

OHIO VALLEY PUBLIC
EMPLOYEES JOINT SELF-
INSURANCE COOPERATIVE
JEFFERSON COUNTY, OHIO

REGULAR AUDIT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023



Rea & associates

www.reacpa.com

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Directors
Ohio Valley Public Employees Joint Self-Insurance Cooperative
2023 Sunset Boulevard
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the Ohio Valley Public Employees Joint Self-Insurance Cooperative, Jefferson County, prepared by Rea & Associates, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio Valley Public Employees Joint Self-Insurance Cooperative is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

July 08, 2024

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**Ohio Valley Public Employees Joint Self-Insurance Cooperative
Jefferson County, Ohio**

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December 31, 2023*

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ohio Valley Public Employees Joint Self-Insurance Cooperative
Jefferson County, Ohio
2023 Sunset Blvd
Steubenville, Ohio 43952

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Ohio Valley Public Employees Joint Self-Insurance Cooperative, Jefferson County, Ohio, (the "OV-InsCo-op"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the OV-InsCo-op'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 the OV-InsCo-op, as of December 31, 2023, and the changes in financial position and its cash flows thereof for the year then ended in accordance with 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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the OV-InsCo-op 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the OV-InsCo-op'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 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 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 the OV-InsCo-op's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the OV-InsCo-op'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* and the *Claims Development* information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2024, on our consideration of the OV-InsCo-op's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the OV-InsCo-op's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the OV-InsCo-op's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
June 12, 2024

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**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Our discussion and analysis of the Ohio Valley Public Employees Joint Self-Insurance Cooperative's (OV-InsCo-op) financial performance provides an overview of OV-InsCo-op's financial activities for the year ended December 31, 2023. The intent of the Management's Discussion and Analysis is to provide an overview of OV-InsCo-op's financial performance as a whole. The readers should also review the basic financial statements and the notes to the basic financial statements in conjunction with the Management's Discussion and Analysis.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements, notes to the financial statements and required supplemental information. The statement of net position and the statement of revenues, expenses, and change in net position provide information about the activities of OV-InsCo-op as a whole and present a longer-term view of OV-InsCo-op's finances.

- **Statement of Net Position** – statement includes all of OV-InsCo-op's assets and liabilities. The statement provides information about the nature and amount of resources (assets) owned by OV-InsCo-op, and obligations owed by OV-InsCo-op (liabilities) at December 31, 2023. OV-InsCo-op's net position is the difference between the assets and liabilities.
- **Statement of Revenues, Expenses, and Change in Net Position** – statement includes information on OV-InsCo-op's operating and non-operating revenue and expenses for the year ended December 31, 2023. Operating revenue consists primarily of contributions from members and receipts from the Large Claim Reimbursement Program, and the major sources of operating expenses consist of claims payments and administrative fees. Non-operating revenue consists of investment earnings.
- **Statement of Cash flows** – statement is prepared on the direct method of reporting and provides information about OV-InsCo-op's cash receipts and cash disbursements. The statement is summarized with the net change resulting from operating activities.

**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

CONDENSED FINANCIAL INFORMATION

Summarized financial information is as follows:

Condensed Statements of Net Position

Assets	2023	2022
Cash	\$ 680,657	\$ 420,737
Interest receivable	671	454
Pharmacy rebates receivable	23,460	0
Large claim reimbursement receivable	20,100	85,946
Total assets	724,888	507,137
Liabilities		
Reserve for claims	205,000	257,000
Accrued expenses	6,974	6,778
Unearned revenue	41,107	0
Total liabilities	253,081	263,778
Net position		
Unrestricted	471,807	243,359
Total net position	\$ 471,807	\$ 243,359

Condensed Statements of Changes in Net Position

Revenues	2023	2022
Contributions from members	\$ 1,966,722	\$ 2,028,956
Large claim reimbursement program	585,086	351,835
Pharmacy rebates	168,279	71,196
Investment income	14,724	4,516
Total revenues	2,734,811	2,456,503
Expenses		
Claims expense	1,991,031	1,937,011
Administrative fees	114,183	118,847
Affordable Care Act fees and taxes	430	527
Large claim reimbursement program	396,253	368,865
Life and vision premiums	4,466	3,875
Total expenses	2,506,363	2,429,125
Change in net position	\$ 228,448	\$ 27,378

**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

CONDENSED FINANCIAL INFORMATION (continued)

CONDENSED COMPARATIVE FINANCIAL HIGHLIGHTS

- As described in Note 1 to the financial statements, OV-InsCo-op has prepared their financial statements using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) to meet the reporting requirements of the Ohio Administrative Code 117-2-03(B).
- Ov-InsCo-op's assets increased by \$217,751 between December 31, 2023 and 2022. The increase relates primarily to an increase in the cash balance at December 31, 2023.
- Ov-InsCo-op's liabilities decreased by \$10,697 between December 31, 2023 and 2022. The decrease relates primarily to a decrease in reserve for claims offset by an increase in unearned revenue.
- The difference between assets and liabilities, or "net position" increased \$228,448 between 2023 and 2022 and the change in net position increased \$27,378 between 2022 and 2021. Revenues increased mostly due to increases in the large claim reimbursement program and pharmacy rebates. Expenses increased mostly due to an increase in claims expense.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At December 31, 2023 and 2022, OV-InsCo-op had no capital assets.

During the years 2023 and 2022, OV-InsCo-op had no debt outstanding.

BUDGET HIGHLIGHTS

OV-InsCo-op is not required to follow the budgetary provisions set forth in the Ohio Revised Code (ORC) Chapter 5705.

CONTACTING THE OV-INSCO-OP'S FINANCIAL MANAGEMENT

This financial report is designated to provide our citizens, taxpayers, investors, and creditors with a general overview of OV-InsCo-op's finances and to show OV-InsCo-op's accountability for the money it received. If you have any questions about this report or need additional information, contact the fiscal officer, Ethan Tice, 2023 Sunset Blvd., Steubenville, Ohio, 43952.

**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

ASSETS

Current assets

Cash	\$	680,657
Interest receivable		671
Pharmacy rebates receivable		23,460
Large claim reimbursement receivable		20,100
		20,100
Total assets	\$	724,888

LIABILITIES AND NET POSITION

Current liabilities

Reserve for claims	\$	205,000
Accrued expenses		6,974
Unearned revenue		41,107
		41,107
Total liabilities		253,081

Net position

Unrestricted		471,807
		471,807
Total net position	\$	471,807

The accompanying notes are an integral part of these financial statements.

**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Operating revenues		
Contributions from members	\$	1,966,722
Large claim reimbursement program		585,086
Pharmacy rebates		168,279
	Total operating revenues	2,720,087
Operating expenses		
Claims expense		1,991,031
Administrative fees		114,183
Affordable Care Act fees and taxes		430
Large claim reimbursement program		396,253
Life and vision premiums		4,466
	Total operating expenses	2,506,363
	Operating income	213,724
Non-operating revenue		
Investment income		14,724
Change in net position		228,448
Net position		
Beginning of year		243,359
End of year	\$	471,807

The accompanying notes are an integral part of these financial statements.

**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Cash Flows from Operating Activities

Cash received from members	\$ 2,007,829
Cash received from other	650,932
Cash received from rebates	144,819
Cash paid for claims	(2,043,031)
Cash paid for administrative and general expenses	(515,136)
Net cash provided by operating activities	245,413

Cash Flows from Investing Activities

Investment income received	14,507
Net cash provided by investing activities	14,507

Net Change in Cash and Cash Equivalents

259,920

Cash and Cash Equivalents - Beginning of year

420,737

Cash and Cash Equivalents - End of year

\$ 680,657

A reconciliation of operating income to net cash provided by operating activities is as follows:

**Reconciliation of Operating Income to Net Cash provided by
Operating Activities**

Operating income	\$ 213,724
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Other receivables	42,386
Reserve for claims	(52,000)
Accrued expenses	196
Unearned revenue	41,107
Net cash provided by operating activities	\$ 245,413

There were no noncash transactions in 2023.

The accompanying notes are an integral part of these financial statements.

**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Ohio Valley Public Employees Joint Self-Insurance Cooperative (OV-InsCo-op) organized pursuant to ORC Chapter Section 9.833 was established for the public purpose of enabling its members to obtain insurance coverage, provide methods for paying claims and provide a formalized jointly administered self-insurance pool. Specifically, OV-InsCo-op provides coverage for medical, vision, dental and prescription drug benefits. During 2023, members of OV-InsCo-op included the following five entities: Kirtland Hills Village, Monroeville Village, Portage Township – Ottawa County, Public Library of Steubenville and Jefferson County, and Townsend Community School.

The Managing Board is composed of representatives of member organizations in good standing with OV-InsCo-op. The Managing Board shall be five dually elected representatives of members. Management Board members shall be elected by the Assembly with each member of OV-InsCo-op receiving one vote with respect to the election of the Managing Board.

Member contributions are calculated to annually produce a sufficient sum of money within the self-insurance pool adequate to fund administrative expenses of OV-InsCo-op and to create adequate reserves for claims and allocated expense.

Besides the standard monthly contributions, OV-InsCo-op may extend an assessment to each participant based on a three-year window calculation. The calculation is based on the ratio of total expense to total income for each member during the previous three years ended. Conversely, a participant may be eligible for a month or two-month waiver of its monthly contributions based on the above calculation.

A participant may withdraw from OV-InsCo-op or any particular benefits program.

No new members enrolled into OV-InsCo-op during 2023 and no members withdrew from OV-InsCo-op during 2023.

The Jefferson County Education Service Center acts as fiscal agent for OV-InsCo-op and is a separate reporting entity with separate financial statements.

OV-InsCo-op management believes that these financial statements present all activities for which OV-InsCo-op is financially accountable.

OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting

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.

OV-InsCo-op utilizes the accrual basis of accounting for financial statement presentation purposes. Under this method of accounting, revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

OV-InsCo-op's activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources and all liabilities and deferred inflows of resources associated with OV-InsCo-op's operations are included on the statement of net position. The statement of revenues, expenses, and change in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position.

OV-InsCo-op distinguishes operating revenues and expenses from non-operating items. Operating revenues generally result from member contributions for insurance coverage and receipts from the Large Claim Reimbursement Program. Operating expenses for OV-InsCo-op include the payment of claims, administrative fees, professional fees, and other fees as well as reimbursements of member balances. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Cash and Cash Equivalents

OV-InsCo-op considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. Deposits are either: 1) insured by the Federal Depository Insurance Corporation, 2) collateralized by securities specifically pledged by the financial institution to OV-InsCo-op, or 3) collateralized by the financial institution's public entity deposit pool.

D. Accounts Receivable and Contributions

All members are required to remit monthly contributions to OV-InsCo-op, which are used to pay claims and administrative expenses. The monthly contribution is determined for each member in accordance with the number of covered employees and dependents and the prior loss experience of the respective member group that is set each plan year. Member contributions are recorded in revenue in the period that they are earned. A premium moratorium is used to offset cash remittals to OV-InsCo-op and can be granted up to a three-month limit at any one time. OV-InsCo-op may request a premium moratorium once they have sufficient reserves. Contributions from members are shown net of approved premium moratoria. There were no approved premium moratoria in 2023.

Receivables are recorded as an asset in the period that they are earned. Accounts receivable and contributions were fully collected as of the year ended December 31, 2023.

**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Large Claim Reimbursement Receivable

The large claim reimbursement receivable represents amounts owed for participation in the Stop Loss Program for premiums outstanding as of December 31, 2023.

F. Pharmacy Rebates Receivable

The pharmacy rebates receivable represents amounts earned according to contractual agreements as of December 31, 2023.

G. Reserve for Claims

Reserves for claims represent OV-InsCo-op's reserves for incurred claims, plus an estimate of provisions for loss development and claims incurred but not reported (IBNR) and allocated and unallocated loss adjustment expenses. See Note 4 for additional information related to OV-InsCo-op's reserve for claims.

H. Net Position

Unrestricted net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

At December 31, 2023, OV-InsCo-op does not have a "restricted" or "net investment in capital assets".

I. Large Claim Reimbursement Program

OV-InsCo-op employs reinsurance agreements (Large Claim Reimbursement Program) to reduce its risk that large losses may be incurred on medical claims. This allows OV-InsCo-op to recover a portion of losses on claims from re-insurers, although it does not discharge their primary liability.

J. Contracted Services

OV-InsCo-op participates in The Jefferson Health Plan (the Health Plan), a claims servicing pool organized under ORC Chapter 167, for the purpose of establishing and carrying out a cooperative program to administer insurance benefits for employees of the participating entities and their eligible dependents. The Health Plan contracts with third-party administrators to process and pay claims incurred by its members. The Health Plan also purchases stop-loss coverage for claims in excess of a set amount for individual claims and in the pool's aggregate.

K. Use of Estimates

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Budgetary Process

The budgetary process is not a requirement of OV-InsCo-op.

2. RISK MANAGEMENT

Each member of OV-InsCo-op is obligated to pay a fee based on an estimate of the member's share of OV-InsCo-op costs for the year. Included in this estimate are claims by eligible employees, which are payable by each member, the member's share of the medical, prescription, vision and dental premiums, and their proportionate share of the administrative costs of OV-InsCo-op. If a member is in a deficit position, the participating member has two fiscal years to make up a negative reserve amount or an insufficient IBNR and three fiscal years to make up insufficient claims fluctuation reserves.

Members are required to provide six months' notice of withdrawal from OV-InsCo-op for the termination, allowing OV-InsCo-op time to determine any withdrawal balance owed to or by the departing employer. Any outstanding reserve balances are held by OV-InsCo-op for a maximum period of six months to satisfy the payment of claims incurred before termination. The terminating member has the option to pay all of claims incurred prior to the termination of membership so that any reserves could be released sooner. Employers found to be in a deficit position wishing to leave OV-InsCo-op will be required to repay the deficit in full within 90 days of the effective withdrawal date. Additionally, such terminating member will be required to pay any claims incurred prior to termination notification.

3. DEPOSITS AND INVESTMENTS

As mentioned in Note 1, OV-InsCo-op participates in the Health Plan, a public entity, risk-sharing, claims servicing and insurance purchasing pool. The money is held by the claims servicing pool in a pooled account, which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by OV-InsCo-op. The Treasurer of the Jefferson County Educational Service Center serves as the Fiscal Agent for OV-InsCo-op as well as the Health Plan. The ORC prescribes allowable deposits and investments.

**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023**

4. RESERVE FOR CLAIMS

The IBNR claims at December 31 are used by OV-InsCo-op to help determine the rates to charge members. Additionally, the estimation of IBNR, allows OV-InsCo-op to compare the liability to the funds reserved and to determine whether the amounts reserved meet the requirements of ORC Chapter Section 9.833. OV-InsCo-op has also established a formal funding policy for claims fluctuation reserves to aid in tempering potential significant fluctuations in premiums and contribution levels that may be required. The IBNR claims liability are based on an analysis of claims that produce a liability estimate consistent with the plan of benefits in force and with administrative practices and have been calculated on a basis that is reasonable and appropriate under the circumstances. The following table represents changes in the reserve for unpaid claims for OV-InsCo-op for the years ended December 31, 2023 and 2022:

	2023	2022
Reserves for Unpaid Claims and Claim		
Adjustment Expenses - Beginning of year	\$ 257,000	\$ 175,000
Incurred Claims and Claim Adjustment Expenses		
Provision for claims incurred in current year	2,141,252	1,264,437
Change in provision for claims incurred in prior years	(150,221)	672,574
Total incurred claims and claim adjustment expenses	1,991,031	1,937,011
Payments		
Claims and claim adjustment expenses for claims incurred in current year	(1,936,252)	(1,014,019)
Claims and claim adjustment expenses paid for claims incurred in prior years	(106,779)	(847,574)
Total payments	(2,043,031)	(1,861,593)
Reserves for Unpaid Claims and Claim		
Adjustment Expenses - End of year	\$ 205,000	\$ 257,000

Required Supplemental Information

**OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
CLAIMS DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023**

Claims Development Information

The following table illustrates how OV-InsCo-op earned revenue and investment income compared to related costs of loss and other expenses assumed by OV-InsCo-op as of the end of each of the last nine 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 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 OV-InsCo-op including overhead and claims expense not allocable to individual claims.
3. This line shows OV-InsCo-op'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 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.

OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE
SCHEDULE OF CLAIMS DEVELOPMENT
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2015*</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1. Required contributions and investment income:									
Earned	\$ 377,799	\$ 1,696,507	\$ 2,398,880	\$ 3,133,217	\$ 2,754,473	\$ 2,872,924	2,285,347	2,033,472	1,981,446
Ceded	-	-	-	-	-	-	-	-	-
Net	377,799	1,696,507	2,398,880	3,133,217	2,754,473	2,872,924	2,285,347	2,033,472	1,981,446
2. Expenses other than allocated claim adjustment expenses	114,248	556,783	698,835	718,917	628,014	632,371	532,669	492,114	515,332
3. Estimated claims incurred and expense									
Incurred	434,848	1,538,200	2,327,872	2,627,167	3,300,249	2,718,108	1,588,642	2,124,464	2,141,252
Ceded	-	-	-	-	-	-	-	-	-
Net	434,848	1,538,200	2,327,872	2,627,167	3,300,249	2,718,108	1,588,642	2,124,464	2,141,252
4. Cumulative paid claims and allocated claim adjustment expenses									
End of policy year	327,146	1,313,676	2,207,872	2,471,167	2,784,429	2,634,108	1,413,642	1,746,245	1,936,252
One year later	410,081	1,483,141	2,446,588	2,741,191	3,168,598	2,726,631	2,254,264	1,853,024	-
Two years later	410,081	1,483,141	2,446,588	2,741,191	3,168,598	2,726,631	2,254,264	-	-
Three years later	410,081	1,483,141	2,446,588	2,741,191	3,168,598	2,726,631	-	-	-
Four years later	410,081	1,483,141	2,446,588	2,741,191	3,168,598	-	-	-	-
Five years later	410,081	1,483,141	2,446,588	2,741,191	-	-	-	-	-
Six years later	410,081	1,483,141	2,446,588	-	-	-	-	-	-
Seven years later	410,081	1,483,141	-	-	-	-	-	-	-
Eight years later	410,081	-	-	-	-	-	-	-	-
Nine years later	-	-	-	-	-	-	-	-	-
5. Re-estimated ceded claims and expenses	-	-	-	-	-	-	-	-	-
6. Re-estimated incurred claims and allocated claim adjustment expenses									
End of policy year	434,848	1,538,200	2,327,872	2,627,167	3,300,249	2,718,108	1,588,642	2,124,464	2,141,252
One year later	410,081	1,483,141	2,446,588	2,741,191	3,168,598	2,726,631	2,254,264	1,853,024	-
Two years later	410,081	1,483,141	2,446,588	2,741,191	3,168,598	2,726,631	2,254,264	-	-
Three years later	410,081	1,483,141	2,446,588	2,741,191	3,168,598	2,726,631	-	-	-
Four years later	410,081	1,483,141	2,446,588	2,741,191	3,168,598	-	-	-	-
Five years later	410,081	1,483,141	2,446,588	2,741,191	-	-	-	-	-
Six years later	410,081	1,483,141	2,446,588	-	-	-	-	-	-
Seven years later	410,081	1,483,141	-	-	-	-	-	-	-
Eight years later	410,081	-	-	-	-	-	-	-	-
Nine years later	-	-	-	-	-	-	-	-	-
7. (Decrease) increase in estimated incurred claims and allocated claim adjustment expenses subsequent to initial policy year end	\$ 24,767	\$ 55,059	\$ (118,716)	\$ (114,024)	\$ 131,651	\$ (8,523)	\$ (665,622)	\$ 271,440	\$ -

* 2015 was the first year of existence.

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*

To the Board of Directors
Ohio Valley Public Employees Joint Self-Insurance Cooperative
Jefferson County, Ohio
2023 Sunset Blvd
Steubenville, OH 43952

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 (*Government Auditing Standards*), the financial statements of the Ohio Valley Public Employees Joint Self-Insurance Cooperative, Jefferson County, Ohio (OV-InsCo-op), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the OV-InsCo-op's basic financial statements, and have issued our report thereon dated June 12, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the OV-InsCo-op's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the OV-InsCo-op's internal control. Accordingly, we do not express an opinion on the effectiveness of the OV-InsCo-op's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
June 12, 2024

OHIO AUDITOR OF STATE KEITH FABER



OHIO VALLEY PUBLIC EMPLOYEES JOINT SELF-INSURANCE COOPERATIVE

JEFFERSON 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 7/18/2024

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

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