



Government Insurance Network Chicago, Illinois

Annual Financial Report

For the Years Ended June 30, 2026 and 2025

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
and Management
Government Insurance Network
Chicago, Illinois

Opinions

We have audited the accompanying financial statements of the Government Insurance Network (the GIN), as of and for the year ended June 30, 2026 and the related notes to financial statements, which collectively comprise the GIN's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Government Insurance Network, as of June 30, 2026 and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the GIN as of June 30, 2025 were audited by Lauterbach & Amen LLP, whose report dated September 5, 2025, expressed an unmodified opinion of those financial statements.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these 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 GIN 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 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 GIN's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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, 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 GIN'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 GIN'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Network's basic financial statements. The other supplementary data and supplemental schedules is presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary data and supplemental schedules is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary data and supplemental schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Sibich CPA LLC

Naperville, Illinois
August 20, 2026

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

GOVERNMENT INSURANCE NETWORK, ILLINOIS

Management's Discussion and Analysis

June 30, 2026

Our discussion and analysis of the Government Insurance Network (GIN)'s financial performance provides an overview of GIN's financial activities for the year ended June 30, 2026. Please read it in conjunction with GIN's financial statements.

Financial Highlights

- As of June 30, 2026, GIN's net position was zero. This is consistent with prior year.
- During the year, revenues consisting of gross premiums, special assessment, and interest income totaled \$29,631,426 while operating expenses consisting of premiums to insurers, administration fees, member equity allocation and professional fees totaled \$29,631,426, resulting in no change to the net position.
- GIN allocated \$2,026,923 in equity in the current year to its member fund reserves.
- GIN was formed on May 15, 2018 and includes nine entities in its network.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to GIN's basic financial statements. GIN operates as a single proprietary fund, more specifically as an enterprise fund, in accounting for members' participation. This annual report consists of a series of financial statements and related notes to the financial statements. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of GIN as a whole and present a longer-term view of GIN's finances.

Financial Statements

The Statement of Net Position reports information on all of GIN's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of GIN is improving or deteriorating. Losses in any membership year are the contractual obligation of the members, and special assessments may be requested during the year.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how GIN's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the next calendar year (e.g., uncollected member contributions and claims incurred but not reported).

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

GOVERNMENT INSURANCE NETWORK, ILLINOIS

Management's Discussion and Analysis

June 30, 2026

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of GIN's financial position. The following tables show that in the case of GIN, assets equals liabilities.

	Statement of Net Position		
	June 30, 2026	June 30, 2025	June 30, 2024
Current Assets	\$ 7,381,913	\$ 4,512,650	\$ 8,161,002
Current Liabilities	7,381,913	4,512,650	8,161,002
Net Position			
Unrestricted	-	-	-

As of June 30, 2026, GIN's net position is zero. Per GIN's bylaws, any equity at the end of the fiscal year is distributed to its members.

	Statement of Revenues, Expenses, and Changes in Net Position		
	June 30, 2026	June 30, 2025	June 30, 2024
Operating Revenue			
Gross Premiums	\$ 26,428,550	\$ 23,509,405	\$ 21,439,735
Special Assessment/Other	3,034,688	-	-
Total operating revenues	29,463,238	23,509,405	21,439,735
Operating Expenses			
Premiums to Insurers	23,749,173	23,620,835	18,814,569
BCBS Administration Fees	3,405,303	3,142,017	3,884,749
Broker Consulting Service and	435,543	414,650	394,987
Member Equity Allocation	2,026,923	(3,437,104)	(1,253,755)
Professional Fees	14,484	13,928	13,783
Total Operating Expenses	29,631,426	23,754,326	21,854,333
Operating (Loss)	(168,188)	(244,921)	(414,598)
Nonoperating Revenues			
Investment Income	168,188	244,921	414,598
Change in Net Position	-	-	-
Net Position - Beginning	-	-	-
Net Position - Ending	-	-	-

The net position of GIN's activities stayed consistent with prior year at zero.

GOVERNMENT INSURANCE NETWORK, ILLINOIS

Management's Discussion and Analysis

June 30, 2026

BOARD ACTIVITIES

GIN's Board of Directors uses several outside consultants to develop its premiums and to assist in the proper funding for its medical and dental claims. The Board establishes premiums in an attempt to properly account for all projected costs plus a margin for unexpected claim activity to maintain GIN's sound financial position and a healthy reserve balance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

There is an unknown impact on future claim experience and stop loss rates in the insurance market from recent high inflation and costly specialty drugs being approved for treatments. This will be an ongoing factor in determining GIN's future premium equivalents.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Government Insurance Network's finances for all those with an interest in GIN's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Government Insurance Network Board President, c/o MMA, 111 N. Canal Street, Suite 550, Chicago, IL 60606.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**

STATEMENT OF NET POSITION

June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
ASSETS		
Cash and cash equivalents	\$ 7,225,919	\$ 4,491,320
Receivables (net of allowances)		
Member contributions	155,994	-
Prepaid expenses	-	21,330
Total assets	<u>7,381,913</u>	<u>4,512,650</u>
LIABILITIES		
Accounts payable	2,286,413	1,567,942
Claims payable	1,371,522	1,247,653
Due to other governments	<u>3,723,978</u>	<u>1,697,055</u>
Total liabilities	<u>7,381,913</u>	<u>4,512,650</u>
NET POSITION		
Unrestricted	<u>-</u>	<u>-</u>
TOTAL NET POSITION	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

For the Fiscal Years Ended June 30, 2026 and 2025

	2026	2025
OPERATING REVENUES		
Premium contributions	\$ 26,428,550	\$ 23,509,405
Special assessment	3,034,688	-
Total operating revenues	29,463,238	23,509,405
OPERATING EXPENSES		
Provision for claims, net	23,186,526	23,074,320
Other operating expenses	6,444,900	680,006
Total operating expenses	29,631,426	23,754,326
OPERATING INCOME (LOSS)	(168,188)	(244,921)
OTHER NON-OPERATING REVENUES (EXPENSES)		
Investment income	168,188	244,921
Total other non-operating revenues (expenses)	168,188	244,921
CHANGE IN NET POSITION	-	-
NET POSITION, JULY 1	-	-
NET POSITION, JUNE 30	\$ -	\$ -

See accompanying notes to financial statements.

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**

STATEMENT OF CASH FLOWS

For the Fiscal Years Ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members	\$ 29,328,574	\$ 24,152,762
Payments to suppliers	<u>(26,762,163)</u>	<u>(27,402,678)</u>
Net cash from operating activities	<u>2,566,411</u>	<u>(3,249,916)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
None	<u>-</u>	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
None	<u>-</u>	<u>-</u>
Net cash from capital and related financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	<u>168,188</u>	<u>244,921</u>
Net cash from investing activities	<u>168,188</u>	<u>244,921</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,734,599	(3,004,995)
CASH AND CASH EQUIVALENTS, JULY 1	<u>4,491,320</u>	<u>7,496,315</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 7,225,919</u></u>	<u><u>\$ 4,491,320</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (168,188)	\$ (244,921)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Changes in assets and liabilities		
Receivables	(155,994)	643,794
Prepaid Expenses	21,330	(437)
Accounts Payable	718,471	(297,215)
Claims Payable	123,869	85,968
Intergovernmental Payables	<u>2,026,923</u>	<u>(3,437,105)</u>
Total adjustments	<u>2,734,599</u>	<u>(3,004,995)</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 2,566,411</u></u>	<u><u>\$ (3,249,916)</u></u>

See accompanying notes to financial statements.

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Government Insurance Network, Chicago, Illinois (the GIN or GIN) have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the GIN's accounting policies are described below.

a. Reporting Entity

GIN is a joint insurance pool organized to provide health, life, dental and vision care benefits to employees of its member organizations. GIN was organized May 15, 2018 under the authority of Article VII, Section 10 of the Constitution of the State of Illinois and the Illinois Governmental Cooperation Act (5 ILCS 220/1 et. seq.). At year-end, membership consists of the following Illinois municipalities and governmental entities:

City of Elmhurst
Forest Preserve District of Will County
Village of Frankfort
Village of Lemont
Village of New Lenox
Village of Romeoville
Village of Shorewood
Village of Westmont
Village of Willowbrook

The purpose of GIN is to administer certain employee benefit programs offered by the members to eligible employees, employees' dependents, and retirees and the officers and employees of other governmental entities and the quasi-governmental, and non-profit public service entities with which some or all members have separately arranged to list ("Listed Entities"), and the Board of Directors has approved, as if such officers and employees were employed by the member pursuant to a group plan (the "Plan"). Each member remains individually responsible for any and all benefit programs that are not a part of any network plan. Membership in GIN is not transferable or assignable.

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

The intent of the parties is to separately establish benefit programs and to utilize GIN to achieve reduced costs of administration and insurance purchases by providing similar services to all members and to require members to pay for the costs of such benefits or to share such costs in the manner from time-to-time established by the Board of Directors.

The organization is managed by the GIN Board consisting of one representative designated by each member.

Since each member establishes their own separate benefit program and GIN is only utilized to assist in reducing costs of administration and insurance purchases, GIN does not pool the liability or share in the risks associated with these individual benefit programs.

b. Fund Accounting

Governmental resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into a single fund.

Proprietary Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the GIN is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the GIN has decided that periodic determination of revenues earned, expenses incurred, and net income or loss is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary funds operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The GIN may occasionally report deferred revenue and unearned revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues arise when resources are received by the GIN before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the GIN has a legal claim to resources, the deferred inflow for deferred revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

d. Cash and Cash Equivalents

For purposes of the statement of cash flows, the GIN considers all highly liquid investments (including restricted assets) with a maturity of 30 days or less when purchased to be cash equivalents. Cash includes demand deposits and money market accounts with banks and cash on hand.

e. Investments

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. The GIN categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The GIN did not have any investments subject to fair value measurement at June 30, 2026.

f. Accounts Receivable

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Member contributions represent the major receivable for GIN.

g. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses and recognized via the consumption method.

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Claims Payable

Claims liabilities are established based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Estimated amounts recoverable on unpaid claims are deducted from the claim expenses for unpaid claims. No provision for inflation or for present value is provided, as a majority of claims are generally settled within one year. The claims incurred but not recorded expense on insurance is based on twenty-four months of claims reported on the Claims Analysis Report provided by the insurance provider.

i. Reinsurance

GIN utilizes reinsurance agreements to reduce its exposure to large losses. Reinsurance permits recovery of a portion of losses, although it does not discharge GIN's liability as direct insurer of the risks reinsured. Reinsured risks are reported as liabilities.

j. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

k. Special Assessments

GIN utilizes special assessments to generate additional revenue from member when there are funding shortfalls due to a variety reasons, such as members leaving GIN or increased insurance costs.

2. DEPOSITS AND INVESTMENTS

The GIN's is authorized to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agency, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Trust.

2. DEPOSITS AND INVESTMENTS (Continued)

The Illinois Trust was established for the purpose of allowing various public agencies including, but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the Laws of the State of Illinois. Participation in the Illinois Trust is voluntary. The Illinois Trust is not registered with the SEC as an Investment Company. Investments in the Illinois Trust are valued at the share price, the price for which the investment could be sold.

It is the policy of the GIN to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the GIN and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity, and rate of return.

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the GIN’s deposits may not be returned to it. The GIN’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 103% of the fair market value of the funds secured, with the collateral held by the GIN or an independent third party. At June 30, 2026, all of the GIN’s deposits were fully insured or collateralized.

b. Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The GIN’s investment policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The GIN’s investment policy minimizes credit risk by diversifying investments by maturity, issuer, and class of security so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. GIN’s investment in Illinois Trust was not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the GIN will not be able to recover the value of its investments that are in possession of an outside party. The GIN’s investment policy does not address custodial credit risk for investments.

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

Concentration of credit risk is the risk that the GIN has a high percentage of its investments invested in one type of investment. The GIN's investment policy eliminates the risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities. At year-end, GIN's investment in the Max Safe Fund represents 100% of GIN's total cash and cash equivalents.

3. CLAIMS PAYABLE

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include a number of claims that have been incurred but not reported (IBNR). Claims liabilities are established based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported.

Changes in the balances of claims liabilities are as follows:

	Medical and Dental	
	2026	2025
Claims payable - beginning	\$ 1,247,653	\$ 1,161,685
Claims incurred	24,330,892	23,663,436
Claims paid	(24,207,023)	(23,577,468)
CLAIMS PAYABLE - ENDING	<u>\$ 1,371,522</u>	<u>\$ 1,247,653</u>

4. RISK MANAGEMENT

The GIN is exposed to various risks of loss including, but not limited to, general liability, property casualty, injuries to employees, workers' compensation, employee health, and public official liability. To limit exposure to these risks, the GIN has purchased third party indemnity insurance. For the past three years, the GIN has had no settlement amounts in excess of the insurance coverage.

5. CONTRACTUAL AGREEMENTS

The GIN contracts for Claims Administration, Plan Consulting, Pharmacy Benefit Management and similar services with a variety of service providers. Generally, these contracts provide for fees based on enrollment and remain in effect for one year. Often, such contracts are terminable as specified in each individual agreement. At year end, all fees due have been paid.

OTHER SUPPLEMENTAL INFORMATION

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2026

	Original and Final Budget	Actual	Variance Over/(Under) Final Budget
OPERATING REVENUES			
Premium contributions	\$ 26,745,252	\$ 26,428,550	\$ (316,702)
Special assessment	3,000,000	3,034,688	34,688
Total operating revenues	29,745,252	29,463,238	(282,014)
OPERATING EXPENSES			
Provision for Claims			-
Claims incurred and paid during the year	24,661,366	24,207,022	(454,344)
Less: Stop-loss reimbursements	-	(1,020,496)	(1,020,496)
Net provision for claims	24,661,366	23,186,526	(1,474,840)
Other Operating Expenses			
Vision insurance	163,200	162,928	(272)
Life and AD & D	378,000	374,156	(3,844)
Voluntary worksite benefits	-	4,233	4,233
Liability insurance	21,330	21,330	-
Legal fees	7,500	-	(7,500)
Audit fees	12,900	12,400	(500)
Broker consulting service and administration	400,577	435,543	34,966
BCBS administration fees	3,874,132	3,405,303	(468,829)
Supplies and postage	200	51	(149)
Miscellaneous	2,400	2,033	(367)
Less: Member equity allocation	-	2,026,923	2,026,923
Total other operating expenses	4,860,239	6,444,900	1,584,661
Total operating expenses	29,521,605	29,631,426	109,821
OPERATING INCOME (LOSS)	223,647	(168,188)	(391,835)
OTHER NON-OPERATING REVENUES (EXPENSES)			
Investment income	153,000	168,188	15,188
Total other non-operating revenues (expenses)	153,000	168,188	15,188
CHANGE IN NET POSITION	<u>\$ 376,647</u>	-	<u>\$ (376,647)</u>
NET POSITION, JULY 1		-	
NET POSITION, JUNE 30		<u>\$ -</u>	

(See independent auditor's report.)

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance Over/(Under) Final Budget
OPERATING REVENUES			
Premium contributions	\$ 23,386,351	\$ 23,509,405	\$ 123,054
Total operating revenues	23,386,351	23,509,405	123,054
OPERATING EXPENSES			
Provision for Claims			-
Claims incurred and paid during the year	19,012,657	23,577,468	4,564,811
Less: Stop-loss reimbursements	-	(503,148)	(503,148)
Net provision for claims	19,012,657	23,074,320	4,061,663
Other Operating Expenses			
Vision insurance	161,005	161,912	907
Life and AD & D	366,000	363,710	(2,290)
Liability insurance	20,893	20,893	-
Legal fees	7,500	-	(7,500)
Audit fees	13,050	12,250	(800)
Broker consulting service and administration	401,492	414,650	13,158
BCBS administration fees	3,581,227	3,142,017	(439,210)
Supplies and postage	200	10	(190)
Miscellaneous	3,600	1,668	(1,932)
Less: Member equity allocation	-	(3,437,104)	(3,437,104)
Total other operating expenses	4,554,967	680,006	(3,874,961)
Total operating expenses	23,567,624	23,754,326	186,702
OPERATING INCOME (LOSS)	(181,273)	(244,921)	(63,648)
OTHER NON-OPERATING REVENUES (EXPENSES)			
Investment income	300,000	244,921	(55,079)
Total other non-operating revenues (expenses)	300,000	244,921	(55,079)
CHANGE IN NET POSITION	<u>\$ 118,727</u>	-	<u>\$ (118,727)</u>
NET POSITION, JULY 1		-	
NET POSITION, JUNE 30		<u>\$ -</u>	

(See independent auditor's report.)

SUPPLEMENTAL SCHEDULES

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**

**SCHEDULE OF CHANGES IN NET POSITION -
BY INDIVIDUAL MEMBERS - MEDICAL, VISION, AND DENTAL**

For the Fiscal Year Ended June 30, 2026

	Annual Premiums	Member Proportionate Share of Total Premiums (%)	Member Proportionate Share of Total Capital (\$)
City of Elmhurst	\$ 6,078,798	20.70%	\$ (419,573)
Forest Preserve District of Will County	1,662,978	5.70%	(115,535)
Village of Frankfort	2,360,084	8.00%	(162,154)
Village of Lemont	1,763,990	6.00%	(121,615)
Village of New Lenox	4,248,116	14.40%	(291,877)
Village of Romeoville	7,105,700	24.10%	(488,489)
Village of Shorewood	1,722,779	5.90%	(119,588)
Village of Westmont	3,062,466	10.40%	(210,800)
Village of Willowbrook	1,423,639	4.80%	(97,292)
TOTAL EXPENSES	\$ 29,428,550	100.00%	\$ (2,026,923)

(See independent auditor's report.)

**GOVERNMENT INSURANCE NETWORK
CHICAGO, ILLINOIS**

**SCHEDULE OF CHANGES IN NET POSITION -
BY INDIVIDUAL MEMBERS - MEDICAL, VISION, AND DENTAL**

For the Fiscal Year Ended June 30, 2025

	Annual Premiums	Member Proportionate Share of Total Premiums (%)	Member Proportionate Share of Total Capital (\$)
City of Elmhurst	\$ 5,046,631	21.47%	\$ (738,977)
Forest Preserve District of Will County	1,273,342	5.42%	(185,604)
Village of Frankfort	1,879,348	7.99%	(274,968)
Village of Lemont	1,447,798	6.16%	(213,100)
Village of New Lenox	3,339,915	14.21%	(488,069)
Village of Romeoville	5,618,553	23.90%	(821,468)
Village of Shorewood	1,372,880	5.84%	(199,352)
Village of Westmont	2,397,072	10.20%	(350,585)
Village of Willowbrook	1,133,866	4.82%	(164,981)
TOTAL EXPENSES	\$ 23,509,405	100.01%	\$ (3,437,104)

(See independent auditor's report.)