

**BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION
BENEFITS POOL, INC.**

DEFIANCE COUNTY, OHIO

REGULAR AUDIT

For the Year Ended December 31, 2024





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

Governing Board
Buckeye Ohio Risk Management Association Benefits Pool, Inc.
631 Perry Street
Defiance, Ohio 43521

We have reviewed the *Independent Auditor's Report* of the Buckeye Ohio Risk Management Association Benefits Pool, Inc., Defiance County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2024 through December 31, 2024. 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 Ohio Risk Management Association Benefits Pool, Inc. is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 27, 2026

This page intentionally left blank.

**BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY
REGULAR AUDIT
For the Year Ending December 31, 2024**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Statement of Net Position.....	6
Statement of Revenues, Expenses and Changes in Net Position.....	7
Statement of Cash Flows.....	8
Notes to the Basic Financial Statements.....	9
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 <i>Government Auditing Standards</i>	16

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Buckeye Ohio Risk Management Association Benefits Pool, Inc.
Defiance County
631 Perry Street
Defiance, Ohio 43521

To the Members of the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Buckeye Ohio Risk Management Association Benefits Pool, Inc. (BORMA), Fulton County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise BORMA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of BORMA as of December 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 BORMA, 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 BORMA'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 GAAS 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 GAAS 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 BORMA'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 BORMA'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.

Management has omitted the ten-year loss development information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2025, on our consideration of BORMA's internal control over financial reporting and 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 BORMA'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 BORMA's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
August 15, 2025

**THE BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2024

The discussion and analysis of The Buckeye Ohio Risk Management Association Benefits Pool, Inc. (Agency) performance provides an overview of the Agency's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Agency's financial performance as a whole.

HIGHLIGHTS

The Agency's change in net position decreased by \$2,353,166. The total assets decreased by \$2,713,470. The loss reserve liability decreased by \$346,700.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Agency's financial position.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide information about the activity of the Agency as a whole.

DESCRIPTION OF FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position reflect how the Agency performed financially during 2024. These statements include all assets, liabilities, and revenues and expenses using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid. These statements report the Agency's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the Agency has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not.

BUDGETARY HIGHLIGHTS

The Agency does not draft or approve a budget in the tradition of most government agencies. The Board of Director's consultant reviews the Agency's prior claims history and helps the Agency set billing rates for its members for the following year. This process is completed in October of each year. If the rates are set too high, and/or the claims are overestimated, the Agency will have an increase in net position. If the rates are set too low, and/or the claims are underestimated, the Agency will have a decrease in net position.

THE BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2024

FINANCIAL ANALYSIS

Net Position

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 3,751,081	\$ 6,464,551
Current and other liabilities	<u>3,374,838</u>	<u>3,735,142</u>
Unrestricted Net Position	<u>\$ 376,243</u>	<u>\$2,729,409</u>

Change in Net Position

Revenues		
Membership Contributions	\$ 31,598,322	\$ 27,993,096
COBRA Contributions	142,214	112,363
Rebates	2,572,565	1,841,062
Interest	160,775	132,251
Short/Long Term Gain/(Loss)	27,988	3,344
Unrealized Gain/(Loss)	31,753	147,886
Wellness Reimbursement	76,404	69,629
RX Discount Guarantee Payout	275,000	0
Excess Insurance	<u>1,688,571</u>	<u>1,947,205</u>
Total Revenues	<u>36,573,592</u>	<u>32,246,836</u>
Expenses		
Administration Fees	\$ 1,358,983	\$ 1,166,194
Claims Expenses	35,189,496	33,843,327
Insurance Premiums	1,564,200	1,056,317
Access Fees	69,658	92,877
Clinic Services Fees	503,246	657,308
Lab Services	24,234	22,017
RX Service Fees	35,026	21,408
Other	<u>181,915</u>	<u>227,116</u>
Total Expenses	<u>38,926,758</u>	<u>37,086,564</u>
Change in Net position	<u>\$ (2,353,166)</u>	<u>\$(4,839,728)</u>

As previously noted, total assets decreased by \$2,713,470 or 42% in 2024. Total revenues increased by \$4,326,756 and total expenses increased by \$1,840,194.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's finances for all those interested in the Agency's well-being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Lanie Lambert, Treasurer, 631 Perry Street, Defiance, OH 43512.

**BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO**

**STATEMENT OF NET POSITION
DECEMBER 31, 2024**

Assets:

Current assets:

Cash and cash equivalents	\$ 1,056,836
Investments	2,644,620
Member receivables	49,625
	<hr/>
Total current assets	3,751,081
	<hr/>
Total assets	3,751,081

Liabilities:

Current liabilities:

Accounts payable	102,607
Loss reserve (see Note 6).	3,169,200
Unearned Income	103,031
	<hr/>
Total current liabilities	3,374,838
	<hr/>
Total liabilities	3,374,838

Net position:

Unrestricted	\$ 376,243
	<hr/>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO

**STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2024**

Operating revenues:

Member contributions	\$ 31,598,322
COBRA contributions.	142,214
Wellness Reimbursement	76,404
RX Discount Guarantee Payout	275,000
Rebates	<u>2,572,565</u>
Total operating revenues	<u>34,664,505</u>

Operating expenses:

Administrative fees	1,358,983
Insurance premiums.	1,564,200
Claims expense.	35,189,496
Access fees	69,658
Clinic Services fees	503,246
Lab Services	24,234
RX Service fees	35,026
Other operating expenses	<u>176,694</u>
Total operating expenses.	<u>38,921,537</u>

Operating loss

(4,257,032)

Non-operating revenues (expenses):

Investment income	188,763
Investment expenses	(5,221)
Unrealized Gain/(Loss)	31,753
Excess insurance.	<u>1,688,571</u>
Total non-operating revenues (expenses)	<u>1,903,866</u>

Change in net position.

(2,353,166)

Net position, January 1

2,729,409

Net position, December 31

\$ 376,243

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities:

Cash received from member contributions.	\$ 31,726,550
Cash received from rebates/discounts	2,847,565
Cash received from COBRA participants	142,214
Cash received from Wellness Reimbursement	76,404
Cash payments for claims.	(35,652,831)
Cash payments for administration	(1,358,983)
Cash payments for insurance premiums	(1,564,200)
Cash payments for other expenses	<u>(808,858)</u>
Net cash used by operating activities	<u>(4,592,139)</u>

Cash flows from noncapital financing activities:

Cash received from provider refunds	<u>1,688,571</u>
Net cash provided by noncapital financing activities	<u>1,688,571</u>

Cash flows from investing activities:

Investments Purchases	(4,228,246)
Investments Sales	6,831,187
Investment Expenses	(5,221)
Interest received.	<u>160,775</u>
Net cash provided by investing activities	<u>2,758,495</u>

Net decrease in cash and cash equivalents

(145,073)

Cash and cash equivalents, January 1

1,201,909

Cash and cash equivalents, December 31

\$ 1,056,836

Reconciliation of operating loss to net cash used by operating activities:

Operating loss.	\$ (4,257,032)
Adjustments to reconcile operating loss	
Changes in assets and liabilities:	
Decrease/(increase) in member receivables.	25,197
(Decrease)/increase in accounts payable	(116,635)
(Decrease)/increase in loss reserve	(346,700)
(Decrease)/increase in unearned income	<u>103,031</u>
Net cash used by operating activities	<u>\$ (4,592,139)</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 – FINANCIAL REPORTING ENTITY

Buckeye Ohio Risk Management Association Benefits Pool, Inc. (BORMA) is a not-for-profit corporation formed under Chapter 1702 of the Ohio Revised Code for the purpose of operating a joint self-insurance health benefits pool. BORMA's public purpose is to enable its members (political subdivisions) to obtain insurance coverage, provide methods for paying claims and provide a formalized jointly administered self-insurance pool. Specifically, the Benefits Pool provides health benefits to employees of its members. In addition to the self-insurance pool, BORMA provides risk management services. At December 31, 2024, the members of BORMA included the following public entities within the State of Ohio: Village of Ada, Village of Archbold, City of Bowling Green, City of Bucyrus, Village of Carey, City of Defiance, Village of Fayette, City of Fremont, Village of Hicksville, City of Napoleon, City of Oberlin, Sandusky County Board of Health, Village of Hunting Valley, Mayfield Village, Wooster Ashland Regional Council of Government (WARCOG), Village of Wellington, South Lorain County Ambulance District, and City of Wooster.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Measurement Focus and Basis of Accounting

BORMA prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) as applies to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

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, regardless of the measurement focus applied.

For financial statement presentation purposes, BORMA utilizes the accrual basis of accounting. Under this method of accounting, revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

BORMA's activities are accounted for on the flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with BORMA's operations are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

BORMA distinguishes operating revenues and expenses from non-operating items. generally, revenues generally result from member contributions, and rebates. Operating expenses for BORMA include, but are not limited to, claims expense, administrative fees, and insurance premium for coverage. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Non-operating revenues and expenses include excess insurance, investment income and unrealized gains/losses.

BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Member and Supplemental Contributions

Member contributions are calculated annually to produce a sum of money within the self-insurance pool adequate to fund administrative expenses and to establish adequate reserves to pay health claims incurred by employees of the members.

Under the terms of membership, should annual member contributions not be sufficient to fund ultimate losses, establish adequate reserves and cover administrative expenses, the Board of Directors can require supplementary contributions. Supplementary contributions can be assessed during the entire life of the Association and any later period when claims or expenses need to be paid which are attributable to any membership year during which the event or claim occurred.

C. Cash and Investments

Cash received by the Pool is presented as “cash and cash equivalents” on the statement of the net position.

During 2024, the Pool invested in STAR Ohio. STAR Ohio is an investment pool managed by the State treasurer’s office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Pool (GASB). Statement No. 79, “Certain External Investment Pools and Pool Participants.” The Pool measures it’s investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

The Pool also invested funds in US Bank. These investments consist of U.S. Government Money Market Mutual Funds, Federal Home Loan Bank Notes, Negotiable Certificate of Deposits, U.S. Treasury Notes, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, Federal Agricultural Mortgage Corporation Notes, and Federal Farm Credit Bank Notes, and are stated at fair value. US Bank is registered with the SEC as a broker-dealer and investment advisor.

Interest earned during the year from US Bank, Key Bank, and STAR Ohio was \$188,763.

For presentation on the statement of net position and statement of cash flows, investments with original maturities of three months or less at the time they are purchased by the Pool are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Pool’s investment accounts at year end is provided in Note 3.

BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Administrative Fees

Administrative fees reported on the Statement of Revenues, Expenses, and Changes in Net Position primarily consist of costs associated with the processing of claims payments and the purchase of loss control services.

E. Claims Expenses

Claims expenses include paid and unpaid claims and expenses associated with settling claims. The Loss Reserves liability is based on an actuarial review of experience with respect to the probable number and nature of claims arising from losses that have been incurred but have not yet been reported. The liability represents the ultimate costs of settling the claims.

F. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

G. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by BORMA or through external restrictions imposed by creditors, grantors or law, or regulations of other governments.

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

As of December 31, 2024, all of BORMA's net positions are considered unrestricted.

H. Subsequent Events

Management has evaluated subsequent events through August 15, 2025.

BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS

There are no legal restrictions on the Pool's investments or deposits. However, the Pool has adopted as their investment policy the legal restrictions imposed by the Ohio Revised Code on certain political subdivisions. This policy requires the classification of monies held by the Pool into three categories:

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Pool treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Pool has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Pool's deposits are provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitation including a requirement for maturity within ten years from the date of settlement, bonds, and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-loan money market mutual fund consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40% of the interim monies available for investment at any one time if training requirements have been met.

BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Pool, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified representing the investments to the qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At December 31, 2024, the carrying amount of the Pool's deposits was \$1,038,465. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2024, \$989,240 of the Pool's bank balance of \$1,239,240 was exposed to custodial risk.

Custodial credit risk is the risk that, in the event of bank failure, the Pool will not be able to recover deposits or collateral securities that are in the possession of an outside party. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Pool to a successful claim by the FDIC. The Pool has no deposit policy for custodial credit risk beyond the requirements of State statute.

B. Investments

As of December 31, 2024, the Pool had the following investments and maturities:

Measurement/Investment Type	Measurement		Less than 2 years		Less than 3 years		% to Total
	Value	Less than 1 year					
<u>Fair Value:</u>							
US Bank							
Federal Home Loan Bank Notes	\$ 617,670	\$ 383,071	\$ 125,125	\$ 109,474			23.19%
Federal National Mortgage Association Notes	98,050	98,050					3.68%
Federal Farm Credit Bank Notes	449,338	105,409	343,929				16.87%
Federal Agricultural Mortgage Corporation Notes	160,331		160,331				6.02%
Federal Home Loan Mortgage Corporation Notes	112,403	112,403					4.22%
Negotiable Certificates of Deposit	215,289	100,159	115,130				8.08%
U.S. Treasury Notes	947,609		130,795	816,814			35.58%
U.S. Government Money Market Fund	43,930	43,930					1.65%
<u>Amortized Cost:</u>							
STAR Ohio		18,371		18,371			0.69%
Total	\$ 2,662,991	\$ 861,393	\$ 875,310	\$ 926,288			

BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

During the current period, the Pool invested in Federal Agency Bonds, U.S. Treasury Notes, Negotiable Certificate of Deposit, a Money Market Fund, and STAR Ohio. During the year ended December 31, 2024 investments from all sources earned \$188,763 in interest.

Fair Value Measurements: The Pool categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Pool's investments in money market accounts are valued using quoted market prices in active markets (Level 1 inputs). The Pool's investments in federal agency securities (FHLB, FNMA, FFCB, FAMC, and FHLMC), U.S. Treasury Notes, and negotiable CD's with US Bank are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

Credit Risk: Standard & Poor's has assigned STAR Ohio AAA credit market rating. Standard & Poor's has assigned US Bank's federal and US Treasury securities an A+ credit rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. BORMA's investments in money market accounts and negotiable CD's were not rated. The Pool's investment policy does not specifically address credit risk beyond requiring the Pool to only invest in securities authorized by State statute.

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

Concentration of the Credit Risk: The Pool places no limit on the amount that may be invested in any one issuer. See the percentage in the table above.

NOTE 4 – ENROLLMENT RATES

New members entering the Pool are assessed a rate based on the number of employees that the new member adds to the Pool's risks. During 2024 there were no new members.

NOTE 5 – REINSURANCE CEDED

BORMA reinsures certain risks with Sun Life Financial to limit its losses for large aggregate and individual losses. The plan year is January 1 through December 31. Reinsurance premiums ceded during the year totaled \$1,688,571 in 2024.

**BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION BENEFITS POOL, INC.
DEFIANCE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 6 – LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

BORMA established a reserve liability that includes a provision for reported and unreported insured events and an estimate of future payments of losses and related loss adjustment expenses. The claims liability as required by GASB Statement No. 10, “*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*”, as amended by GASB Statement No. 30, “*Risk Financing Omnibus*”, was provided by BORMA’s independent actuary, Timothy P. Berghoff, LLC.

The changes in BORMA’s reserve for claims losses for the fiscal years ended December 31, 2024 and 2023 were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims</u>	<u>Payments</u>	<u>Ending Balance</u>
2023	\$ 2,551,400	\$ 33,804,634	\$ 32,840,134	\$ 3,515,900
2024	\$ 3,515,900	35,306,131	35,652,831	\$3,169,200

NOTE 7 – WITHDRAWAL OF MEMBERS

No members withdrew from the Pool during 2024.

**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 Ohio Risk Management Association Benefits Pool, Inc.
Defiance County
631 Perry Street
Defiance, Ohio 43521

To the Members of the Board of Directors:

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 Ohio Risk Management Association Benefits Pool, Inc. (BORMA), Defiance County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise BORMA's basic financial statements, and have issued our report thereon dated August 15, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered BORMA'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 BORMA's internal control. Accordingly, we do not express an opinion on the effectiveness of BORMA'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 BORMA'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 have not been identified.

Buckeye Ohio Risk Management Association Benefits Pool, Inc.
Defiance 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*
Page 2

Compliance and Other Matters

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

Purpose of this Report

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

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.

August 15, 2025

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION EMPLOYEE BENEFITS POOL, INC.

DEFIANCE 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 2/10/2026

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