Public Sector Health Care Group Authority

Annual Financial Statements
and Independent Auditors' Report

December 31, 2025

Haynie

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Haynie

Independent Auditors' Report

To the Members of the Board of Directors
Public Sector Health Care Group Authority

Opinion

We have audited the accompanying financial statements of the business-type activity of Public Sector Health Care Group Authority, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Public Sector Health Care Group Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Public Sector Health Care Group Authority, as of December 31, 2025, and the respective changes in financial position and, where applicable, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Public Sector Health Care Group Authority, 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 Public Sector Health Care Group Authority'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.

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Auditors' 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 auditors' 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 generally accepted 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 generally accepted 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 Public Sector Health Care Group Authority'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 Public Sector Health Care Group Authority'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 management's discussion and analysis and budgetary comparison information 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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Public Sector Health Care Group Authority's basic financial statements. The Schedule of Revenues, Expenses, and Changes in Funds Available Budget and Actual (Budgetary and GAAP Basis) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 Schedule of Revenues, Expenses, and Changes in Funds Available Budget and Actual (Budgetary and GAAP Basis) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Sincerely,



Littleton, Colorado
September 1, 2026

PUBLIC SECTOR HEALTH CARE GROUP AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

This discussion and analysis of Public Sector Health Care Group Authority's (Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2025. Please read it in conjunction with the Authority's basic financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's liabilities exceeded assets by $(6,029,331) at December 31, 2025.
- Total Authority cash and investments increased by $290,170 from 2024.
- The December 31, 2025 General Fund balance is $(6,029,331), a decrease of $(5,447,695) from 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

These complete financial statements include a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Authority as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at the Authority's specific financial conditions.

Financial Statements: The Statement of Net Position presents information on all the Authority'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 the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Change in Net Position presents information showing how the Authority'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 future fiscal periods.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 8 to 15 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information which can be found on page 16 of this report.

THE AUTHORITY'S OVERALL FINANCIAL POSITION

Public Sector Health Care Group Authority
Statement of Net Position

	2025	2024
Cash and investments	$ 2,213,429	$ 1,923,259
Receivables – from other governments	2,000,914	42,790
Prepaids	643,000	467,692
Total assets	4,857,343	2,433,741
Accounts payable	422,871	4,798
Accrued expenses	6,819,528	2,778,296
Deferred revenue	3,644,275	232,283
Total liabilities	10,886,674	3,015,377
Net position – unrestricted	$ (6,029,331)	$ (581,636)

The Authority's overall financial position, as measured by net position, decreased $(5,447,695) during 2025. Accrued expenses increased $4,041,232 or 145% which is primarily due to an increase in medical claims and when they occur. The Authority maintains no capital assets and carries no debt or long-term financing.

Public Sector Health Care Group Authority
Statement of Revenues, Expenses and Change in Net Position

	2025	2024
Revenue		
Member assessments	$ 36,090,354	$ 26,003,744
Administrative fee	60,000	45,098
Other income	27,642	-
Total revenue	36,177,996	26,048,842
Expenses		
Insurance premiums	5,099,554	3,564,433
Insurance claims	36,403,548	23,788,708
Employee benefit programs	63,985	172,153
General and administrative expense	92,439	69,156
Total expenses	41,659,526	27,594,450
Non-operating Revenue		
Interest income	33,835	104,267
Change in Net Position	(5,447,695)	(1,441,341)
Net Assets – Beginning	(581,636)	859,705
Net Assets – Ending	$ (6,029,331)	$ (581,636)

Premium payments made by Authority Members are the biggest revenue contributor to the Authority. Total operating revenue increased by $10,086,610 or 39.0%, which is attributed to 28 new Member organizations. Insurance claims increased $12,604,677 or 53.0% which is primarily due to an increase in new Members.

BUDGETARY HIGHLIGHTS

The Authority has appropriated $47,505,000 for spending in the 2026 fiscal year budget.

ECONOMIC FACTORS AND OTHER MATTERS

The following factors are expected to have a significant effect on the Authority's financial position and were taken into account in developing the 2026 budget:

- An increase in the cost to provide group health insurance and other insurance benefits.
- An increase in the total number of Authority Members and their eligible employees and covered dependents.
- An increase/decrease in claims and/or the cost of claims submitted by and their eligible employees and covered dependents.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided or for additional financial information should be addressed to: Public Sector Health Care Group Authority, 146 N. Elbert Street, PO Box 441, Elizabeth, CO 80107.

Basic Financial Statements

Public Sector Health Care Group Authority
Statement of Net Position
December 31, 2025

ASSETS	
Current assets	
Cash and investments	$ 2,213,429
Receivables - from other governments	2,000,914
Prepaids	643,000
Total current assets	4,857,343
Total Assets	$ 4,857,343
LIABILITIES AND NET POSITION	
Current liabilities	
Accounts payable	$ 422,871
Accrued expenses	6,819,528
Deferred revenue	3,644,275
Total current liabilities	10,886,674
Total Liabilities	$ 10,886,674
Net Position	
Unrestricted	$ (6,029,331)
Total Net Position	$ (6,029,331)

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

Public Sector Health Care Group Authority
Statement of Revenues, Expenses and Change in Net Position
December 31, 2025

Operating Revenues		
Member assessments	$	36,090,354
Administrative fee revenue		60,000
Other income		27,642
Total operating revenues		36,177,996
Operating Expenses		
Insurance premiums		5,099,554
Insurance claims		36,403,548
Employee benefit programs		63,985
General and administrative expenses		92,439
Total operating expenses		41,659,526
Net income (loss) from operations		(5,481,530)
Non-Operating Revenue:		
Interest Income		33,835
Change in Net Position		(5,447,695)
Net position—beginning of year		(581,636)
Net position—end of year	$	(6,029,331)

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

Public Sector Health Care Group Authority
Statement of Cash Flows
December 31, 2025

Cash flows from operating activities	
Receipts from customers and users	$ 37,631,864
Payments to suppliers	(37,375,529)
Net cash from operating activities	256,335
Cash flows from investing activities	
Interest received	33,835
Net cash provided by investing activities	33,835
Net change in cash and cash equivalents	290,170
Cash and cash equivalents—beginning of year	1,923,259
Cash and cash equivalents—end of year	$ 2,213,429
Reconciliation of operating loss to net cash from operating activities	
Operating income (loss)	$ (5,481,530)
Adjustments to reconcile operating loss to net cash from operating activities	
Change in current assets:	
Accounts receivable - other governments	(1,958,124)
Prepaids	(175,308)
Change in current liabilities:	
Accounts payable	418,073
Accrued expenses	4,041,232
Deferred Revenue	3,411,992
Net cash from operating activities	$ 256,335

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

Public Sector Health Care Group Authority
Notes to Financial Statements
December 31, 2025

1. Organization

The Public Sector Health Care Group (Group) was formed on January 1, 2012 by the Public Sector Health Care Group Intergovernmental Agreement entered into among Elizabeth Fire Protection District, the Town of Elizabeth, and the Town of Kiowa. The Group's Executive Committee later determined that a more robust organizational structure was needed for the Group to continue providing high quality, efficient group health insurance benefits and other benefits to its current and future membership. Accordingly, the Executive Committee recommended to the Operating Committee, and the Operating Committee approved, restructuring the Group as a Colorado governmental authority. The Public Sector Health Care Group Authority (Authority) was thereafter established by that certain Intergovernmental Agreement Establishing the Public Sector Health Care Group Authority effective March 1, 2023 (Establishing IGA). Effective January 1, 2024, the Group transferred all assets and liabilities to the Authority and the Authority began providing all group health insurance benefits and other benefits to its members. The Authority is a political subdivision of the State of Colorado pursuant to Colorado Revised Statutes sections 29-1-203 and 29-1-203.5.

All Authority Members, as defined in the Establishing IGA, are governmental, public or government-controlled nonprofit agencies of the State of Colorado. The Authority is governed by an elected Executive Committee consisting of five members. The Executive Committee members are voted on by affirmative majority vote of all members of a separate Operating Committee. The Operating Committee is comprised of one representative appointed by each Authority Member. The Authority is not financially accountable for any other organization, nor is the Authority a component unit of any other primary governmental entity.

The primary function of the Authority is to provide Members defined lower cost and higher quality group health insurance benefits for their eligible employees and their covered dependents. It is the intent of the Members to have the Authority provide continuing stability and availability of needed coverage at reasonable costs. It is also the intent of the Members that the Authority administer and use funds contributed by the Members to the exclusive benefit of its Members. The Authority is comprised of 105 Member agencies as of December 31, 2025.

On January 1, 2016, the Authority entered into a contract with United Healthcare (UHC) to provide medical insurance for the Members' eligible employees and their covered dependents. On January 1, 2025, the Authority transitioned from a single health insurance provider to multiple health insurance providers and entered into a contract with Kaiser to provide medical insurance for the Members' eligible employees and their covered dependents. The Authority pays a monthly administrative fee and then pays a maximum amount of each claim and a maximum amount of the aggregate to both insurance providers. As of December 31, 2025 the administrative fees charged were $2/month (or $24/year) per covered employee. The combined total maximum amounts were $250,000 per claim and $39,658,982 in the aggregate.

2. Significant Accounting Policies

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Background Information on Public Entity Risk Pools

A "public entity risk pool" is defined in GASB Statement No. 10 as a "cooperative group of governmental entities joining together to finance an exposure, liability, or risk." There are four basic types of public entity risk pools which can serve one or several of the following functions:

- *Risk-Sharing Pool*: An arrangement by which governments pool risks and funds and share in the control of losses.
- *Insurance-purchasing pool*: An arrangement by which governments pool funds or resources to purchase commercial insurance products.
- *Banking pool*: An arrangement by which monies are made available for pool members in the event of a loss on a loan basis.
- *Claims-servicing or account pool*: An arrangement by which a pool manages separate accounts for each pool member from which the losses of that member are paid.

The Authority is an insurance-purchasing pool.

The following summary of significant accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The accounting policies of the Authority conform to GAAP as applicable to governmental units.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority uses one fund to report its financial position and activities. Fund accounting is designed to segregate transactions related to certain governmental functions and activities. The Authority's fund is classified as an enterprise fund type. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing services on a continuing basis be financed or recovered primarily through user charges. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The principal operating revenues of the Authority's enterprise fund are charges for providing health coverage recorded as Member assessments. The Authority's operating expenses

2. Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

include the cost of insurance premiums, insurance claims and administrative expenses. All other revenues and expenses are reported as nonoperating revenues and expenses.

The Authority reports all activity in one enterprise fund which is a proprietary fund type.

Cash and investments

For purposes of the statement of cash flows, cash equivalents consist of amounts deposited in the bank, and state-regulated pooled accounts subject to immediate withdrawal. The reported value of the state pool is the same as the fair value.

Receivables - from other governments

Receivables consist of amounts due from various Authority Member agencies for monthly premiums. The Authority estimates that the fair value of all financial instruments at December 31, 2025 does not materially differ from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amounts of these financial instruments approximate fair value, because of the short maturity of these instruments.

Prepaids

Prepaids consist of money kept on hand with United Healthcare that equals the weekly average of claim payments. This will periodically be reevaluated and increased to match claim levels.

Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accrued Expenses

The Authority often pays claims expenses in the years after the dates of service. Accrued expenses are management's estimates of those amounts to settle the claims, up to the aggregate loss amount, including the effects of inflation and other societal and economic factors.

2. Significant Accounting Policies (continued)

Revenue Recognition

Revenue is recognized when earned. Premiums are paid monthly in advance of the month for which premiums are due. Any premiums paid in advance of the month in which they are due and earned are recorded as deferred revenue.

Net position

Net position is reported as restricted when there are limitations imposed on its use either through formally adopted Resolutions, policies, or procedures of the Authority or through external restrictions imposed by creditor, grantors, or laws or regulations of governments. There are no restricted assets and all funds are considered unrestricted as of December 31, 2025. The Authority reports a net deficit of $(6,029,331) which will be reduced in subsequent years by the collections of premiums from the members.

3. Stewardship, Compliance and Accountability

The Executive Committee is responsible for adopting an annual operating budget for the Authority in accordance with the requirements of the Colorado Local Government Budget Law, C.R.S. § 29-1-101, et seq., which is then distributed to the Operating Committee representatives. The operating budget includes the proposed expenditures and means of financing them for the upcoming year, along with estimates for the current year. Budgets for governmental funds are adopted on a modified accrual basis.

The Finance Manager is required to present a report at each meeting of the Executive Committee explaining the Authority's budgetary status and any variance from the approved budget. Pursuant to the Colorado Local Government Budget Law, the Executive Committee may amend the budget during the calendar year, and any unspent appropriations lapse at the end of the year.

4. Cash and Investments

Cash and investments on the December 31, 2025 statement of net position consist of the following:

	December 31, 2025
Cash	$ 2,120,822
Investments	92,607
Total cash and investments	$ 2,213,429

As of December 31, 2025, the Authority's carrying amount of bank deposits and book balance was $2,120,822.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government, including the Authority, deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. The division of the Colorado Department of Regulatory Agencies for banks and savings and loan associations is required by State statute to monitor the naming of eligible depositories and the reporting of the uninsured deposits and assets maintained in the collateral pools.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, including the Authority, may invest:

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

4. Cash and Investments (continued)

State statute limits investment maturities to five years or less unless formally approved by the governing body (i.e., the Authority's Executive Committee). Such actions are generally associated with a debt service reserve or sinking fund requirements.

As of December 31, 2025, the Authority had the following investments:

Investment	Maturity	Carrying Value
Colorado Local Government Liquid Asset Trust:		
COLOTRUSTPLUS+	Weighted average maturity under 60 days	$ 27,636
COLOTRUST EDGE	Weighted average maturity under one year	64,971
		$ 92,607

During 2025, the Authority invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established to pool surplus funds for local government entities in Colorado, which include the Authority. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. The Authority invested in COLOTRUST PLUS+ (PLUS+) and COLOTRUST EDGE (EDGE), two of the three portfolios offered by Colotrust. PLUS+ operates similarly to a money market fund and each share is equal in value to $1.00. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption period. Allowable investments in the PLUS+ portfolio include U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. EDGE investments consist of money market instruments and medium-term notes designed for the short to intermediate reserve and surplus funds of Colorado governments.

A designated custodial bank serves as custodian for Colotrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colotrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by Colotrust. PLUS+ is rated AAAm by S&P Global Ratings and EDGE is rated AAAf/S1 by Fitch Ratings.

Certain investments measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are

4. Cash and Investments (continued)

Investments (continued)

quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is estimated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The Authority held investments in Colotrust at year end for which the investment evaluations were determined as follows.

Colotrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colotrust, are accrued daily. The NAV is calculated at fair value using various inputs to determine value in accordance with FASB guidance. It is the goal of PLUS+ to maintain a NAV of $1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colotrust and there can be no assurance that the NAV will not vary from $1.00 per share. EDGE does not seek to maintain a stable NAV. EDGE initially established a $10.00 transactional share price. The principal value of an EDGE investment may fluctuate and could be greater or less than the share price at price of purchase, prior to redemption and at the time of redemption.

5. Intergovernmental Agreement

As discussed in Note 1, an intergovernmental agreement effective March 1, 2023 (i.e., the Establishing IGA) exists for the purposes of forming the Authority. The Establishing IGA is entered into by the Authority's current Establishing Members (as defined in the IGA): Elizabeth Fire Protection District, Montrose Fire Protection District, Southeast Weld Fire Protection District, Front Range Fire Rescue Fire Protection District, and Pueblo County, Colorado. Additional organizations have since joined the Authority as Contracting Members (as defined in the Establishing IGA) in accordance with the terms of the Establishing IGA, with a total of 105 Member organizations as part of the Authority at December 31, 2025.

6. Subsequent Events

The Authority has evaluated subsequent events through September 1, 2026, the date which these financial statements were available for management review.

Supplementary Information

Public Sector Health Care Group Authority
Schedule of Revenues, Expenses and Changes in Funds Available
Budget and Actual (Budgetary and GAAP Basis)
December 31, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues				
Member Assessments	$ 39,750,000	$ 36,177,996	$ 36,090,354	$ (87,642)
Administrative Fee Revenue	-	-	60,000	60,000
Other income	-	-	27,642	27,642
Total operating revenues	39,750,000	36,177,996	36,177,996	-
Operating Expenses				
Insurance Premiums	9,000,000	5,099,554	5,099,554	-
Insurance Claims	30,600,000	36,403,549	36,403,548	1
Employee benefits programs	49,000	63,985	63,985	-
General and administrative expenses	81,800	92,441	92,439	2
Total operating expenses	39,730,800	41,659,529	41,659,526	3
Net income (loss) from operations	19,200	(5,481,533)	(5,481,530)	3
Non-Operating Revenue:				
Interest Income	100,000	33,834	33,835	1
Funds Available, Budgetary Basis	$ 119,200	$ (5,447,699)	(5,447,695)	$ 4
Funds Available—beginning of year			(581,636)	
Funds Available—end of year, budgetary basis			$ (6,029,331)	
Net Position, GAAP Basis			$ (6,029,331)	