

NON-MAJOR GOVERNMENTAL FUNDS
Internal Service Funds

WEBB COUNTY EMPLOYEES' HEALTH BENEFITS

An internal service fund used to account for Webb County employees' medical and dental premiums and payments.

WORKER'S COMPENSATION RESERVE FUND

An internal service fund used to account for Webb County's self insurance of workmen's compensation premiums and payments.

Webb County, Texas
Combining Statement of Net Assets
Internal Service Funds
September 30, 2004

	<u>Employees Health</u> <u>Benefits</u>	<u>Workers</u> <u>Compensation</u> <u>Reserve</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 170,665	\$ 2,909,952	\$ 3,080,617
Due from other funds	8,148	-	8,148
Total current assets	<u>178,813</u>	<u>2,909,952</u>	<u>3,088,765</u>
Non-current assets:			
Capital Assets:			
Equipment and Furniture	60,128	23,940	84,068
Less Accumulated depreciation	(41,354)	(23,940)	(65,294)
Total non-current assets	<u>18,774</u>	<u>-</u>	<u>18,774</u>
Total assets	<u><u>197,587</u></u>	<u><u>2,909,952</u></u>	<u><u>3,107,539</u></u>
LIABILITIES			
Current Liabilities:			
Accounts payable	509,630	72,060	581,690
Due to other funds	93,025	115,653	208,678
Other Accrued expenses	3,728	28,790	32,518
Compensated absences	-	22,812	22,812
Total current liabilities	<u>606,383</u>	<u>239,315</u>	<u>845,698</u>
Non-current liabilities:			
Claims and judgments	615,692	1,041,974	1,657,666
Total non-current liabilities	<u>615,692</u>	<u>1,041,974</u>	<u>1,657,666</u>
Total liabilities	<u><u>1,222,075</u></u>	<u><u>1,281,289</u></u>	<u><u>2,503,364</u></u>
NET ASSETS			
Invested in capital assets, net of related debt	18,775	-	18,775
Unrestricted	(1,043,263)	1,628,663	585,400
Total net assets	<u><u>\$ (1,024,488)</u></u>	<u><u>\$ 1,628,663</u></u>	<u><u>\$ 604,175</u></u>

Webb County, Texas
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2004

	<u>Employees Health</u> <u>Benefits</u>	<u>Workers</u> <u>Compensation</u> <u>Reserve</u>	<u>Total</u>
REVENUES			
Charges for services	\$ 6,016,867	\$ 2,178,235	\$ 8,195,102
Total operating revenues	<u>6,016,867</u>	<u>2,178,235</u>	<u>8,195,102</u>
OPERATING EXPENSES			
Contractual services	-	25,158	25,158
Other supplies and expenses	-	1,189	1,189
Insurance claims and expenses	7,141,930	1,085,009	8,226,939
Depreciation	11,052	-	11,052
Total operating expenses	<u>7,152,982</u>	<u>1,111,356</u>	<u>8,264,338</u>
Operating income (loss)	<u>(1,136,115)</u>	<u>1,066,879</u>	<u>(69,236)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	4,633	34,724	39,357
Total non-operating revenue (expenses)	<u>4,633</u>	<u>34,724</u>	<u>39,357</u>
Income (loss) before contributions and transfers	(1,131,482)	1,101,603	(29,879)
Capital contributions	-	-	-
Transfers out	-	(790,000)	(790,000)
Change in net assets	<u>(1,131,482)</u>	<u>311,603</u>	<u>(819,879)</u>
Total net assets - beginning	106,994	1,317,060	1,424,054
Total net assets - ending	<u>\$ (1,024,488)</u>	<u>\$ 1,628,663</u>	<u>\$ 604,175</u>

Webb County, Texas
Webb County Employees' Health Benefits
Schedule of Revenues and Expenses - Budget and Actual - (Budget Basis)
and Changes in Net Assets
Year Ended September 30, 2004 with Comparative Figures
for Year Ended September 30, 2003

	Budgeted Amounts		Actual Amounts	Actual Budget Basis	Variance with Final Budget-- Positive (Negative)	Total Prior Year As Of 9/30/03
	Original	Final				
OPERATING REVENUES:						
Charges For Services	\$ 5,238,645	5,238,645	5,062,446	5,062,446	(176,199)	5,029,088
Charges For Services-Employees	1,071,195	1,071,195	954,421	954,421	(116,774)	1,107,974
Total Operating Revenues	<u>\$ 6,309,840</u>	<u>6,309,840</u>	<u>6,016,867</u>	<u>6,016,867</u>	<u>(292,973)</u>	<u>6,137,062</u>
OPERATING EXPENSES:						
Current:						
Office Supplies	\$					169
Blue Cross/Blue Shield Ad	900,000	893,362	893,362	893,362		890,159
Cafeteria Plan Sec 125 Ad	20,000	12,982	12,982	12,982		14,785
Cobra Administration Fees	5,000	300	300	300		450
Basic Life Insurance	62,000	59,311	59,310	59,310	1	60,031
Depreciation Expense			11,052	11,052	(11,052)	11,105
Health Education Program	5,000	2,355	2,355	2,355		12,266
Health Fair Month	5,000	4,213	4,212	4,212	1	12,282
Condolences						90
Claims Paid	4,114,420	4,215,355	4,984,141	4,984,141	(768,786)	4,028,800
Claims Paid-Dental	298,420	367,360	395,591	395,591	(28,231)	397,709
Claims Paid-Prescriptions	900,000	754,602	789,677	789,677	(35,075)	654,709
Total Operating Expenses	<u>\$ 6,309,840</u>	<u>6,309,840</u>	<u>7,152,982</u>	<u>7,152,982</u>	<u>(843,142)</u>	<u>6,082,555</u>
Operating Income (Loss)			<u>(1,136,115)</u>	<u>(1,136,115)</u>	<u>(1,136,115)</u>	<u>54,507</u>
NON-OPERATING REVENUES						
Interest	\$		4,633	4,633	4,633	11,608
Total Non-Operating Revenues	<u>\$</u>		<u>4,633</u>	<u>4,633</u>	<u>4,633</u>	<u>11,608</u>
OPERATING INCOME BEFORE OPERATING TRANSFERS						
	\$		(1,131,482)	(1,131,482)	(1,131,482)	66,115
Change in net assets	<u>\$</u>		<u>(1,131,482)</u>	<u>(1,131,482)</u>	<u>(1,131,482)</u>	<u>66,115</u>
Add Depreciation on fixed assets acquired through capital projects grants that reduces contributed capital.						
Income(Loss)	<u>\$</u>		<u>(1,131,482)</u>	<u>(1,131,482)</u>	<u>(1,131,482)</u>	<u>66,115</u>
Total net assets - beginning			106,994			40,879
Total net assets - ending			<u>\$ (1,024,488)</u>			<u>106,994</u>

Webb County, Texas
Webb County Worker's Compensation Reserve Fund
Schedule of Revenues and Expenses - Budget and Actual - (Budget Basis)
and Changes in Net Assets
Year Ended September 30, 2004 with Comparative Figures
for Year Ended September 30, 2003

	Budgeted Amounts		Actual Amounts	Actual Budget Basis	Variance with Final Budget-- Positive (Negative)	Total Prior Year As Of 9/30/03
	Original	Final				
OPERATING REVENUES:						
Charges For Services And Refunds	\$ 2,174,849	2,174,849	2,178,235	2,178,235	3,386	2,148,331
Total Operating Revenues	\$ 2,174,849	2,174,849	2,178,235	2,178,235	3,386	2,148,331
OPERATING EXPENSES:						
Current:						
Wages And Fringe Benefits	\$					310,885
Professional Services	40,000	3,834	3,833	3,833	1	22,743
Professional Services Drug/Alcohol Test	35,000	21,324	21,325	21,325	(1)	23,334
Bonds And Insurance	10,000	1,189	1,189	1,189		6,851
Worker's Compensation Premium	75,000	61,444	61,444	61,444		7,166
Third Party Administration	57,800	39,391	39,391	39,391		38,078
Depreciation Expense						865
Safety Education Program		3,020	3,019	3,019	1	
Claims Paid Major Medical	572,000	659,598	981,155	981,155	(321,557)	316,298
Total Operating Expenses	\$ 789,800	789,800	1,111,356	1,111,356	(321,556)	726,220
Operating Income (Loss)	\$ 1,385,049	1,385,049	1,066,879	1,066,879	(318,170)	1,422,111
NON-OPERATING REVENUES						
Interest	\$ 20,000	20,000	34,724	34,724	14,724	33,092
Total Non-Operating Revenues	\$ 20,000	20,000	34,724	34,724	14,724	33,092
OPERATING INCOME BEFORE OPERATING TRANSFERS	\$ 1,405,049	1,405,049	1,101,603	1,101,603	(303,446)	1,455,203
Operating Transfers Out to:						
General Fund	\$ 790,000	790,000	(790,000)	(790,000)	(1,580,000)	(500,000)
Employee's Health Benefit Fund						(150,000)
Total Operating Transfers	790,000	790,000	(790,000)	(790,000)	(1,580,000)	(650,000)
Change in net assets	\$ 2,195,049	2,195,049	311,603	311,603	(1,883,446)	805,203
Add Depreciation on fixed assets acquired through capital projects grants that reduces contributed capital.						
Income(Loss)	\$ 2,195,049	2,195,049	311,603	311,603	(1,883,446)	805,203
Total net assets - beginning			1,317,060			511,857
Total net assets - ending			\$ 1,628,663			1,317,060

Webb County, Texas
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2004

	<u>Webb County Employees Health Benefits</u>	<u>Webb County Worker's Compensation Reserve Fund</u>	<u>Total 2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Premiums from participants	\$ 6,016,867	\$ 2,263,082	\$ 8,279,949
Payments to employees		(6,134)	(6,134)
Payments to vendors, suppliers, and insurance administrators	<u>(7,263,071)</u>	<u>(1,774,866)</u>	<u>(9,037,937)</u>
Net cash provided by operating activities	<u>(1,246,204)</u>	<u>482,082</u>	<u>(764,122)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfer Out		<u>(790,000)</u>	<u>(790,000)</u>
Net cash provided by non capital financing activities		<u>(790,000)</u>	<u>(790,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of assets			
Net cash provided by capital financing activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	<u>4,633</u>	<u>34,724</u>	<u>39,357</u>
Net cash provided by investing activities	<u>4,633</u>	<u>34,724</u>	<u>39,357</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(1,241,571)</u>	<u>(273,194)</u>	<u>(1,514,765)</u>
Cash and pooled investments, beginning of year	<u>1,412,236</u>	<u>3,183,146</u>	<u>4,595,382</u>
Cash and pooled investments, end of year	\$ <u>170,665</u>	\$ <u>2,909,952</u>	\$ <u>3,080,617</u>
Reconciliation of operating income to net cash provided (used) by operations:			
Operating income	\$ (1,136,115)	\$ 1,066,879	\$ (69,236)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	11,052		11,052
(Increase) Decrease in Due from Other Funds	680,509		680,509
(Increase) Decrease in Accounts Receivable	280,959	84,847	365,806
Increase (Decrease) in Bank Overdraft			
Increase (Decrease) in Accounts Payable	(3,138)	40,254	37,116
Increase (Decrease) in Accrued Liabilities	96,208	(6,134)	90,074
Increase (Decrease) in Other Payable		(1,079)	(1,079)
Increase (Decrease) in Due to Other Funds		(1,158,127)	(1,158,127)
Increase (Decrease) in Funds Held In Trust	(1,175,679)		(1,175,679)
Increase (Decrease) in Long Term Risk Liability		<u>455,442</u>	<u>455,442</u>
Total adjustments	<u>(110,089)</u>	<u>(584,797)</u>	<u>(694,886)</u>
Net cash provided by operating activities	\$ <u>(1,246,204)</u>	\$ <u>482,082</u>	\$ <u>(764,122)</u>