COUNTY EMPLOYEE BENEFITS CONSORTIUM OF OHIO, INC.

FRANKLIN COUNTY, OHIO

REGULAR AUDIT WITH SUPPLEMENTAL INFORMATION

For the years ended December 31, 2025 and 2024

Charles E. Harris & Associates, Inc.
CPAs and Government Consultants

COUNTY EMPLOYEE BENEFITS CONSORTIUM OF OHIO, INC.
FRANKLIN COUNTY

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INDEPENDENT AUDITOR'S REPORT

County Employee Benefits Consortium of Ohio, Inc.
Franklin County
209 East State Street
Columbus, Ohio 43215

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), Franklin County, Ohio as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise CEBCO's basis 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 CEBCO as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the 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 CEBCO, 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 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.

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 CEBCO'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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the 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 judgement 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CEBCO'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 CEBCO'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 Statements of America require that the management's discussion and analysis, schedule of claims development and schedule of reserve for unpaid claims by type of contract to 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 Government 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 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 June 3, 2026, on our consideration of CEBCO'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 CEBCO's internal control over financial reporting or on compliance. That report is an integral part of an audit performed with *Government Auditing Standards* in considering CEBCO's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 3, 2026

The Management of the County Employee Benefits Consortium of Ohio, Inc. (CEBCO) offers this overview of the organization and analysis of the financial activities of CEBCO for the fiscal years ended December 31, 2025, 2024, and 2023. Readers are encouraged to consider the information presented here in conjunction with CEBCO's financial statements and notes to the financial statements to enhance their understanding of CEBCO's financial performance.

Financial Overview

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information.

The basic financial statements, which follow this section, provide both long-term and short-term information about CEBCO's financial status. CEBCO 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 CEBCO'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 received net of reinsurance premiums paid, with the major sources of operating expenses being claims and claims 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.

In 2002, the County Commissioners Association of Ohio (CCAO) set out to establish a health benefits program for Ohio counties. The goal was to provide the highest quality yet most cost-effective medical and related benefits for county employees. CCAO funded and sponsored the development of the program, which would become CEBCO. CEBCO was incorporated as a non-profit, governmental health insurance pool on October 28, 2003. Operations and plan coverage officially began on January 1, 2004. On that date, CEBCO had six member counties. During 2025, CEBCO had a total of 49 member counties with medical and prescription drug coverage and also provided insurance benefits for CCAO staff. Some members also purchased dental and vision coverage. Two members did not renew for 2026, and one new member joined on January 1, 2026, resulting in a membership of 48 counties and CCAO.

CEBCO is a self-funded, joint self-insurance consortium authorized pursuant to Section 9.833 of the Ohio Revised Code to offer medical, dental, vision, EAP, and prescription drug coverage. There are five standard PPO (Preferred Provider Organization) plans offered, along with five standard Prescription Drug Plans and three standard HDHP (High Deductible Health Plans) for the member counties to select from to create their benefit designs. In addition, counties may select one of our current legacy plans that is in effect for a current member county. Each county is assessed a fully insured equivalent rate on an annual basis, and premiums are paid into CEBCO monthly. Each county signs a three-year commitment to the CEBCO program with penalties assessed for early withdrawal.

In analyzing CEBCO's financial position, it is important to recognize the mission of CEBCO. From a financial perspective, CEBCO's core objective is to provide cost-effective and high-quality group medical and dental coverage for Ohio counties, including employee medical, prescription, dental, and vision benefits. CEBCO strives for stability in its premiums, so that counties can predict and manage their budgets.

Total estimated claims incurred for the policy year consist of claim payments and an estimate of claims incurred but not paid as 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.

CEBCO has purchased excess insurance coverage from a reinsurer to reduce its exposure to large specific losses. The excess insurance contract permits recovery of a portion of losses from the excess insurance carrier (Anthem), although it does not discharge the primary liability of CEBCO as direct insurer. For the years ended December 31, 2025 and December 31, 2024, the excess insurance contract provided coverage for medical and prescription drug benefits in excess of $1,000,000. The CEBCO Board and Staff review the stop loss coverage every year to analyze the cost benefit of the coverage versus the premiums and to review the effectiveness of the vendor relationship.

Approximately 81, 83, and 84 percent of total assets consist of cash and cash equivalents and investments at December 31, 2025, 2024, and 2023, respectively. CEBCO has significant rebate receivables each year, as rebates are paid several months after being earned. Approximately 62, 64, and 81 percent of total liabilities consist of the reserve for unpaid claims at December 31, 2025, 2024, and 2023, respectively. Approximately 94 percent of total operating expenses consist of claims expenses at December 31, 2025, 2024, and 2023. CEBCO participates in a joint venture for shared facility costs and has no significant investments in capital assets. CEBCO carries no long-term debt. CEBCO's financial position is presented below:

	December 31		
	2025	2024	2023
Current Assets			
Cash and cash equivalents	$ 43,173,046	$ 21,418,061	$ 17,434,855
Investments	2,578,130	10,045,799	7,918,099
Rebate receivable	12,555,855	10,097,019	6,772,455
Other assets	4,187,748	2,761,810	5,092,776
Total current assets	62,494,779	44,322,689	37,218,185
Noncurrent Assets			
Investments	28,054,804	36,122,695	40,697,494
Other assets	1,083,371	1,089,583	1,157,443
Total noncurrent assets	29,138,175	37,212,278	41,854,937
Total assets	91,632,954	81,534,967	79,073,122
Liabilities			
Reserve for unpaid claims	21,052,000	17,913,000	20,513,000
Other liabilities	12,995,614	10,122,986	4,858,552
Total liabilities	34,047,614	28,035,986	25,371,552
Net Position - Unrestricted			
Net investment in capital assets	18,520	54,620	94,943
Unrestricted	57,566,821	53,444,361	53,616,627
Total net position	$ 57,585,340	$ 53,498,981	$ 53,711,570

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

	2025	2024	2023
Operating Revenue	$ 334,600,597	$ 297,933,785	$ 250,191,258
Operating Expenses			
Provision for claims	315,874,948	284,230,199	246,459,480
Claims administration	10,604,934	9,924,810	9,428,206
Other general and administrative	7,317,812	6,943,040	5,317,801
Total operating expenses	333,797,694	301,098,049	261,205,487
Operating Loss	802,903	(3,164,264)	(11,014,229)
Nonoperating Revenue (Expenses)			
Interest and dividend income	2,106,433	2,034,245	2,071,963
Realized and unrealized gains (losses) on investments	1,300,618	1,055,092	2,543,744
Other nonoperating income/(expenses)	(123,595)	(137,662)	1,495,812
Total nonoperating income	3,283,456	2,951,675	6,111,519
Change in Net Position	$ 4,086,359	$ (212,589)	$ (4,902,710)

Condensed Comparative Financial Highlights

- To maintain necessary liquidity in response to rising medical trend costs, CEBCO transferred $11.1 million from invested equity and high yield bond assets to cash and cash equivalents. This strategic liquidation generated a realized gain of more than $3.4 million. To mitigate the impact on long-term investment income, management successfully reinvested fixed-income proceeds into higher-yielding securities, to optimize the portfolio's future earnings potential.

- The reserve for unpaid claims increased by $3.1 million in 2025, following a $2.6 million decrease in 2024. The 2025 growth was primarily driven by a year-end spike in claim volume and a slower claim completion rate compared to the prior year. Claims expense for 2025 also reflects the impact of a settlement reached with CEBCO's pharmacy benefit manager related to a retroactive change in rebate calculation methodology applied during the year. The settlement pertains to 2025 activity and resulted in a reduction of claims expense of approximately $910,000. In 2024 decrease resulted from lower-than-anticipated run-out claims and an accelerated payout schedule for claims submitted at year-end.

- CEBCO's net position increased by more than $4.1 million in 2025, a significant recovery from the $212,589 decrease recorded in 2024. The 2025 growth was driven by favorable claims experience—which fell below budget—coupled with strong

investment returns. In contrast, the 2024 results reflected an operating loss of approximately $3.2 million, though this was largely offset by gains within the investment portfolio.

- Operating revenue, which represents premiums net of reinsurance premium expense, increased by $36.7 million in 2025 and $47.7 million in 2024. The increase in both years was mainly due to an increase in covered lives with the addition of new member counties, as well as medical, prescription drug, dental, and vision trend increases.

- Claims expenses totaled $315.9 million, $284.3 million, and $246.5 million for the years ended December 31, 2025, 2024, and 2023, respectively. While medical trends and healthcare inflation drove consistent growth, the 11.1% increase from 2024 to 2025 was notably lower than the 15.3% increase seen the prior year. This deceleration is attributed to slower membership growth and the exclusion of GLP-1 weight-loss medications from the 2025 benefit plan.

- Nonoperating revenue increased by $331,781 from 2024 to 2025 and decreased by $3.2 million from 2023 to 2024. The increase in 2025 was due to higher interest and dividend income and unrealized gains than in 2024. The decrease in 2024 was due to lower unrealized gains in fixed income than in 2023.

- Overall, CEBCO's financial position improved in 2025, with growth in net position driven by favorable claims experience and strong investment performance, partially offsetting the operating loss experienced in 2024.

Economic Factors and Trends

Medical and pharmacy trends have continued to rise after post-COVID stabilization, with national trend in 2024 and 2025 at approximately 9% combined. Trend for the next few years is expected to stay in the range of 9% to 11% annually. Another factor in increasing claims costs for CEBCO is the continual rise in high-cost claimants (HCC -those above $50,000). HCC increased by more than $22 million in 2024 and $28 million in 2025, with 3.5% of members accounting for 51.4% of total claims spend in 2025. CEBCO has also seen significant yearly increases in pharmacy spend in the last few years, spiking in 2023 and 2024 with the rise of GLP-1 medications.

CEBCO's Board of Directors and management took steps in 2025 to mitigate expected rising costs and ensure the Program's ability to meet demands and pay its members' claims. First, as of 1/1/2025, CEBCO excluded coverage of GLP-1 medications for weight loss (keeping coverage for Diabetes and other disease diagnoses). Second, to ensure immediate operational liquidity and meet rising demands, CEBCO strategically transferred $11.1million from equities and high yield bonds to cash and cash equivalents. This liquidation captured favorable market conditions, resulting in a realized gain of over $3.4 million.

Following the 2025 liquidation, management focused on optimizing the remaining portfolio to offset potential reduction in long-term investment income. By capitalizing on a higher

interest rate environment, fixed-income proceeds were reinvested into higher-yielding securities. This shift is expected to improve CEBCO's recurring interest income and provide more stable cash flows to support future claims payments. Management will assess CEBCO's cash needs and the optimal time, if any, to prudently re-enter the equity and risk asset market.

Looking ahead to the 2026 fiscal year, to ensure continued fiscal stability, CEBCO's Board has approved a premium rate increase driven by a strategic shift to a higher actuarial confidence level. By increasing this threshold, CEBCO has built a larger margin into its revenue structure, more effectively aligning anticipated premium collections with the evolving medical inflationary environment. Designed to counter the rising medical trends of the past two years, this shift ensures the program stays fully funded while reducing the future necessity of liquidating investment assets to meet liquidity demands.

At the conclusion of the 2025 fiscal year, two participating members transitioned out of the CEBCO program. While this resulted in a reduction of the membership base as of December 31, 2025, CEBCO secured a new participating member and some additional member county departments effective January 1, 2026. These additions, combined with contractual run-out payments from the departing entities, is expected to mitigate the impact on premium revenue in 2026 and maintain CEBCO's long-term fiscal stability. CEBCO's financial position remains protected by contractual provisions requiring those entities to fund their respective claim run-outs.

To ensure seamless continuity of operations following the retirement of the long-standing Managing Director in 2025, the retired Director returned to serve in an interim capacity while the Board conducted a comprehensive search for a permanent successor. This arrangement maintained consistent management oversight and institutional knowledge throughout the transition period. A permanent Managing Director has been appointed and is scheduled to assume the role in June 2026.

The CEBCO Board of Directors, along with staff, will continue to strive to meet our mission to provide our members with stable and competitive rates, financial strength, along with wellness and health management services, that work to improve the health of the members that CEBCO serves.

Contacting CEBCO's Management

This financial report is designed to provide the users of CEBCO's services, governments, taxpayers and creditors with a general overview of the organization's finances. If you have questions about this report or need additional information, we welcome you to contact the Managing Director of Health and Wellness – 209 E State Street, Columbus, Ohio 43215.

COUNTY EMPLOYEE BENEFIT CONSORTIUM OF OHIO, INC.

STATEMENT OF NET POSITION

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 43,173,046	$ 21,418,061
Investments	2,578,130	10,045,798
Prepaid expenses	10,115	-
Interest receivable	248,112	250,615
Premiums receivable	1,941,221	1,329,826
Rebate receivable	12,555,855	10,097,019
Stop loss recovery receivable	27,905	891
Other receivable	1,960,395	1,180,479
Total current assets	62,494,779	44,322,689
Noncurrent assets:		
Funds on deposit	148,102	85,000
Investments	28,054,804	36,122,695
Investment in joint venture	916,749	949,963
Capital assets - Net of depreciation	18,520	54,620
Total noncurrent assets	29,138,175	37,212,278
Total assets	91,632,954	81,534,967
Liabilities - Current		
Accounts payable	11,685,270	10,122,986
Unearned premium	1,310,344	-
Reserve for unpaid claims	21,052,000	17,913,000
Total liabilities	34,047,614	28,035,986
Equity - Net position		
Net investment in capital assets	18,520	54,620
Unrestricted	57,566,820	53,444,361
Total net position	**$ 57,585,340**	**$ 53,498,981**

See Notes to the Financial Statements.

COUNTY EMPLOYEE BENEFIT CONSORTIUM OF OHIO, INC.

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

	Year Ended	
	December 31, 2025	December 31, 2024
Operating Revenue		
Premiums	$ 338,180,025	$ 301,253,940
Reinsurance premium expense	(3,579,428)	(3,320,155)
Total operating revenue	334,600,597	297,933,785
Operating Expenses		
Provision for claims		
Paid	312,735,948	286,830,199
Change in reserve for unpaid claims	3,139,000	(2,600,000)
Total claims expenses	315,874,948	284,230,199
Claims administration	10,604,934	9,924,810
Ganeral and administrative	2,903,006	3,209,787
Consulting and actuarial	998,770	894,150
Wellness program and grants	2,466,729	2,010,978
Commissions	919,113	787,802
Depreciation	30,194	40,323
Total operating expenses	333,797,694	301,098,049
Operating Gain/(Loss)	802,903	(3,164,264)
Nonoperating Revenue (Expenses)		
Interest and dividend income	2,106,433	2,034,245
Realized and unrealized (loss)/gain on investments	1,300,618	1,055,092
Other income	15,834	-
(Loss)/Gain on ownership interest in joint venture	(33,211)	(27,538)
Investment fees	(106,218)	(110,124)
Total nonoperating revenue/(expense)	3,283,456	2,951,675
Change in Net Position	4,086,359	(212,589)
Net Position - Beginning of year	53,498,981	53,711,570
Net Position - End of year	**$ 57,585,340**	**$ 53,498,981**

Please see Notes to the Financial Statements.

COUNTY EMPLOYEE BENEFITS CONSORTIUM OF OHIO, INC.

STATEMENT OF CASH FLOWS

	Year Ended	
	December 31, 2025	**December 31, 2024**
Cash Flows from Operating Activities		
Cash received from members and vendors	$ 338,099,058	$ 303,533,367
Cash paid for claims and claims administration	(324,294,136)	(295,099,557)
Cash paid to vendors for services and goods	(7,321,033)	(6,575,030)
Cash paid for excess insurance	(3,579,428)	(3,320,155)
Net cash provided by operating activities	2,904,461	(1,461,375)
Cash received on sale of capital asset	21,739	-
Net cash provided by capital activities	21,739	-
Cash Flows from Investment Activities		
Purchases of investment securities	(4,557,258)	(3,065,116)
Sales and maturities of investment securities	21,399,857	6,817,970
Interest income received from investments and cash equivalents	2,102,520	1,801,852
Investment fees paid	(116,333)	(110,124)
Net cash provided by investing activities	18,828,785	5,444,582
Net Increase in Cash and Cash Equivalents	21,754,985	3,983,207
Cash and Cash Equivalents - Beginning of year	21,418,061	17,434,854
Cash and Cash Equivalents - End of year	$ 43,173,046	$ 21,418,061

A reconciliation of operating income/(loss) to net cash provided by operating activities is as follows:

Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating Gain/(Loss)	802,903	(3,164,264)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	30,194	40,323
Changes in assets and liabilities:		
Reserve for unpaid claims	3,139,000	(2,600,000)
Premium receivable	(611,395)	773,875
Prepaid	-	19,663
Other operating receivables	(3,265,766)	(1,795,405)
Deposit	(63,102)	-
Unearned Premium	1,310,344	-
Accounts payable	1,562,284	5,264,433
Net cash provided by operating activities	$ 2,904,461	$ (1,461,375)

See Notes to the Financial Statements.

NOTE 1 – NATURE OF BUSINESS

The County Employee Benefits Consortium of Ohio, Inc. (CEBCO, the "Program") is an Ohio non-profit organization formed by the County Commissioners Association of Ohio (CCAO) to provide cost effective employee benefit programs for Ohio county governments. CEBCO is a self-funded, group purchasing consortium that offers medical, dental, vision, and prescription drug coverage. Various plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit copays, and out-of-pocket maximums. CEBCO is governed by a Board of Directors comprised mainly of representatives of counties that participate in the program. CEBCO was incorporated as a governmental health insurance pool on October 28, 2003. Operations and plan coverage officially began on January 1, 2004.

Members sign a three-year commitment to CEBCO. Premiums are paid on a monthly basis. Pursuant to participation agreements with CEBCO, each member agrees to pay all funding rates associated with the coverage it elects; as such funding rates are set and billed to the members by CEBCO. The assigned funding rates consist of the following components: administrative fees, stop loss fees, expected claim costs, and reserves. Reserves are actuarially determined and allocated based on expected claim activity. Rates are calculated to cover the administrative expenses and expected claims costs of the program.

CEBCO utilizes claims administration services through Anthem Blue Cross and Blue Shield for medical and prescription coverage, Delta Dental for dental coverage, and VSP for vision coverage.

As of December 31, 2025, 49 Ohio counties were members of CEBCO. During 2025, 1 new county joined CEBCO. Two other counties withdrew from CEBCO at end of December 31, 2025, so as of 2026 they were no longer members. As of December 31, 2024, 48 Ohio counties were members of CEBCO. During 2024, 2 new counties joined CEBCO and no counties withdrew from CEBCO. In both years, CCAO's employees were also covered under CEBCO's medical, prescription, dental, and vision coverage.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - CEBCO follows all applicable GASB pronouncements. The accompanying financial statements are presented using the accrual method of accounting.

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

Cash and Cash Equivalents - CEBCO 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 and short-term money market securities.

Investments - Investments consist of bonds, mutual funds and equities which 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.

Premium Revenue and Unearned Premiums - Premiums are paid monthly by participating entities and are recognized as revenue over the policy period. For members withdrawing from the Pool before their 3-year contract period has ended, revenue is recognized for the final assessment of runout claims at the time the withdrawal is executed. Receivables are recorded when earned. Premiums collected in advance of applicable coverage periods are classified as unearned premiums.

CEBCO applied a flat amount of $0 in 2025 and $1,500,000 in 2024 from net position to lower the medical and prescription premium rates. The amount used in each year was determined by approval of the board of directors.

Rebates – Prescription rebates are recorded as a reduction in claims expense in the year that they are earned. The amount of rebates earned in 2025 that reduced the claims expense in that year was $43,464,216. The amount of rebates earned in 2024 that reduced the claims expense in that year was $36,140,609.

Reserve for Unpaid Claims - CEBCO's reserve for unpaid claims is determined using actuarial analysis and is computed in accordance with accepted loss reserving standards. The reserve represents an estimate of the ultimate net cost of all claims incurred which were unpaid at December 31, 2025 and 2024. This includes an estimate of claims incurred but not yet paid as of December 31, 2025 and 2024.

Although CEBCO 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 - CEBCO’s capital assets, which consist of automobiles and furniture and equipment, are reported at cost net of depreciation. All capital assets are depreciated using the straight-line method of depreciation. Furniture and equipment are depreciated over three to five years and vehicles are depreciated over five years. Costs of maintenance and repairs are charged to expense when incurred.

Risk Management - CEBCO is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. The County Risk Sharing Authority (CORSA), a property and liability risk sharing pool sponsored by CCAO, provides general liability, errors and omissions liability, auto liability, privacy and security liability, property, and crime coverages to CEBCO. CEBCO also utilizes outside Directors and Officer coverage through Certain Underwriters at Lloyds, London. Since CCAO, along with its related corporations, are members of CEBCO, the medical and dental coverage for CCAO employees is provided by CEBCO. Settled claims relating to the above insurance coverages have not exceeded the amount of insurance coverage for each of the last three years.

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. There were no restrictions to CEBCO's net position at December 31, 2025 or 2024.

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 valuation of investments and the reserve for unpaid claims as described in Notes 3 and 4, respectively.

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

Premium Deficiency - Anticipated investment income is considered in determining if a premium deficiency exists. No premium deficiency reserve was required at December 31, 2025 or 2024.

Subsequent Events - CEBCO has evaluated events or transactions occurring subsequent to the statement of net position date for recognition and disclosure in the accompanying financial statements through the date the financial statements are available to be issued, which is June 3, 2026.

NOTE 3 – DEPOSITS AND INVESTMENTS

CEBCO's investment policy authorizes CEBCO to make investments in the following allowable assets: cash equivalents (U.S. Treasury Bills, money market funds, commercial paper, repurchase agreements, and certificates of deposit), fixed income securities of all investment grade quality (including U.S. government and agency securities, mortgage-related obligations, U.S. corporate debt securities, and asset backed securities), real estate investments which include ownership interests in office property or in companies whose sole asset is office property, risk assets (U.S. listed stocks, U.S. high yield bonds, international equities, and bank loans), and mutual funds and/or exchange traded funds.

CEBCO's investments are held in CEBCO's name. CEBCO has designated Huntington Bank, Principal, and Vanguard for deposit of its funds in 2025 and 2024. In 2025, CEBCO liquidated risk assets at Vanguard, as allowed by the CEBCO Investment Policy. Asset Allocation and Management Company, LLC acts as the fixed-income portfolio manager.

CEBCO'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, money market accounts and funds and an insured cash sweep fund. Cash and cash equivalents totaled $43,173,046 and $21,418,061 at December 31, 2025 and 2024, respectively.

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, CEBCO's deposits may not be returned to it. CEBCO does not have a deposit policy for custodial credit risk. At year end, CEBCO had bank deposits of $43,173,046. Of this amount, $8,730,091 was insured by the Federal Depository Insurance Corporation (FDIC). CEBCO believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, CEBCO evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments - Investments are reported at fair value. On December 31, 2025 and 2024, CEBCO had the following investments:

	Fair Value	
	2025	2024
Fixed-income securities	$30,632,934	$34,976,600
Equities	-	7,493,034
Mutual Funds	-	3,698,859
Total Investments	$30,632,934	$46,168,493

During the fiscal year ended December 31, 2025, the CEBCO liquidated equity and high-yield bond holdings totaling $11.1 million to build up its cash reserves. These transactions resulted in a net realized gain of $3,377,674, which is reported as a component of nonoperating income on the Statement of Revenues, Expenses, and Changes in Net Position. Following this liquidation, the proceeds from the sale of fixed income securities were reinvested in higher-yielding fixed income securities to optimize the portfolio's future earnings potential.

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. CEBCO's investment policy stipulates that CEBCO's bond portfolio must have an average maturity of 10 years or less.

At December 31, 2025, CEBCO had the following average maturities of fixed-income securities:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury securities	$ 2,178,690	4.54
Asset-backed securities	533,551	2.94
Corporate bonds	15,245,047	4.17
Mortgage-backed/Collateralized mortgage-backed securities	10,086,324	4.47
Municipal bonds	2,589,322	4.70
Total	$ 30,632,934	

At December 31, 2024, CEBCO had the following average maturities of fixed-income securities:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury securities	$ 3,829,731	4.28
Asset-backed securities	1,392,711	2.17
Corporate bonds	15,796,187	4.79
Mutual Funds - High yield bonds	1,848,564	3.80
Mutual Funds - Bank loans	1,850,295	4.74
Mortgage-backed/Collateralized mortgage-backed securities	10,399,016	4.57
Municipal bonds	3,558,955	4.06
Total	$ 38,675,459	

Credit Risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligations.

At December 31, 2025, the credit quality ratings of fixed-income securities by type are as follows:

Investment	Fair Value	Rating	Rating Organization
Asset-backed securities	$ 80,121	Aa2	Moody's
	372,740	Aaa	Moody's
	80,690	Baa3	Moody's
Total	$ 533,551		
Corporate bonds	$ 982,903	Aaa	Moody's
	305,294	Aa1	Moody's
	372,962	Aa2	Moody's
	698,281	Aa3	Moody's
	1,738,393	A1	Moody's
	2,407,603	A2	Moody's
	1,980,920	A3	Moody's
	173,812	Ba1	Moody's
	1,948,918	Baa1	Moody's
	3,472,773	Baa2	Moody's
	899,717	Baa3	Moody's
	79,587	BBB	Fitch
	59,857	BBB+	Kroll
	124,027	BBB	Kroll
Total	$ 15,245,047		
U.S. Treasury securities	$ 2,178,690	Aa1	Moody's
Mortgage-backed/collateralized mortgage-backed securities	$ 486,405	AAA	S&P
	7,094,828	Aa1	Moody's
	2,282,659	Aaa	Moody's
	222,432	NA	
Total	$ 10,086,324		
Municipal bonds	$ 348,637	Aaa	Moody's
	378,033	Aa1	Moody's
	571,976	Aa2	Moody's
	188,244	Aa3	Moody's
	87,995	A1	Moody's
	262,489	AA+	S&P
	429,999	AAA	S&P
	321,949	AA	S&P
Total	$ 2,589,322		

At December 31, 2024, the credit quality ratings of fixed-income securities by type are as follows:

Investment	Fair Value	Rating	Rating Organization
Asset-backed securities	$ 577,831	Aaa	Moody's
	84,114	A3	Moody's
	83,368	Baa2	Moody's
	647,398	AAA	S&P
Total	$ 1,392,711		
Corporate bonds	$ 302,589	Aaa	Moody's
	262,245	Aa2	Moody's
	596,849	Aa3	Moody's
	2,274,128	A1	Moody's
	2,485,220	A2	Moody's
	2,239,937	A3	Moody's
	167,654	Ba1	Moody's
	2,862,372	Baa1	Moody's
	3,104,272	Baa2	Moody's
	1,246,202	Baa3	Moody's
	76,095	BBB	Fitch
	59,100	BBB+	Kroll
	119,525	BBB	Kroll
Total	$ 15,796,187		
U.S. Treasury securities	$ 3,829,731	AA+	Moody's
Mortgage-backed/collateralized mortgage-backed securities	$ 180,423	AAA	S&P
	9,987,728	Aaa	Moody's
	230,865	NA	
Total	$ 10,399,016		
Municipal bonds	$ 872,882	Aaa	Moody's
	337,743	Aa1	Moody's
	649,161	Aa2	Moody's
	230,206	Aa3	Moody's
	274,426	A1	Moody's
	144,176	Baa2	Moody's
	247,068	AA-	S&P
	421,220	AAA	S&P
	382,073	AA	S&P
Total	$ 3,558,955		
Mutual Funds - High yield bonds	$ 1,848,564	BB	S&P
Mutual Funds - Bank loans	$ 1,850,295	B	S&P

Concentration of Credit Risk - Excluding investments issued or guaranteed by the U.S. government, there were no investments that individually exceeded 5 percent of CEBCO's total investments at December 31, 2025 and 2024, respectively.

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. CEBCO's investment policy does not address foreign currency risk. CEBCO has no investments subject to foreign currency risk.

NOTE 4 – RESERVE FOR UNPAID CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

The reserve for claims incurred but not reported is estimated by an independent actuary based upon CEBCO's historical experience of claims incurred prior to December 31, 2025.

The estimates reflect the best judgment as to the potential for claims to increase beyond the amounts already paid. Although management believes that the provision for unpaid claims 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 claims for CEBCO for the years ended December 31, 2025, 2024, and 2023, respectively:

	2025	2024	2023
Reserves for Unpaid Claims and Claim Adjustment Expenses - Beginning of year	$ 17,913,000	$ 20,513,000	$ 21,624,000
Incurred Claims and Claim Adjustment Expenses			
Provision for claims incurred in current year	315,966,350	289,050,153	250,455,035
Change in provision for claims incurred in prior years	(91,402)	(4,819,954)	(3,995,555)
Total incurred claims and claim adjustment expenses	315,874,948	284,230,199	246,459,480
Payments			
Claims and claim adjustment expenses paid for claims incurred in current year	294,914,350	271,137,153	229,942,035
Claims and claim adjustment expenses paid for claims incurred in prior years	17,821,598	15,693,046	17,628,445
Total payments	312,735,948	286,830,199	247,570,480
Reserves for Unpaid Claims and Claim Adjustment Expenses - End of year	$ 21,052,000	$ 17,913,000	$ 20,513,000

Reserves for unpaid claims and claim adjustment expenses attributable to insured events in prior years changed as a result of re-estimation of unpaid claims and claim adjustment expenses. This change is generally a result of ongoing analysis of claims paid for prior year incurred events. Original estimates are increased or decreased as additional information becomes known regarding claims payments.

A portion of the reserve for unpaid claims and claim adjustment expenses at December 31, 2025 relates to claims associated with members that withdrew from the Program during the year. In accordance with the terms of the participation agreements, these members remain financially responsible for the run-out of claims incurred during their period of coverage. As a result, the Program has recorded a corresponding premium receivable for these amounts. Additional information regarding these participant withdrawals and related receivables is presented in Note 5 – Premium Receivables and Participant Withdrawals.

Claims and claim adjustment expenses paid is shown net of stop loss reimbursements and medical/pharmacy rebates. During 2025, CEBCO disputed a change implemented by its pharmacy benefit manager related to the criteria for calculating prescription drug rebates, which was applied retroactively to the beginning of the year. CEBCO contested the retroactive application of this change, and the parties reached a settlement in 2026 whereby CEBCO received $910,000. As the settlement amount relates to rebate activity associated with the 2025 fiscal year, CEBCO has recognized the amount as a receivable at December 31, 2025. Consistent with the treatment of prescription drug rebates, the amount has been recorded as a reduction of claims expense in the accompanying financial statements. The receivable is included in rebate receivables at year end.

NOTE 5 – PREMIUM RECEIVABLES AND PARTICIPANT WITHDRAWALS

At December 31, 2025, two participating members withdrew from CEBCO in accordance with the terms of their participation agreements. Under these agreements, withdrawing members remain contractually obligated to fund the cost of all claims incurred during their period of participation, including claims reported subsequent to withdrawal and claims incurred but not paid (IBNP) as of the date of withdrawal.

Accordingly, CEBCO has recognized a premium receivable from the former participants representing the estimated cost of claims to be funded by those entities. This receivable is based on actuarial estimates of the ultimate cost of settling the underlying claims. At the same time, CEBCO has recorded a corresponding reserve for unpaid claims and claim adjustment expenses, including both reported claims and IBNP associated with these members.

These amounts are included in premium receivables and reserve for unpaid claims and claim adjustment expenses in the accompanying financial statements.

The receivable is expected to be fully collectible based on the contractual obligations of the former participants and historical experience; therefore, no allowance for doubtful accounts has been recorded at December 31, 2025. The premium receivable and related claims liability are economically offsetting and reflect that the ultimate financial responsibility for these claims remains with the withdrawing members.

The estimated amounts recorded are subject to change as additional information becomes available and as claims are paid and developed. Any differences between estimated and actual amounts will be recognized in operations in the period in which such adjustments are determined.

NOTE 6 – EXCESS INSURANCE COVERAGE

CEBCO has obtained specific excess insurance coverage from a reinsurer to reduce its exposure to large specific losses. The excess insurance contract permits recovery of a portion of losses from the excess insurance carrier, although it does not discharge the primary liability of CEBCO as direct insurer of the risks reinsured. For the years ended December 31, 2025 and 2024, the excess insurance contract provided coverage for medical and prescription drug benefits in excess of $1,000,000 per subscriber. Premiums under this contract during the years ended December 31, 2025 and 2024 totaled $3,579,428 and $3,320,135, respectively.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2025 and 2024 was as follows:

	Balance January 1, 2025	Additions	Retirements	Balance December 31, 2025
Furniture and equipment	$ 20,795	$ -	$ -	$ 20,795
Vehicles	201,618	-	(32,505)	169,113
Subtotal	222,413	-	(32,505)	189,908
Less Accumulated Depreciation:				
Furniture and equipment	20,795	-	-	20,795
Vehicles	146,998	30,194	(26,599)	150,593
Subtotal	127,470	30,194	(26,599)	171,388
Net capital assets	$ 94,943	$ (30,194)	$ (5,906)	$ 18,520

	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024
Furniture and equipment	$ 20,795	$ -	$ -	$ 20,795
Vehicles	201,618			201,618
Subtotal	222,413	-	-	222,413
Less Accumulated Depreciation:				
Furniture and equipment	20,795	-	-	20,795
Vehicles	106,675	40,323		146,998
Subtotal	127,470	40,323	-	167,793
Net capital assets	$ 94,943	$ (40,323)	$ -	$ 54,620

Depreciation expense was $30,194 and $40,323 for the years ended December 31, 2025 and 2024, respectively.

NOTE 8 – JOINT VENTURE

During 2008, CEBCO entered into a joint venture with CORSA and CCAO to form County Governance Facility, LLC. CEBCO owns 33.3 percent of this joint venture. County Governance Facility, LLC, was formed to improve, operate, and otherwise manage the company property located at 209 East State Street, Columbus, Ohio 42315. CEBCO's interest in the County Governance Facility, LLC at December 31, 2025 and 2024 was $916,749 and $949,963, respectively. CEBCO accounts for the investment under the equity method.

NOTE 9 – RELATED PARTY TRANSACTIONS

CEBCO and its property and liability counterpart, CORSA, were created by the County Commissioners Association of Ohio (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. CCAO pays for most of these services, and CORSA and CEBCO pay CCAO for their portion based on an allocation approved by all three boards of directors. All staff who work on behalf of CEBCO are employed by CCAO. Other shared services include health care coverage provided by CEBCO, property and liability coverage provided by CORSA, and additional external directors and officers coverage. Investment consulting and management services are shared between CEBCO and CORSA. The amount paid to CCAO by CEBCO for shared services and reimbursements was $1,744,178 and $1,924,335 for December 31, 2025 and 2024 respectively. The amount paid for investment and insurance expenses by CEBCO to CORSA was $105,687 and $126,331 for December 31, 2025 and 2024, respectively.

NOTE 10 – FAIR VALUE MEASUREMENT

CEBCO 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 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. Investments that are measured at fair value using the 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 above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. CEBCO's assessment of the significance of the particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2025 are as follows:

	Assets Measured at Fair Value on a Recurring Basis			
	Quoted Prices in Active Markets for Level 1	Significant Other Observable Level 2	Significant Unobservable Level 3	Balance at 2025
Debt securities:				
Asset-backed securities	$ -	$ 533,551	$ -	$ 533,551
Corporate bonds	-	15,245,047		15,245,047
U.S. Treasury securities	2,178,690	-	-	2,178,690
Mortgage-backed/collateralized mortgage securities	-	10,086,324	-	10,086,324
Municipal bonds	-	2,589,322	-	2,589,322
Total	$ 2,178,690	$ 28,454,244	$ -	$ 30,632,934

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2024 are as follows:

	Assets Measured at Fair Value on a Recurring Basis			
	Quoted Prices in Active Markets for Level 1	Significant Other Observable Level 2	Significant Unobservable Level 3	Balance at 2024
Debt securities:				
Mutual Funds - High yield bonds	$ 1,848,564	$ -	$ -	$ 1,848,564
Mutual Funds - Bank loans	1,850,295	-		1,850,295
Asset-backed securities	-	1,392,711	-	1,392,711
Corporate bonds	-	15,796,187		15,796,187
U.S. Treasury securities	3,829,731	-	-	3,829,731
Mortgage-backed/collateralized mortgage securities	-	10,399,016	-	10,399,016
Municipal bonds	-	3,558,955	-	3,558,955
Total debt securities	$ 7,528,590	$ 31,146,869	$ -	$ 38,675,459
Equity securities	7,493,034	-	-	7,493,034
Total	$ 15,021,624	$ 31,146,869	$ -	$ 46,168,493

The fair value of U.S. Treasury securities and mutual funds are determined primarily using prices quoted in active markets and are classified as Level 1.

The fair value of asset-backed securities, corporate bonds, mortgage-backed/collateralized mortgage obligations, and municipal bonds are determined primarily 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. These fair values are classified as Level 2.

NOTE 11 – GAIN CONTINGENCY

In December of 2025, a member entity terminated its participation in CEBCO prior to the scheduled contract expiration date. Under the terms of the membership agreement, terminating members are required to pay their proportionate share of any cumulative pool deficit. The pool has assessed the departing member a termination deficit fee of $4,117,491.

The former member is formally contesting the assessment, specifically disputing the contractual definition and calculation methodology of the deficit. Because the final outcome of this matter is uncertain and collection is not assured, the pool has not recorded a receivable or recognized revenue for this $4,117,491 assessment in the accompanying 2025 financial statements. Management intends to vigorously pursue the collection of these contractual funds, and gains, if any, will be recognized in the period they become realized or realizable.

Claims Development Information

The table on the following page illustrates how CEBCO earned revenue (net of excess insurance) and investment income compare to related costs of loss (net of loss assumed by excess insurers) and other expenses assumed by CEBCO 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 CEBCO, including overhead and claims expense not allocable to individual claims.

3. This line shows CEBCO's gross incurred claims and allocated claim adjustment expenses, claims assumed by excess insurers, and net incurred claims 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 claims 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 claims increased or decreased as of the end of successive years. This annual re-estimation results from new information received on known claims, re-evaluation of existing information on known claims, as well as emergence of new claims not previously known.

7. This line compares the latest re-estimated net incurred claims 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. As data for individual policy years matures, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

COUNTY EMPLOYEE BENEFITS CONSORTIUM OF OHIO, INC.
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CLAIMS DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1. Required contribution and investment and other revenue										
Earned	172,111,301	160,812,466	161,231,171	171,030,765	192,437,716	205,092,377	215,923,825	260,377,598	304,315,739	341,553,865
Ceded	3,203,896	3,387,582	3,615,844	4,228,185	3,087,664	3,169,211	3,803,970	3,996,469	3,320,155	3,579,428
Net earned	168,907,405	157,424,884	157,615,327	166,802,579	189,350,052	201,923,166	212,119,855	256,381,129	300,995,584	337,974,437
2. Unallocated expenses	10,538,564	9,631,694	9,605,215	10,693,585	10,761,570	10,479,483	12,990,840	14,854,358	16,977,974	18,028,964
3. Estimated claims and expenses, end of policy year:										
Incurred	165,050,114	147,637,396	153,361,975	159,649,660	176,191,715	206,278,149	213,955,438	251,885,318	289,277,809	316,910,866
Ceded	2,561,815	2,827,327	8,786,916	2,329,891	6,484,174	1,103,317	3,418,326	1,430,283	227,656	600,332
Net incurred	162,488,299	144,810,069	144,575,060	157,319,769	169,707,541	205,174,832	210,537,112	250,455,035	289,050,153	316,310,534
4. Net paid claims as of:										
End of policy year	147,181,099	132,393,069	130,412,060	141,315,769	152,887,541	185,577,852	188,913,112	229,942,035	271,137,153	294,914,350
One year later	157,289,113	142,904,501	140,733,354	159,055,102	168,110,001	203,097,909	206,416,848	245,227,768	287,511,600	
Two years later	157,254,745	142,997,419	140,812,120	159,010,267	168,338,607	203,126,599	206,826,933	246,005,115		
Three years later	157,317,850	142,997,419	140,829,933	159,010,075	168,452,287	203,123,826	207,496,737			
Four years later	157,317,850	142,997,419	140,829,933	158,993,339	168,452,287	203,123,826				
Five years later	157,317,850	142,997,419	140,833,308	158,993,339	168,452,287					
Six years later	157,317,850	142,993,196	140,833,308	158,993,339						
Seven years later	157,317,773	142,993,196	140,833,308							
Eight years later	157,317,773	142,993,196								
Nine years later	157,317,773									
5. Re-estimated ceded claims and expenses	2,829,206	3,067,925	9,140,400	2,896,647	6,484,174	1,103,317	3,418,326	1,430,283	227,656	600,332
6. Re-estimated net incurred claims and expense, as of:										
End of policy year	162,488,299	144,810,069	144,575,060	157,311,769	169,707,541	205,174,832	210,537,112	250,455,035	289,050,153	315,966,350
One year later	157,289,113	142,904,501	140,733,354	159,055,102	168,110,001	203,097,909	206,416,848	245,227,768	287,511,600	
Two years later	157,254,745	142,997,419	140,812,120	159,010,267	168,338,607	203,126,599	206,826,933	246,005,115		
Three years later	157,317,850	142,997,419	140,829,933	159,010,075	168,452,287	203,123,826	207,496,737			
Four years later	157,317,850	142,997,419	140,829,933	158,993,339	169,452,287	203,123,826				
Five years later	157,317,850	142,997,419	140,833,308	158,993,339	169,452,287					
Six years later	157,317,850	142,993,196	140,833,308	158,993,339						
Seven years later	157,317,773	142,993,196	140,833,308							
Eight years later	157,317,773	142,993,196								
Nine years later	157,317,773									
7. Increase (decrease) in estimated incurred claims from original estimate	(5,170,526)	(1,816,873)	(3,741,752)	1,673,570	(255,254)	(2,051,006)	(3,040,375)	(4,449,920)	(1,538,553)	-

COUNTY EMPLOYEE BENEFITS CONSORTIUM OF OHIO, INC.
REQUIRED SUPPLEMENTARY INFORMATION
RECONCILIATION OF RESERVE FOR UNPAID CLAIMS BY TYPE OF CONTRACT
FOR THE YEAR ENDED DECEMBER 31, 2025

The schedule below presents the changes in claims liabilities for CEBCO's four types of contracts in the year 2025: employee medical, pharmacy, dental, and vision benefits.

	Medical	Pharmacy	Dental	Vision	Total
Reserves for unpaid claims and claims expenses - beginning of year	$ 17,779,000	$ -	$ 103,000	$ 31,000	$ 17,913,000
Plus: Incurred claims and claims expenses					
Provision for claims incurred in the current year	262,428,267	47,369,696	5,554,334	614,053	315,966,350
Change in provision for claims incurred in prior years	(192,269)	122,092	(18,694)	(2,531)	(91,402)
Total Incurred	262,235,998	47,491,788	5,535,640	611,522	315,874,948
Less: Payments					
Claims and claims expenses paid for claims incurred in current year	241,516,267	47,369,696	5,440,334	588,053	294,914,350
Claims and claims expenses paid for claims incurred in prior years	17,586,731	122,092	84,306	28,469	17,821,598
Total Payments	259,102,998	47,491,788	5,524,640	616,522	312,735,948
Reserves for unpaid claims and claims expenses - end of year	$ 20,912,000	$ -	$ 114,000	$ 26,000	$ 21,052,000
	$ 20,912,000	$ -	$ 114,000	$ 26,000	$ 21,052,000

The schedule below presents the changes in claims liabilities for CEBCO's four types of contracts in the year 2024: employee medical, pharmacy, dental, and vision benefits.

	Medical	Pharmacy	Dental	Vision	Total
Reserves for unpaid claims and claims expenses - beginning of year	$ 20,383,000	$ -	$ 99,000	$ 31,000	$ 20,513,000
Plus: Incurred claims and claims expenses					
Provision for claims incurred in the current year	235,193,529	48,580,991	4,658,146	617,488	289,050,153
Change in provision for claims incurred in prior years	(4,548,065)	(270,361)	850	(2,378)	(4,819,954)
Total Incurred	230,645,464	48,310,630	4,658,996	615,110	284,230,199
Less: Payments					
Claims and claims expenses paid for claims incurred in current year	217,414,529	48,580,991	4,555,146	586,488	271,137,153
Claims and claims expenses paid for claims incurred in prior years	15,834,935	(270,361)	99,850	28,622	15,693,046
Total Payments	233,249,464	48,310,630	4,654,996	615,110	286,830,199
Reserves for unpaid claims and claims expenses - end of year	$ 17,779,000	$ -	$ 103,000	$ 31,000	$ 17,913,000

The schedule below presents the changes in claims liabilities for CEBCO's four types of contracts in the year 2023: employee medical, pharmacy, dental, and vision benefits.

	Medical	Pharmacy	Dental	Vision	Total
Reserves for unpaid claims and claims expenses - beginning of year	$ 21,545,000	$ -	$ 57,000	$ 22,000	$ 21,624,000
Plus: Incurred claims and claims expenses					
Provision for claims incurred in the current year	208,271,043	37,585,517	4,048,344	550,131	250,455,035
Change in provision for claims incurred in prior years	(3,871,601)	(135,855)	16,470	(4,569)	(3,995,555)
Total Incurred	204,399,442	37,449,662	4,064,814	545,562	246,459,480
Less: Payments					
Claims and claims expenses paid for claims incurred in current year	187,888,043	37,585,517	3,949,344	519,131	229,942,035
Claims and claims expenses paid for claims incurred in prior years	17,673,399	(135,855)	73,470	17,431	17,628,445
Total Payments	205,561,442	37,449,662	4,022,814	536,562	247,570,480
Reserves for unpaid claims and claims expenses - end of year	$ 20,383,000	$ -	$ 99,000	$ 31,000	$ 20,513,000

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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*

County Employee Benefits Consortium of Ohio, Inc.
Franklin County
209 East State Street
Columbus, Ohio 43215

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States 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 County Employee Benefits Consortium of Ohio, Inc. (CEBCO), Franklin County, Ohio as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise CEBCO's basic financial statements and have issued our report thereon dated June 3, 2026.

Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CEBCO'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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
June 3, 2026