ohio Municipal Joint Self-Insurance Pool'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 Ohio Municipal Joint Self-Insurance Pool's internal control over financial reporting and compliance.

Emphasis of Matter

Adoption of New Reporting Standard

As discussed in Note 2 to the financial statements, the Ohio Municipal Joint Self-Insurance Pool has adopted certain provisions of Accounting Standards Update 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. The new standard affects the presentation of certain items in the financial statements, requires the disclosure of functional expenses and requires qualitative and quantitative disclosures in the notes to the financial statements regarding the Pool's ability to meet future cash flow needs. Our opinion is not modified with respect to this matter.

Petrow Kane Leenhuis

August 23, 2019

Ohio Municipal Joint Self-Insurance Pool

Balance Sheets

	March 31	
	2019	2018
Assets		
Cash and short term investments	\$ 1,567,734	\$ 1,326,860
Member contributions receivable	11,319	14,268
Prepaid expenses	3,130	-
Total assets	\$ 1,582,183	\$ 1,341,128
 Liabilities and accumulated surplus		
Losses and loss adjustment expenses payable	\$ 550,577	\$ 544,492
Member contributions received in advance	536,516	326,880
Administrator, sponsor fees and commissions payable	126	13,569
Total liabilities	1,087,219	884,941
Accumulated surplus	494,964	456,187
Total liabilities and accumulated surplus	\$ 1,582,183	\$ 1,341,128

See accompanying notes and independent auditors' report.

Ohio Municipal Joint Self-Insurance Pool

Statements of Income and Changes in Accumulated Surplus

	Years ended March 31	
	2019	2018
Operating revenues:		
Gross written contributions	\$ 2,204,426	\$ 2,217,226
Member surplus contributions	353,191	355,426
Reinsurance premiums	(939,436)	(1,002,216)
	1,618,181	1,570,436
Program expenses:		
Losses and loss adjustment expenses	1,065,424	1,441,892
Ceded losses recovered	(98,500)	(610,879)
	966,924	831,013
Management and administrative expenses:		
Administrator, sponsor fees and commissions	565,595	554,740
Professional fees	58,650	57,529
Other expenses	9,530	14,667
	633,775	626,936
Total operating expenses	1,600,699	1,457,949
Operating income	17,482	112,487
Non-operating revenues:		
Investment income	21,295	9,583
Net increase in accumulated surplus	38,777	122,070
Accumulated surplus beginning of year	456,187	334,117
Accumulated surplus end of year	\$ 494,964	\$ 456,187

See accompanying notes and independent auditors' report.

Ohio Municipal Joint Self-Insurance Pool

Statements of Cash Flows

	Years ended March 31	
	2019	2018
Operating activities		
Member and surplus contributions received	\$ 2,765,460	\$ 2,761,641
Reinsurance premiums paid	(940,390)	(1,002,216)
Loss and allocated expenses paid, net of deductibles collected	(1,021,223)	(1,366,453)
Reinsurance, salvage and subrogation recoveries received	65,645	439,806
Administrator, sponsor fees and commissions paid	(582,075)	(541,254)
Professional fees paid	(66,341)	(65,009)
Other expenses	(1,497)	(26)
Net cash provided by operating activities	219,579	226,489
Investing activities		
Investment income	21,295	9,583
Net cash provided by investing activities	21,295	9,583
Net increase in cash and short term investments	240,874	236,072
Cash and short term investments at beginning of the year	1,326,860	1,090,788
Cash and short term investments at end of the year	\$ 1,567,734	\$ 1,326,860
Reconciliation of net income to net cash used by operating activities:		
Operating income	\$ 17,482	\$ 112,487
Cash provided by operating activities:		
Changes in operating assets and liabilities:		
Member contributions receivable	2,949	(13,174)
Losses and loss expenses payable	6,085	(84,602)
Prepaid expenses	(3,130)	-
Member contributions received in advance	209,636	198,262
Administrator, sponsor fees and commissions payable	(13,443)	13,516
Net cash provided by operating activities	\$ 219,579	\$ 226,489

See accompanying notes and independent auditors' report.

Ohio Municipal Joint Self-Insurance Pool

Notes to Financial Statements

March 31, 2019 and 2018

1. Organization and Significant Accounting Policies

Organization

The Ohio Municipal Joint Self-Insurance Pool (the “Pool”) is an unincorporated nonprofit association which provides a program of property and casualty self-insurance for its member organizations. Membership is restricted to municipal corporations and their instrumentalities in the State of Ohio. Under the terms of the membership agreement, members are subject to a supplemental assessment or a refund, depending on the Pool’s underwriting results for each coverage year.

Basis of Presentation

The Pool accounts for its activities in an enterprise fund and the accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”), provided that they do not conflict or contradict statements issued by the Government Accounting Standards Board (“GASB”). GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* provides standards for accounting and reporting that apply to public entity risk pools.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Short term investments

All highly liquid investments with maturities of three months or less when purchased are classified as short term investments and are stated at cost, which approximates market.

Losses and Loss Adjustment Expenses Payable

The liabilities for losses and loss adjustment expenses and incurred but not reported claims are estimated based on historical information and claim experience, and represent management’s best estimate of the ultimate cost of claims. Because the ultimate claim costs can be affected by factors such as inflation, legal settlements and damage awards, the estimation process includes considerable variability. Management believes that the recorded liabilities are adequate. The estimates are continually reviewed and updated as experience develops or new information becomes known; such adjustments are reflected in current operations.

Ohio Municipal Joint Self-Insurance Pool

Notes to Financial Statements

March 31, 2019 and 2018

1. Organization and Significant Accounting Policies (continued)

Revenue Recognition

Policies are billed on an annual basis. Members are charged a contribution for the insurance coverage(s) provided by the Pool, which is recognized as revenue ratably over the term of the policy (one year). The amount of the contribution is dependent on underwriting factors such as past claim experience, rating and market and competitive factors.

Concentrations of Credit Risk

All written and surplus contributions are received from cities and municipalities in the State of Ohio.

Income Taxes

The Internal Revenue Service (“IRC”) has determined that the Pool is performing an essential governmental function within the provisions of IRC Section 115 and qualifies as a non-taxable entity, therefore is exempt from filing returns.

2. New Accounting Guidance

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2016-14 *Presentation of Financial Statement of Not-for-Profit Entities*. The new standard replaces the existing three classes of net assets with two classes; net assets with donor restrictions and net assets without donor restrictions. The standard also gives not-for-profit entities the option of presenting the statement of cash flows using the direct method, and requires all not-for-profits to present operating expenses by both nature and function. Additional requirements include improved disclosures related to board-designated net assets, management and general activities and quantitative and qualitative disclosures related to liquidity and a not-for-profit's ability to meet future cash flow needs from one year of the statement of financial position date. The Pool adopted certain elements of ASU 2016-14 for the year ended March 31, 2019. Certain provisions of the new standard are not applicable to the Pool's basic financial statements, but are applicable to certain footnote disclosures included herein.

Ohio Municipal Joint Self-Insurance Pool

Notes to Financial Statements

March 31, 2019 and 2018

3. Cash and Short Term Investments

Cash represents demand deposits and short term investments held in three accounts at a commercial bank. Custodial credit risk is the risk that depositor's funds may be lost in the event of a bank failure. Deposits at the Pool's financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Pool has not experienced any losses in its deposits and management believes it is not exposed to any significant risk on its cash and investments. At March 31, 2019 and 2018, the Pool's uninsured cash and investment balances totaled \$1,317,734 and \$1,076,860, respectively. To limit its interest rate and credit risk, the Pool invests only in short-term cash and U.S. Government securities with a maturity of two years or less. The Pool has not established a limit on the amount of funds that may be invested with any one institution.

4. Administrative Services Agreement

The Pool has outsourced its administrative functions to ONB Benefits Administrations LLC DBA JWF Specialty Company ("JWF"), a third-party administrator located in Indiana, under a service agreement effective 2001 and renewable yearly. In accordance with the agreement, JWF performs all policy management, underwriting, billing, claims management and payment functions and financial management for the Pool, and is paid a fee based on a percentage of written contribution. Administrative expenses incurred in connection with this agreement totaled \$330,380 and \$316,484 for the years ended March 31, 2019 and 2018, respectively, and are included in administrator, sponsor fees and commissions in the accompanying statements of income and changes in accumulated surplus.

5. Reinsurance

The Pool cedes portions of its gross written contributions to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess of loss contracts in-force protect the Pool against losses over the retention level. At March 31, 2019, the Pool's retention levels are \$50,000 and \$100,000 for property and casualty coverages, respectively.

The effect of ceded reinsurance on contributions earned and losses paid for the years ended March 31 is as follows:

	<u>2019</u>	<u>2018</u>
Reinsurance expense	\$ 939,436	\$ 1,002,216
Ceded losses and loss expenses	98,500	610,879

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

Ohio Municipal Joint Self-Insurance Pool

Notes to Financial Statements

March 31, 2019 and 2018

6. Losses and Loss Adjustment Expenses Payable

The following table provides a reconciliation of the beginning and ending balances of the liability for losses and loss adjustment expenses:

	<u>2019</u>	<u>2018</u>
Balances at April 1	\$ 544,492	\$ 629,094
Losses incurred related to:		
Current year	864,918	819,050
Prior years	102,006	11,963
Total losses incurred	<u>966,924</u>	<u>831,013</u>
Paid related to:		
Current year	391,534	456,223
Prior years	569,305	459,392
Total paid	<u>960,839</u>	<u>915,615</u>
Balance at March 31	<u>\$ 550,577</u>	<u>\$ 544,492</u>

Losses incurred related to prior years varies from previously estimated liabilities as the claims are ultimately settled. The changes in amounts incurred related to prior years are the result of adverse development of settled and open claims.

Losses and loss adjustment expenses payable include a reserve credit for policy deductible amounts billed to the insured. Reserve credits taken for these deductible amounts at March 31 are as follows:

	<u>2019</u>	<u>2018</u>
Deductibles receivable	\$ 47,364	\$ 40,035
Deductibles recoverable	88,435	53,962
	<u>\$ 135,799</u>	<u>\$ 93,997</u>

Ohio Municipal Joint Self-Insurance Pool

Notes to Financial Statements

March 31, 2019 and 2018

7. Functional Classification of Expenses

Functional classification of expenses for the Pool for the years ended March 31 consisted of the following:

	2019	2018
Program (claims)	\$ 966,924	\$ 831,013
Management and Administrative	633,775	626,936
Total operating expenses	\$ 1,600,699	\$ 1,457,949

8. Analysis of Cash Flow

The Pool has \$1,579,053 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$1,567,734 and member contributions receivable of \$11,319. All of the Pool's financial assets are to be used to pay claims and operating expenses.

The Pool is funded by member contributions. The Pool must maintain adequate resources to cover claims and operating expenses. As part of its liquidity management, the Pool has the statutory authority to assess the members for surplus deficiencies. Also as a part of its liquidity management, the Pool has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Pool invests its cash in excess of its daily needs in short-term investments to receive a better return on investment as opposed to leaving cash in a lower yielding checking account. In the event of an unanticipated liquidity need, the Pool has the capability to withdraw cash and liquidate short term investments as needed.

9. Subsequent Events

In accordance with ASC 855 *Subsequent Events*, the Pool evaluated subsequent events through August 23, 2019, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the accompanying financial statements.

Required Supplemental Information

Ohio Municipal Joint Self-Insurance Pool

Schedule of Claims Development Information

	Three Months Ended March 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross written premium	1,942,501	585,208	1,313,829	1,765,486	1,741,328	1,993,215	2,197,303	2,262,144	2,217,226	2,204,426
Earned revenue	2,197,984	674,995	1,630,953	2,000,918	2,073,554	2,354,458	2,418,046	2,551,763	2,572,652	2,557,617
less ceded	(981,172)	(378,547)	(1,051,527)	(961,144)	(898,496)	(850,915)	(941,139)	(1,044,710)	(1,002,216)	(939,436)
Net earned	1,216,812	296,448	579,426	1,039,774	1,175,058	1,503,543	1,476,907	1,507,053	1,570,436	1,618,181
Non-claim expenses	739,918	160,363	709,587	656,689	533,132	613,926	705,211	634,783	626,936	633,775
Incurred loss and loss adjustment expenses:										
End of policy year	742,422	460,115	517,975	411,642	345,890	477,702	398,785	393,160	642,843	732,023
End of first year	938,189	445,987	723,255	528,067	447,739	586,607	582,665	539,153	883,105	
End of second year	980,320	481,297	792,761	703,140	503,800	660,148	788,917	571,498		
End of third year	1,009,140	477,906	833,317	688,102	542,376	634,910	809,692			
End of fourth year	1,008,872	476,458	814,800	743,858	529,684	629,860				
End of fifth year	1,008,872	481,445	826,023	749,116	561,294					
End of sixth year	1,021,472	478,661	810,617	749,116						
End of seventh year	1,111,578	478,661	806,764							
End of eighth year	1,108,366	478,661								
End of ninth year	1,065,378									
Paid losses and loss adjustment expenses (cumulative) as of:										
End of policy year	439,630	284,330	227,755	254,970	164,045	266,618	240,611	244,243	456,222	391,534
End of first year	722,446	372,625	451,891	434,110	378,599	485,794	410,484	448,003	744,151	
End of second year	911,982	423,278	707,144	507,668	431,258	577,777	562,003	471,531		
End of third year	977,858	476,214	787,153	684,381	499,546	627,812	775,984			
End of fourth year	986,013	476,445	798,736	714,203	515,418	629,134				
End of fifth year	992,288	477,989	810,472	746,116	528,135					
End of sixth year	999,126	478,661	810,604	746,116						
End of seventh year	1,108,366	478,661	806,764							
End of eighth year	1,108,366	478,661								
End of ninth year	1,065,378									

See accompanying notes and independent auditors' report.

**Independent Auditors' 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***

Board of Trustees
Ohio Municipal Joint Self-Insurance Pool

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 Ohio Municipal Joint Self-Insurance Pool, which comprise the balance sheets as of March 31, 2019 and 2018, and the related statements of income and changes in accumulated surplus and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated August 23, 2019.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered Ohio Municipal Joint Self-Insurance Pool'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 Ohio Municipal Joint Self-Insurance Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of Ohio Municipal Joint Self-Insurance Pool'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 Ohio Municipal Joint Self-Insurance Pool's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect of the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Petrow Kane Leenhuis

August 23, 2019

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OHIO AUDITOR OF STATE KEITH FABER



OHIO MUNICIPAL JOINT SELF INSURANCE POOL

OUT OF STATE

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 10, 2019**