

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.



COUNTY OF EL PASO, TEXAS
Purposes of Internal Service Funds
September 30, 2015

Health and Life Fund

This fund is used to account for the health benefits provided to County employees, retirees, and their dependents. Contributions to the fund are made as charges to the department for all full-time employees and contributions from employees and retirees.

Workers' Compensation Fund

This fund is used to account for employer contributions set aside to cover claims resulting from a certifiable on-the-job injury sustained by a County employee.

County of El Paso, Texas
Internal Service Fund
Combining Statement of Net Position
September 30, 2015

	Health and Life Benefits	Prior Year Health and Life Benefits	Workers Compensation	Prior Year Workers Compensation	Total
ASSETS					
Cash and cash equivalents	\$7,037,576	\$2,383,374	\$9,675	\$16,771	\$7,047,251
Accounts receivable		2,469	165,412	1,921	165,412
Total assets	<u>7,037,576</u>	<u>2,385,843</u>	<u>175,087</u>	<u>18,692</u>	<u>7,212,663</u>
LIABILITIES					
Current liabilities:					
Claims payable	2,059,551	798,426			2,059,551
Payroll liability	2,095	2,095			2,095
Due to others	11,023	11,023			11,023
Total current liabilities	<u>2,072,669</u>	<u>811,544</u>			<u>2,072,669</u>
Total liabilities	<u>2,072,669</u>	<u>811,544</u>			<u>2,072,669</u>
NET POSITION					
Unrestricted	4,964,907	1,574,299	175,087	18,692	5,139,994
Total net position	<u>\$4,964,907</u>	<u>\$1,574,299</u>	<u>\$175,087</u>	<u>\$18,692</u>	<u>\$5,139,994</u>

County of El Paso, Texas
Internal Service Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended September 30, 2015

	Health and Life Benefits	Workers Compensation	Total
OPERATING REVENUES			
Employee premiums	\$6,998,209		\$6,998,209
Employer premiums	11,816,075	\$1,873,009	13,689,084
Retiree premiums	1,277,732		1,277,732
Cobra	37,220		37,220
Stop loss reimbursements	266,497		266,497
Other	221,001	39,325	260,326
Total operating revenues	<u>20,616,734</u>	<u>1,912,334</u>	<u>22,529,068</u>
OPERATING EXPENSES			
Claims	15,011,972	1,737,177	16,749,149
Administrative	2,728,284	145,673	2,873,957
Total operating expenses	<u>17,740,256</u>	<u>1,882,850</u>	<u>19,623,106</u>
Operating income (loss)	<u>2,876,478</u>	<u>29,484</u>	<u>2,905,962</u>
NONOPERATING REVENUES (EXPENSES)			
Interest	4,283		4,283
Total nonoperating revenues (expenses)	<u>4,283</u>		<u>4,283</u>
Change in net position	2,880,761	29,484	2,910,245
Total net position - beginning	1,574,299	18,692	1,592,991
Prior period Adjustment	509,847	126,911	636,758
Total net position - ending	<u>\$4,964,907</u>	<u>\$175,087</u>	<u>\$5,139,994</u>

County of El Paso, Texas
Internal Service Fund
Combining Statement of Cash Flows
Increase (Decrease) in Cash and Cash Equivalents
For the Year Ended September 30, 2015

	Health and Life Benefits	Workers Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from employee premiums	\$7,000,678		\$7,000,678
Receipts from employer premiums	11,816,075	\$1,709,518	13,525,593
Receipts from retiree premiums	1,277,732		1,277,732
Receipts from cobra premiums	37,220		37,220
Receipts from stop loss reimbursements	266,497		266,497
Receipts from miscellaneous services	221,001	39,325	260,326
Payments for claims	(13,750,847)	(1,737,177)	(15,488,024)
Payments for administrative expenses	(2,728,284)	(145,673)	(2,873,957)
Net cash provided by operating activities	<u>4,140,072</u>	<u>(134,007)</u>	<u>4,006,065</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of interest	4,283		4,283
Net cash provided from investing activities	<u>4,283</u>		<u>4,283</u>
Net increase (decrease) in cash and cash equivalents	4,144,355	(134,007)	4,010,348
Balances - beginning of the year	2,383,374	16,771	2,400,145
Prior period Adjustment	509,847	126,911	636,758
Balances - end of the year	<u>\$7,037,576</u>	<u>\$9,675</u>	<u>\$7,047,251</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$2,876,478	\$29,484	\$2,905,962
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in accounts receivable	2,469	(163,491)	(161,022)
Increase (decrease) in claims liability	1,261,125		1,261,125
Total adjustments	<u>1,263,594</u>	<u>(163,491)</u>	<u>1,100,103</u>
Net cash provided (used) by operating activities	<u>\$4,140,072</u>	<u>(\$134,007)</u>	<u>\$4,006,065</u>