

MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUND
Statements of Revenues, Expenses, and
Changes in Net Assets —Internal Service Funds
YTD as of Febraury 29, 2012

	YTD 2/29/2012	YTD 2/28/2011	Full Year 6/30/2011	Full Year 6/30/2010
Operating revenues:				
Operating income	\$ 81,808,110	\$ 83,740,784	\$ 119,211,913	112,927,735
Other income			884	97,894
Investment income	151,047	342,069	498,476	779,620
Total operating revenues	<u>\$ 81,959,157</u>	<u>\$ 84,082,853</u>	<u>\$ 119,711,273</u>	<u>\$ 113,805,250</u>
Operating expenses:				
Losses and loss expenses	73,925,318	69,754,894	111,900,464	101,098,908
All other expenses	4,677,528	5,461,645	8,621,004	13,570,703
Total operating expenses	<u>\$ 78,602,846</u>	<u>\$ 75,216,540</u>	<u>\$ 120,521,468</u>	<u>\$ 114,669,611</u>
Nonoperating revenues:				
Capital contributions		49,990	49,990	
Transfers to Other Funds		(1,625,400.42)	(1,380,291)	
Loss on disposal of capital assets	0	(2,413)	(3,273)	
Total nonoperating revenues	<u>0</u>	<u>(1,577,823)</u>	<u>(1,333,574)</u>	<u>0</u>
Change in net assets	3,356,310	7,288,490	(2,143,770)	(864,361)
Total net assets - Beginning	41,023,133	43,166,902	43,166,902	44,031,264
Total net assets - Ending	<u>\$ 44,379,443</u>	<u>\$ 50,455,392</u>	<u>\$ 41,023,133</u>	<u>\$ 43,166,902</u>

Maricopa County
Employee Benefits Trust Funds
Statements of Net Assets - Internal Service Funds
February 29, 2012, June 30, 2011, and June 30, 2010

	2/29/2012	2/28/2011	6/30/2011	6/30/2010
Assets				
Cash and cash equivalents	\$ 61,506,811	\$ 63,253,401	\$ 57,181,449	\$ 56,235,460
Interest receivable	1 3,563	81,358	3,563	81,358
Accounts receivable	2 725,932	1,057,069	898,195	1,260,064
Prepaid insurance	3 102,572	110,532	852,807	110,532
Capital assets, net	4 0	1,600	0	4,013
Total assets	<u>62,338,878</u>	<u>64,503,960</u>	<u>58,936,014</u>	<u>57,691,427</u>
Liabilities				
Accounts payable	5 206	34,300	124,271	512,556
Accrued Liabilities	6 3,715,078	3,313,866	2,382,967	3,243,514
Employee compensation payable	7 3,307,962	2,276,786	3,290,574	2,263,426
Reserve for losses and loss expenses	8 10,936,189	8,423,616	12,115,069	8,505,029
Total liabilities	<u>17,959,435</u>	<u>14,048,568</u>	<u>17,912,881</u>	<u>14,524,525</u>
Net Assets				
Invested in capital assets	0		0	4,013
Unrestricted (deficit)	44,379,443	50,455,392	41,023,133	43,162,889
Total net assets (deficit)	<u>\$ 44,379,443</u>	<u>\$ 50,455,392</u>	<u>\$ 41,023,133</u>	<u>\$ 43,166,902</u>

MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUNDS
Fund Balance Roll-Forward
Eight Months Ended February 29, 2012

4/2/2012

Self Insured Funds

<u>Fund</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>	<u>Fund Balance</u> <u>7/1/2011</u>	<u>Fund Balance</u> <u>2/29/2012</u>
601-CMG HIGH OPTION	\$ 26,102,567	\$ 26,148,593	\$ 46,027	\$ (961,081)	\$ (915,054)
602-CMG LOW OPTION	571,607	799,863	228,256	920,801	1,149,057
603-OAP IN	9,141,159	11,101,955	1,960,796	(4,270,249)	(2,309,453)
604-OAP HIGH OPTION	19,365,354	18,694,629	(670,725)	(1,839,967)	(2,510,692)
605-OAP LOW OPTION	1,085,234	1,645,202	559,968	1,232,250	1,792,218
606-CHOICE FUND H.S.A.	4,984,370	5,996,639	1,012,269	(66,874)	945,395
614-BEHAVIORAL HEALTH	1,083,189	1,379,779	296,590	4,951,829	5,248,419
Total Medical & BH	\$ 62,333,481	\$ 65,766,661	\$ 3,433,180	\$ (33,291)	\$ 3,399,889
629-SI DENTAL	2,567,088	2,527,095	(39,993)	4,824,764	4,784,771
Total Dental	\$ 2,567,088	\$ 2,527,095	\$ (39,993)	\$ 4,824,764	\$ 4,784,771
608-COINSURANCE	\$ 8,633,112	\$ 7,260,484	\$ (1,372,628)	\$ 19,607,116	\$ 18,234,488
609-CONSUMER CHOICE	1,184,309	1,159,469	(24,840)	\$ 1,319,597	1,294,757
Total Pharmacy	\$ 9,817,421	\$ 8,419,953	\$ (1,397,468)	\$ 20,926,713	\$ 19,529,245
623-VISION	1,017,496	950,810	(66,685)	249,919	183,234
Total Vision	\$ 1,017,496	\$ 950,810	\$ (66,685)	\$ 249,919	\$ 183,234
615-WELLNESS	349,172	\$ 1,004,930	655,758	2,314,788	2,970,546
616-CONTRACT ADMINISTRATION	186,571	\$ 187,017	446	582,642	583,088
617-MED INCENTIVE AND PENALTIES			0	0	0
618-BENEFIT ADMINISTRATION	1,183,504	\$ 1,868,147	684,643	3,626,733	4,311,376
999-BENEFITS CLEARING	0	0	0	0	0
Total Other	\$ 1,719,246	\$ 3,060,094	\$ 1,340,847	\$ 6,524,163	\$ 7,865,010
Grand Total	\$ 77,454,732	\$ 80,724,612	\$ 3,269,880	\$ 32,492,268	\$ 35,762,148

Employee Self Insured Funds

611-60 PERCENT STD	\$ 947,316	\$ 936,454	\$ (10,862)	\$ 6,794,505	\$ 6,783,644
612-50 PERCENT STD	156,822	203,370	46,548	1,106,728	1,153,277
613-40 PERCENT STD	43,976	94,720	50,744	629,632	680,376
Total STD	\$ 1,148,114	\$ 1,234,545	\$ 86,430	\$ 8,530,866	\$ 8,617,296
Total Self-Insured	\$ 78,602,846	\$ 81,959,157	\$ 3,356,310	\$ 41,023,133	\$ 44,379,443

Fully Insured (Agency) Funds

<u>Fund</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>	<u>Fund Balance</u> <u>7/1/2011</u>	<u>Fund Balance</u> <u>2/29/2012</u>
607-FI DENTAL PPO	\$ 3,294,055	\$ 3,288,033	\$ (6,022)	\$ 71,235	\$ 65,213
625-FI PREPAID DENTAL	256,844	256,819	(25)	110,058	110,033
Total Dental	\$ 3,550,899	\$ 3,544,852	\$ (6,047)	\$ 181,293	\$ 175,246
621-FLEX SPENDING HEALTH	1,844,388	\$ 1,687,445	\$ (156,943)	-	(156,943)
622-FLEX SPENDING DEP CARE	411,299	532,422	121,123	0	121,122.72
Total FSA	\$ 2,255,687	\$ 2,219,867	\$ (35,820)	\$ -	\$ (35,820)
626-FI LIFE AND AD AND D	697,301	\$ 710,533	\$ 13,232	\$ 29,287	\$ 42,519
627-SUPPLEMENTAL LIFE	2,495,814	2,427,460	(68,354)	257,652	189,298
630-DEPENDENT LIFE	338,451	331,472	(6,979)	13,131	6,152
Total Life and AD&D	\$ 3,531,566	\$ 3,469,464	\$ (62,102)	\$ 300,070	\$ 237,968
628-EMPLOYEE ASSISTANCE	136,454	136,346	(108)	917	809
631-VOLUNTARY BENEFITS	446,658	446,652	(6)	3,078	3,072
632-CIGNA FOR SENIORS	417,453	452,074	34,622	66,940	101,562
Total Others	\$ 1,000,564	\$ 1,035,072	\$ 34,508	\$ 70,935	\$ 105,443
Total Agency Funds	\$ 10,338,716	\$ 10,269,256	\$ (69,461)	\$ 552,298	\$ 482,837

**MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUNDS
Eight Months Ended February 29, 2012**

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
Revenue				
601-CMG HIGH OPTION	\$ 25,865,752	\$ 26,148,593	\$ 282,841	1.09%
602-CMG LOW OPTION	800,744	799,863	(881)	-0.11%
603-OAP IN	11,990,240	11,101,955	(888,285)	-7.41%
604-OAP HIGH OPTION	19,836,432	18,694,629	(1,141,803)	-5.76%
605-OAP LOW OPTION	1,458,144	1,645,202	187,058	12.83%
606-CHOICE FUND H.S.A.	3,676,072	5,996,639	2,320,567	63.13%
614-BEHAVIORAL HEALTH	1,403,256	1,379,779	(23,477)	-1.67%
Total Medical & BH	\$ 65,030,640	\$ 65,766,661	\$ 736,021	1.13%
629-SI DENTAL	2,382,640	2,527,095	144,455	6.06%
Total Dental	\$ 2,382,640	\$ 2,527,095	\$ 144,455	6.06%
608-COINSURANCE	7,572,592	7,260,484	(312,108)	-4.12%
609-CONSUMER CHOICE	1,140,752	1,159,469	18,717	1.64%
Total Pharmacy	\$ 8,713,344	\$ 8,419,953	\$ (293,391)	-3.37%
623-VISION	885,088	950,810	65,722	7.43%
Total Vision	\$ 885,088	\$ 950,810	\$ 65,722	7.43%
615-WELLNESS	1,075,352	1,004,930	(70,422)	-6.55%
616-CONTRACT ADMINISTRATION	377,695	187,017	(190,678)	-50.48%
618-BENEFIT ADMINISTRATION	1,868,263	1,868,147	(116)	-0.01%
Total Other	\$ 3,321,310	\$ 3,060,094	\$ (261,217)	-7.86%
611-60 PERCENT STD	923,288	936,454	13,166	1.43%
612-50 PERCENT STD	198,480	203,370	4,890	2.46%
613-40 PERCENT STD	95,232	94,720	(512)	-0.54%
Total STD	\$ 1,217,000	\$ 1,234,545	17,545	1.44%
Total Revenue	\$ 81,550,022	\$ 81,959,157	\$ 409,135	0.50%
Expenses				
601-CMG HIGH OPTION	\$ 24,843,650	\$ 26,102,567	\$ (1,258,917)	-5.07%
602-CMG LOW OPTION	797,514	571,607	225,907	28.33%
603-OAP IN	11,964,563	9,141,159	2,823,404	23.60%
604-OAP HIGH OPTION	19,794,458	19,365,354	429,104	2.17%
605-OAP LOW OPTION	1,452,810	1,085,234	367,576	25.30%
606-CHOICE FUND H.S.A.	3,667,575	4,984,370	(1,316,795)	-35.90%
614-BEHAVIORAL HEALTH	1,403,248	1,083,189	320,059	22.81%
Total Medical & BH	\$ 63,923,818	\$ 62,333,481	\$ 1,590,337	2.49%
629-SI DENTAL	2,382,624	2,567,088	(184,464)	-7.74%
Total Dental	\$ 2,382,624	\$ 2,567,088	\$ (184,464)	-7.74%
608-COINSURANCE	7,572,592	8,633,112	(1,060,520)	-14.00%
609-CONSUMER CHOICE	1,140,744	1,184,309	(43,565)	-3.82%
Total Pharmacy	\$ 8,713,336	\$ 9,817,421	\$ (1,104,085)	-12.67%
623-VISION	885,088	1,017,496	(132,408)	-14.96%
Total Vision	\$ 885,088	\$ 1,017,496	\$ (132,408)	-14.96%
615-WELLNESS	1,075,368	349,172	726,196	67.53%
616-CONTRACT ADMINISTRATION	0	186,571	(186,571)	#DIV/0!
618-BENEFIT ADMINISTRATION	1,846,604	1,183,504	663,100	35.91%
Total Other	\$ 2,921,972	\$ 1,719,246	\$ 1,202,726	41.16%
611-60 PERCENT STD	1,448,736	947,316	501,420	34.61%
612-50 PERCENT STD	318,328	156,822	161,506	50.74%
613-40 PERCENT STD	156,600	43,976	112,624	71.92%
Total STD	\$ 1,923,664	\$ 1,148,114	\$ 775,550	40.32%
Total Expenses	\$ 80,750,502	\$ 78,602,846	\$ 2,147,656	2.66%

Employee Benefits Trust Funds
Balance Sheet Details
February 29, 2012, June 30, 2011, and June 30, 2010

4/2/2012

	<u>2/29/2012</u>	<u>2/28/2011</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
<u>Accounts receivable</u>				
COBRA Receivable	\$ 95,887	\$ 361,785	\$ 113,352	\$ 436,144
Vision	1,078	3,075		
Dental	2,500	4,577		
WHI Rebate	626,467	685,590	784,843	823,920
Wellness		463		
Total Accounts receivable	\$ 725,932	\$ 1,055,027	\$ 898,195	\$ 1,260,064
<u>Prepaid insurance</u>				
STD	\$ 97,716	\$ 105,544	\$ 97,716	\$ 105,544
Vision	4,856	4,988	4,856	4,988
H.S.A	0	0	750,235	
Total prepaid insurance	\$ 102,572	\$ 110,532	\$ 852,807	\$ 110,532
<u>Accounts payable</u>				
Medical	\$ -		\$ -	\$ 378,664
Behavioral Health	\$ -	\$ 32,500	32,500	24,000
Vision	\$ (0)	\$ 300	300	6,362
Dental				
STD		\$ 13,007	13,007	23,743
WELLNESS	148	16,705	16,705	1,512
616-CONTRACT ADMINISTRATION	(0)	37,543	37,543	21,107
618-BENEFIT ADMINISTRATION	58	24,217	24,217	57,167
Total accounts payable	\$ 206	\$ 124,271	\$ 124,271	\$ 512,556
<u>Accrued Liabilities</u>				
Medical	\$ 1,472,790	\$ 1,470,817	\$ 1,470,817	\$ 2,272,774
Pharmacy	613,958	650,525	650,525	657,132
Behavioral Health	0		0	
Vision				141,657
Dental	411,702	261,625	261,625	121,960
STD	12,000			
616-CONTRACT ADMINISTRATION	23,474			
618-BENEFIT ADMINISTRATION	0			
999-BENEFITS CLEARING	1,181,154			
HEALTH SELECT SI TRUST				49,990
Total Accrued Liabilities	\$ 3,715,078	\$ 2,382,967	\$ 2,382,967	\$ 3,243,514
<u>Employee compensation payable</u>				
Consumer Choice Pharmacy Employee Allowa	\$ 3,122,217	\$ 2,163,057	\$ 3,166,021	\$ 2,124,477
Employee compensation payable	141,941	113,729	124,553	138,949
H.S.A	43,804		0	
Total Employee Comp Accrual	\$ 3,307,962	\$ 2,276,786	\$ 3,290,574	\$ 2,263,426
<u>Reserve for losses and loss expenses -IBNR Details</u>				
Medical	\$ 9,812,823	\$ 10,991,703	\$ 10,991,704	\$ 7,444,933
Pharmacy				
Behavioral Health	178,642	178,642	178,642	252,691
Vision	91,554	91,554	91,554	52,502
Dental	409,517	409,517	409,517	374,756
STD	443,654	443,654	443,654	380,147
Total Reserve for losses and loss exens	\$ 10,936,189	\$ 12,115,069	\$ 12,115,071	\$ 8,505,029

MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
February 2012

NOTE 1 – Interest Receivable Held with the Treasurer

Interest Receivable represents the Trust's share of the amortization of zero coupon bond discounts and the unpaid but earned portion of bond coupons which are normally paid every six months on varying dates. The trust has all cash invested with the Maricopa County Treasurer in the investment pool. This pool consists of U S Government Securities that have up to a three year maturity.

NOTE 2 – Accounts Receivable

Accounts Receivable included \$626,467 for WHI Rebates, \$1,078 for Vision, \$2,500 for Dental, and \$95,887 for the American Recovery and Reinvestment Act (ARRA) program receivables for employees on COBRA as of Jan2011.

NOTE 3 – Pre-Paid Insurance

Pre-Paid insurance included \$97,716 for Sedgwick, and \$4,856 for Vision plan.

NOTE 4 – Capital Equipment

This is for the Ergonomics AstroVan purchased in 2000. All equipment has been fully depreciated as of June 30, 2011.

NOTE 5 – Accounts Payable

Accounts Payable included \$148 for Wellness (Fernando Bancod), and \$58 for Benefit Administration (Pitney Bowes INC).

NOTE 6 – Accrued Liabilities

Accrued Liabilities fluctuates monthly mainly due to the amount of outstanding checks that have not been cashed by providers. That included \$1,472,790 for Medical, \$613,958 for Pharmacy, \$411,702 for Dental, \$12,000 for STD, \$23,474 (Mercer11,667 & Optimum \$11,807) for Contract Administration, and \$1,181,154 for Fund 999-Benefits Clearing.

NOTE 7 – Employee Compensation Payable

Employee Compensation Payable includes in FY2011 unused employee pharmacy allowance for the WHI Consumer Choice Pharmacy plan of \$3.1 million. The remaining balance is accrued salaries as of month end, plus employee vacations earnings payable.

NOTE 8 – Reserve for losses and loss expenses

The funds establish claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. As of January, the Reserve for losses and loss expenses is \$10,936,189.

**MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
January 2012**

NOTE 1 – Interest Receivable Held with the Treasurer

Interest Receivable represents the Trust's share of the amortization of zero coupon bond discounts and the unpaid but earned portion of bond coupons which are normally paid every six months on varying dates. The trust has all cash invested with the Maricopa County Treasurer in the investment pool. This pool consists of U S Government Securities that have up to a three year maturity.

NOTE 2 – Accounts Receivable

Accounts Receivable included \$626,467 for WHI Rebates, \$1,078 for Vision, \$2,500 for Dental, and \$95,887 for the American Recovery and Reinvestment Act (ARRA) program receivables for employees on COBRA as of Jan2011.

NOTE 3 – Pre-Paid Insurance

Pre-Paid insurance included \$97,716 for Sedgwick, and \$4,856 for Vision plan.

NOTE 4 – Capital Equipment

This is for the Ergonomics AstroVan purchased in 2000. All equipment has been fully depreciated as of June 30, 2011.

NOTE 5 – Accounts Payable

Accounts Payable included \$148 for Wellness (Fernando Bancod), and \$58 for Benefit Administration (Pitney Bowes INC).

NOTE 6 – Accrued Liabilities

Accrued Liabilities fluctuates monthly mainly due to the amount of outstanding checks that have not been cashed by providers. That included \$1,472,790 for Medical, \$613,958 for Pharmacy, \$411,702 for Dental, \$12,000 for STD, \$23,474 (Mercer11,667 & Optimum \$11,807) for Contract Administration, and \$1,181,154 for Fund 999-Benefits Clearing.

NOTE 7 – Employee Compensation Payable

Employee Compensation Payable includes in FY2011 unused employee pharmacy allowance for the WHI Consumer Choice Pharmacy plan of \$3.1 million. The remaining balance is accrued salaries as of month end, plus employee vacations earnings payable.

NOTE 8 – Reserve for losses and loss expenses

The funds establish claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. As of January, the Reserve for losses and loss expenses is \$10,936,189.