

Webb County, Texas
Combining Statement of Net Assets
Internal Service Funds
September 30, 2008

| | <u>Employees Health</u> <u>Benefits</u> | <u>Workers</u> <u>Compensation</u> <u>Reserve</u> | <u>Total</u> |
|-------------------------------|--------------------------------------------|---------------------------------------------------------|----------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 929,205 | \$ 5,300,466 | \$ 6,229,671 |
| Due from other funds | 426,595 | - | 426,595 |
| Total current assets | <u>1,355,800</u> | <u>5,300,466</u> | <u>6,656,266</u> |
| Non-current assets: | | | |
| Capital Assets: | | | |
| Equipment and Furniture | 60,128 | 23,940 | 84,068 |
| Less Accumulated depreciation | (60,128) | (23,940) | (84,068) |
| Total non-current assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u><u>1,355,800</u></u> | <u><u>5,300,466</u></u> | <u><u>6,656,266</u></u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 617,750 | 46,577 | 664,327 |
| Due to other funds | - | 843,141 | 843,141 |
| Other Accrued expenses | 122,358 | 28,144 | 150,502 |
| Compensated absences | - | 22,812 | 22,812 |
| Claims and judgments | 615,692 | 385,798 | 1,001,490 |
| Total current liabilities | <u>1,355,800</u> | <u>1,326,472</u> | <u>2,682,272</u> |
| Non-current liabilities: | | | |
| Claims and judgments | - | 280,084 | 280,084 |
| Total non-current liabilities | <u>-</u> | <u>280,084</u> | <u>280,084</u> |
| Total liabilities | <u><u>1,355,800</u></u> | <u><u>1,606,556</u></u> | <u><u>2,962,356</u></u> |
| NET ASSETS | | | |
| Unrestricted | - | 3,693,910 | 3,693,910 |
| Total net assets | <u><u>\$ -</u></u> | <u><u>\$ 3,693,910</u></u> | <u><u>\$ 3,693,910</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, 2008

| | <u>Employees Health</u> <u>Benefits</u> | <u>Workers</u> <u>Compensation</u> <u>Reserve</u> | <u>Total</u> |
|--------------------------------------------------|--------------------------------------------|---------------------------------------------------------|---------------------|
| REVENUES | | | |
| Charges for services | \$ 8,230,488 | \$ 2,693,268 | \$ 10,923,756 |
| Total operating revenues | <u>8,230,488</u> | <u>2,693,268</u> | <u>10,923,756</u> |
| OPERATING EXPENSES | | | |
| Contractual services | - | 59,158 | 59,158 |
| Other supplies and expenses | - | 1,739 | 1,739 |
| Insurance claims and expenses | 8,691,005 | 534,245 | 9,225,250 |
| Total operating expenses | <u>8,691,005</u> | <u>595,142</u> | <u>9,286,147</u> |
| Operating income (loss) | <u>(460,517)</u> | <u>2,098,126</u> | <u>1,637,609</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest and investment revenue | 40,946 | 145,311 | 186,257 |
| Total non-operating revenue (expenses) | <u>40,946</u> | <u>145,311</u> | <u>186,257</u> |
| Income (loss) before contributions and transfers | (419,571) | 2,243,437 | 1,823,866 |
| Transfers in | 419,571 | - | 419,571 |
| Transfers out | - | (939,636) | (939,636) |
| Change in net assets | - | 1,303,801 | 1,303,801 |
| Total net assets - beginning | - | 2,390,109 | 2,390,109 |
| Total net assets - ending | <u>\$ -</u> | <u>\$ 3,693,910</u> | <u>\$ 3,693,910</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, 2008 with Comparative Figures
for Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Actual Budget Basis | Variance with Final Budget-- Positive (Negative) | Total Prior Year As Of 9/30/07 |
|------------------------------------------|-----------------------|--------------------|-------------------|---------------------------|-----------------------------------------------------------|--------------------------------------|
| | Original | Final | | | | |
| OPERATING REVENUES: | | | | | | |
| Charges For Services | \$ 6,450,000 | 6,450,000 | 6,308,872 | 6,308,872 | (141,128) | 6,151,005 |
| Charges For Services-Employees | 1,800,000 | 1,800,000 | 1,921,616 | 1,921,616 | 121,616 | 1,931,075 |
| Total Operating Revenues | <u>8,250,000</u> | <u>8,250,000</u> | <u>8,230,488</u> | <u>8,230,488</u> | <u>(19,512)</u> | <u>8,082,080</u> |
| OPERATING EXPENSES: | | | | | | |
| Current: | | | | | | |
| Blue Cross/Blue Shield Ad | 1,225,000 | 1,225,000 | 1,173,867 | 1,173,867 | 51,133 | 1,089,782 |
| Cafeteria Plan Sec 125 Ad | 20,000 | 20,000 | 15,255 | 15,255 | 4,745 | 18,865 |
| Cobra Administration Fees | 2,000 | 2,000 | 1,555 | 1,555 | 445 | 1,350 |
| Basic Life Insurance | 65,000 | 65,000 | 59,074 | 59,074 | 5,926 | 62,833 |
| Depreciation Expense | | | | | | 4,767 |
| Claims Paid | 6,500,000 | 6,250,000 | 5,691,776 | 5,691,776 | 558,224 | 5,668,796 |
| Claims Paid-Dental | 420,000 | 420,000 | 418,570 | 418,570 | 1,430 | 399,863 |
| Claims Paid-Prescriptions | 1,200,000 | 1,450,000 | 1,330,908 | 1,330,908 | 119,092 | 1,182,688 |
| Total Operating Expenses | <u>9,432,000</u> | <u>9,432,000</u> | <u>8,691,005</u> | <u>8,691,005</u> | <u>740,995</u> | <u>8,428,944</u> |
| Operating Income (Loss) | <u>(1,182,000)</u> | <u>(1,182,000)</u> | <u>(460,517)</u> | <u>(460,517)</u> | <u>721,483</u> | <u>(346,864)</u> |
| NON-OPERATING REVENUES | | | | | | |
| Interest | 55,000 | 55,000 | 40,946 | 40,946 | (14,054) | 92,537 |
| Total Non-Operating Revenues | <u>55,000</u> | <u>55,000</u> | <u>40,946</u> | <u>40,946</u> | <u>(14,054)</u> | <u>92,537</u> |
| OPERATING INCOME BEFORE TRANSFERS | | | | | | |
| | (1,127,000) | (1,127,000) | (419,571) | (419,571) | 707,429 | (254,327) |
| Transfers In | | | | | | |
| Total Transfers In/Out | | | 419,571 | 419,571 | 419,571 | 249,560 |
| | | | 419,571 | 419,571 | 419,571 | 249,560 |
| Income(Loss) | \$ <u>(1,127,000)</u> | <u>(1,127,000)</u> | | | <u>1,127,000</u> | <u>(4,767)</u> |
| Total net assets - beginning | | | | | | <u>4,767</u> |
| Total net assets - ending | | | \$ | | | <u></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, 2008 with Comparative Figures
for Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Actual Budget Basis | Variance with Final Budget-- Positive (Negative) | Total Prior Year As Of 9/30/07 |
|------------------------------------------|------------------|------------------|---------------------|---------------------------|-----------------------------------------------------------|--------------------------------------|
| | Original | Final | | | | |
| OPERATING REVENUES: | | | | | | |
| Charges For Services And Refunds | \$ 2,410,000 | 2,410,000 | 2,693,268 | 2,693,268 | 283,268 | 2,460,028 |
| Total Operating Revenues | <u>2,410,000</u> | <u>2,410,000</u> | <u>2,693,268</u> | <u>2,693,268</u> | <u>283,268</u> | <u>2,460,028</u> |
| OPERATING EXPENSES: | | | | | | |
| Current: | | | | | | |
| Professional Services | 60,000 | 60,000 | 39,018 | 39,018 | 20,982 | 48,990 |
| Professional Services Drug/Alcohol Test | 40,000 | 40,000 | 20,140 | 20,140 | 19,860 | 9,203 |
| Bonds And Insurance | 10,000 | 10,000 | 1,739 | 1,739 | 8,261 | 9,608 |
| Worker's Compensation Premium | 95,000 | 95,000 | 89,313 | 89,313 | 5,687 | 74,544 |
| Third Party Administration | 70,000 | 70,000 | 45,892 | 45,892 | 24,108 | 13,150 |
| Claims Paid Major Medical | 800,000 | 800,000 | 399,040 | 399,040 | 400,960 | 622,031 |
| Total Operating Expenses | <u>1,075,000</u> | <u>1,075,000</u> | <u>595,142</u> | <u>595,142</u> | <u>479,858</u> | <u>777,526</u> |
| Operating Income (Loss) | <u>1,335,000</u> | <u>1,335,000</u> | <u>2,098,126</u> | <u>2,098,126</u> | <u>763,126</u> | <u>1,682,502</u> |
| NON-OPERATING REVENUES | | | | | | |
| Interest | <u>70,156</u> | <u>70,156</u> | <u>145,311</u> | <u>145,311</u> | <u>75,155</u> | <u>152,884</u> |
| Total Non-Operating Revenues | <u>70,156</u> | <u>70,156</u> | <u>145,311</u> | <u>145,311</u> | <u>75,155</u> | <u>152,884</u> |
| OPERATING INCOME BEFORE TRANSFERS | | | | | | |
| | 1,405,156 | 1,405,156 | 2,243,437 | 2,243,437 | 838,281 | 1,835,386 |
| Transfers Out to: | | | | | | |
| Employee Retiree Insurance Trust Fund | (150,000) | (150,000) | (520,065) | (520,065) | (370,065) | (361,945) |
| Employee's Health Benefit Fund | | | (419,571) | (419,571) | (419,571) | (249,560) |
| Total Transfers | <u>(150,000)</u> | <u>(150,000)</u> | <u>(939,636)</u> | <u>(939,636)</u> | <u>(789,636)</u> | <u>(611,505)</u> |
| Change in net assets | <u>1,255,156</u> | <u>1,255,156</u> | <u>1,303,801</u> | <u>1,303,801</u> | <u>48,645</u> | <u>1,223,881</u> |
| Total net assets - beginning | | | 2,390,109 | | | 1,166,228 |
| Total net assets - ending | | | <u>\$ 3,693,910</u> | | | <u>2,390,109</u> |

Webb County, Texas
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2008

| | <u>Webb County Employees Health Benefits</u> | <u>Webb County Worker's Compensation Reserve Fund</u> | <u>Total 2008</u> |
|-----------------------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Premiums from participants | \$ 8,230,488 | 2,693,268 | 10,923,756 |
| Payments to vendors, suppliers, and insurance administrators | <u>(9,127,968)</u> | <u>(395,829)</u> | <u>(9,523,797)</u> |
| Net cash provided by operating activities | <u>(897,480)</u> | <u>2,297,439</u> | <u>1,399,959</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | |
| Transfers In | 419,571 | | 419,571 |
| Transfers Out | | <u>(939,636)</u> | <u>(939,636)</u> |
| Net cash provided by non capital financing activities | <u>419,571</u> | <u>(939,636)</u> | <u>(520,065)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment earnings | <u>40,946</u> | <u>145,311</u> | <u>186,257</u> |
| Net cash provided by investing activities | <u>40,946</u> | <u>145,311</u> | <u>186,257</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | <u>(436,963)</u> | <u>1,503,114</u> | <u>1,066,151</u> |
| Cash and pooled investments, beginning of year | <u>1,366,168</u> | <u>3,797,352</u> | <u>5,163,520</u> |
| Cash and pooled investments, end of year | <u>\$ 929,205</u> | <u>5,300,466</u> | <u>6,229,671</u> |
| Reconciliation of operating income to net cash provided (used) by operations: | | | |
| Operating income | \$ (460,517) | 2,098,126 | 1,637,609 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation expense | | | |
| (Increase) Decrease in Due from Other Funds | (167,129) | | (167,129) |
| Increase (Decrease) in Accounts Payable | 22,347 | (28,741) | (6,394) |
| Increase (Decrease) in Accrued Liabilities | 169,288 | | 169,288 |
| Increase (Decrease) in Other Payable | | 240 | 240 |
| Increase (Decrease) in Due to Other Funds | | 338,211 | 338,211 |
| Increase (Decrease) in Funds Held In Trust | (461,469) | | (461,469) |
| Increase (Decrease) in Short-Term Risk Liability | | (146,029) | (146,029) |
| Increase (Decrease) in Long-Term Risk Liability | | 35,632 | 35,632 |
| Total adjustments | <u>(436,963)</u> | <u>199,313</u> | <u>(237,650)</u> |
| Net cash provided by operating activities | <u>\$ (897,480)</u> | <u>2,297,439</u> | <u>1,399,959</u> |