

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, 2010

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 Assets
September 30, 2010

	Health and Life Benefits	Workers Compensation	Total
ASSETS			
Cash and cash equivalents	\$3,359,352	\$98,001	\$3,457,353
Total assets	<u>3,359,352</u>	<u>98,001</u>	<u>3,457,353</u>
LIABILITIES			
Current liabilities:			
Claims payable	858,477		858,477
Payroll liability	2,095		2,095
Due to others	11,023		11,023
Total current liabilities	<u>871,595</u>		<u>871,595</u>
Total liabilities	<u>871,595</u>		<u>871,595</u>
NET ASSETS			
Unrestricted	2,487,757	98,001	2,585,758
Total net assets	<u>\$2,487,757</u>	<u>\$98,001</u>	<u>\$2,585,758</u>

County of El Paso, Texas
Internal Service Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended September 30, 2010

	Health and Life Benefits	Workers Compensation	El Paso Sheriff's Officers Association Benefits	Total
OPERATING REVENUES				
Employee premiums	\$4,531,907			\$4,531,907
Employer premiums	4,048,373	\$1,460,811		5,509,184
Other agencies	55,482			55,482
Retiree premiums	559,158			559,158
Cobra	63,525			63,525
Stop loss reimbursements	619,608			619,608
Other	285,856	5,411		291,267
Total operating revenues	<u>10,163,909</u>	<u>1,466,222</u>		<u>11,630,131</u>
OPERATING EXPENSES				
Claims	14,086,580	1,263,765		15,350,345
Administrative	1,818,175	193,235		2,011,410
Total operating expenses	<u>15,904,755</u>	<u>1,457,000</u>		<u>17,361,755</u>
Operating income (loss)	<u>(5,740,846)</u>	<u>9,222</u>		<u>(5,731,624)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest	182,866	911		183,777
Total nonoperating revenues (expenses)	<u>182,866</u>	<u>911</u>		<u>183,777</u>
Income before contributions and transfers	<u>(5,557,980)</u>	<u>10,133</u>		<u>(5,547,847)</u>
Transfer in				
Transfer out		(237,823)	(8,323)	(246,146)
Change in net assets	(5,557,980)	(227,690)	(8,323)	(5,793,993)
Total net assets - beginning	<u>8,045,737</u>	<u>325,691</u>	<u>8,323</u>	<u>8,379,751</u>
Prior period Adjustment				
Total net assets - ending	<u>\$2,487,757</u>	<u>\$98,001</u>		<u>\$2,585,758</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, 2010

	Health and Life Benefits	Workers Compensation	El Paso Sheriff's Officers Association Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from employee premiums	\$4,531,907			\$4,531,907
Receipts from employer premiums	4,048,373	\$1,460,811		5,509,184
Receipts from other agencies premiums	55,482			55,482
Receipts from retiree premiums	559,158			559,158
Receipts from cobra premiums	63,525			63,525
Receipts from stop loss reimbursements	619,608			619,608
Receipts from miscellaneous services	285,856	5,411		291,267
Payments for claims	(14,723,996)	(1,264,674)		(15,988,670)
Payments for administrative expenses	(1,818,175)	(193,235)		(2,011,410)
Net cash provided by operating activities	<u>(6,378,262)</u>	<u>8,313</u>		<u>(6,369,949)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer out		(237,823)	(8,323)	(246,146)
Net cash provided (used) by noncapital and related financing activities		<u>(237,823)</u>	<u>(8,323)</u>	<u>(246,146)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of interest	182,866	911		183,777
Net cash provided from investing activities	<u>182,866</u>	<u>911</u>		<u>183,777</u>
Net increase (decrease) in cash and cash equivalents	(6,195,396)	(228,599)	(8,323)	(6,432,318)
Balances - beginning of the year	9,554,748	326,600	8,323	9,889,671
Balances - end of the year	<u>\$3,359,352</u>	<u>\$98,001</u>		<u>\$3,457,353</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	(\$5,740,846)	\$9,222		(\$5,731,624)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Increase (decrease) in claims liability	(637,416)	(909)		(638,325)
Total adjustments	<u>(637,416)</u>	<u>(909)</u>		<u>(638,325)</u>
Net cash provided (used) by operating activities	<u>(\$6,378,262)</u>	<u>\$8,313</u>		<u>(\$6,369,949)</u>