

MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUND
Statements of Revenues, Expenses, and
Changes in Net Assets —Internal Service Fund
YTD as of June 30, 2012

	<u>Full Year</u> <u>6/30/2012</u>	<u>Full Year</u> <u>6/30/2011</u>	<u>Full Year</u> <u>6/30/2010</u>
Operating revenues:			
Operating income	\$ 122,976,751	\$ 119,211,913	112,927,735
Other income		884	97,894
Investment income	338,638	498,476	779,620
Total operating revenues	<u>\$ 123,315,389</u>	<u>\$ 119,711,273</u>	<u>\$ 113,805,250</u>
Operating expenses:			
Losses and loss expenses	113,088,932	111,900,464	101,098,908
All other expenses	8,402,966	8,621,004	13,570,703
Total operating expenses	<u>\$ 121,491,898</u>	<u>\$ 120,521,468</u>	<u>\$ 114,669,611</u>
Nonoperating revenues:			
Capital contributions		49,990	
Transfers to Other Funds		(1,380,291.42)	
Loss on disposal of capital assets	0	(3,273)	
Total nonoperating revenues	<u>0</u>	<u>(1,333,574)</u>	<u>0</u>
Change in net assets	1,823,491	(2,143,770)	(864,361)
Total net assets - Beginning	41,023,133	43,166,902	44,031,264
Total net assets - Ending	<u>\$ 42,846,624</u>	<u>\$ 41,023,133</u>	<u>\$ 43,166,902</u>

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

		<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
Assets	Note			
Cash and cash equivalents		\$ 60,580,843	\$ 57,181,449	\$ 56,235,460
Interest receivable	1	3,563	3,563	81,358
Accounts receivable	2	760,512	898,195	1,260,064
Prepaid insurance	3	1,402,572	852,807	110,532
Capital assets, net	4	0	0	4,013
Total assets		<u>62,747,490</u>	<u>58,936,014</u>	<u>57,691,427</u>
Liabilities				
Accounts payable	5	14,354	124,271	512,556
Accrued Liabilities	6	5,656,978	2,382,967	3,243,514
Employee compensation payable	7	3,293,344	3,290,574	2,263,426
Reserve for losses and loss expenses	8	10,936,189	12,115,069	8,505,029
Total liabilities		<u>19,900,866</u>	<u>17,912,881</u>	<u>14,524,525</u>
Net Assets				
Invested in capital assets		0	0	4,013
Unrestricted (deficit)		42,846,624	41,023,133	43,162,889
Total net assets (deficit)		<u>\$ 42,846,624</u>	<u>\$ 41,023,133</u>	<u>\$ 43,166,902</u>

**MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUNDS**

7/10/2012

**Fund Balance Roll-Forward
Twelve Months Ended June 30, 2012**

Self Insured Funds

<u>Fund</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>	<u>Fund Balance 7/1/2011</u>	<u>Fund Balance 6/30/2012</u>
601-CMG MEDICAL	\$ 41,510,420	\$ 39,212,784	\$ (2,297,636)	\$ (961,081)	\$ (3,258,717)
602-CMG LOW OPTION	984,807	1,219,281	234,474	920,801	1,155,275
603-OAP IN	13,689,687	16,630,306	2,940,619	(4,270,249)	(1,329,630)
604-OAP MEDICAL	28,470,044	28,033,098	(436,946)	(1,839,967)	(2,276,913)
605-OAP LOW OPTION	1,856,573	2,591,628	735,055	1,232,250	1,967,305
606-CHOICE FUND H.S.A.	8,451,716	9,136,524	684,808	(66,874)	617,934
614-BEHAVORIAL HEALTH	1,643,595	2,075,499	431,905	4,951,829	5,383,734
Total Medical & BH	\$ 96,606,841	\$ 98,899,119	\$ 2,292,279	\$ (33,291)	\$ 2,258,988
629-SI DENTAL	3,732,156	3,811,483	79,326	4,824,764	4,904,090
Total Dental	\$ 3,732,156	\$ 3,811,483	\$ 79,326	\$ 4,824,764	\$ 4,904,090
608-COINSURANCE PHARMACY	13,059,050	10,863,398	(2,195,652)	19,607,116	17,411,464
609-CONSUMER CHOICE	1,837,768	1,767,882	(69,886)	1,319,597	1,249,711
Total Pharmacy	\$ 14,896,818	\$ 12,631,280	\$ (2,265,538)	\$ 20,926,713	\$ 18,661,175
623-VISION	1,497,544	1,431,988	(65,556)	249,919	184,363
Total Vision	\$ 1,497,544	\$ 1,431,988	\$ (65,556)	\$ 249,919	\$ 184,363
615-WELLNESS	915,509	\$ 1,531,945	616,436	2,314,788	2,931,224
616-CONTRACT ADMINISTRATIO	241,013	\$ 281,493	40,479	582,642	623,121
618-BENEFIT ADMINISTRATION	1,848,377	\$ 2,882,487	1,034,110	3,626,733	4,660,843
999-BENEFITS CLEARING	0	0	0	0	0
Total Other	\$ 3,004,899	\$ 4,695,925	\$ 1,691,026	\$ 6,524,163	\$ 8,215,189
Grand Total	\$ 119,738,258	\$ 121,469,795	\$ 1,731,537	\$ 32,492,268	\$ 34,223,805

Employee Self Insured Funds

611-60 PERCENT STD	\$ 1,447,173	\$ 1,396,408	\$ (50,765)	\$ 6,794,505	\$ 6,743,740
612-50 PERCENT STD	244,671	306,501	61,831	1,106,728	1,168,559
613-40 PERCENT STD	61,797	142,685	80,888	629,632	710,521
Total STD	\$ 1,753,640	\$ 1,845,594	\$ 91,954	\$ 8,530,866	\$ 8,622,820
Total Self-Insured	\$ 121,491,898	\$ 123,315,389	\$ 1,823,491	\$ 41,023,133	\$ 42,846,624

Fully Insured (Agency) Funds

<u>Fund</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>	<u>Fund Balance 7/1/2011</u>	<u>Fund Balance 6/30/2012</u>
607-FI DENTAL PPO	\$ 4,929,882	\$ 4,931,468	\$ 1,586	\$ 71,235	\$ 72,821
625-FI PREPAID DENTAL	389,039	389,137	98	110,058	110,156
Total Dental	\$ 5,318,922	\$ 5,320,605	\$ 1,683	\$ 181,293	\$ 182,976
621-FLEX SPENDING HEALTH	2,576,204	2,576,446	242	0	242
622-FLEX SPENDING DEP CARE	815,661	815,661	(0)	0	(0.43)
Total FSA	\$ 3,391,865	\$ 3,392,107	\$ 242	\$ -	\$ 242
626-FI LIFE AND AD AND D	1,054,015	1,067,804	13,790	29,287	43,077
627-SUPPLEMENTAL LIFE	3,765,035	3,739,430	(25,606)	257,652	232,046
630-DEPENDENT LIFE	517,787	515,141	(2,645)	13,131	10,486
Total Life and AD&D	\$ 5,336,836	\$ 5,322,375	\$ (14,461)	\$ 300,070	\$ 285,609
628-EMPLOYEE ASSISTANCE	205,645	205,468	(178)	917	739
631-VOLUNTARY BENEFITS	1,036,948	1,037,069	120	3,078	3,198
632-CIGNA FOR SENIORS	633,086	674,061	40,975	66,940	107,915
Total Others	\$ 1,875,680	\$ 1,916,597	\$ 40,918	\$ 70,935	\$ 111,853
Total Agency Funds	\$ 15,923,302	\$ 15,951,685	\$ 28,382	\$ 552,298	\$ 580,680

MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUNDS
 Twelve Months Ended June 30, 2012

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
Revenue				
601-CMG MEDICAL	\$ 38,798,632	\$ 39,212,784	\$ 414,152	1.07%
602-CMG LOW OPTION	1,201,113	1,219,281	18,168	1.51%
603-OAP IN	17,985,367	16,630,306	(1,355,061)	-7.53%
604-OAP MEDICAL	29,754,654	28,033,098	(1,721,556)	-5.79%
605-OAP LOW OPTION	2,187,205	2,591,628	404,423	18.49%
606-CHOICE FUND H.S.A.	5,514,104	9,136,524	3,622,420	65.69%
614-BEHAVIORAL HEALTH	2,104,872	2,075,499	(29,373)	-1.40%
Total Medical & BH	\$ 97,545,947	\$ 98,899,119	\$ 1,353,172	1.39%
629-SI DENTAL	3,573,945	3,811,483	237,538	6.65%
Total Dental	\$ 3,573,945	\$ 3,811,483	\$ 237,538	6.65%
608-COINSURANCE PHARMACY	11,358,884	10,863,398	(495,486)	-4.36%
609-CONSUMER CHOICE	1,711,120	1,767,882	56,762	3.32%
Total Pharmacy	\$ 13,070,004	\$ 12,631,280	\$ (438,724)	-3.36%
623-VISION	1,327,632	1,431,988	104,356	7.86%
Total Vision	\$ 1,327,632	\$ 1,431,988	\$ 104,356	7.86%
615-WELLNESS	1,613,048	1,531,945	(81,103)	-5.03%
616-CONTRACT ADMINISTRATION	278,924	281,493	2,569	0.92%
618-BENEFIT ADMINISTRATION	2,862,139	2,882,487	20,348	0.71%
Total Other	\$ 4,754,111	\$ 4,695,925	\$ (58,186)	-1.22%
611-60 PERCENT STD	1,384,936	1,396,408	11,472	0.83%
612-50 PERCENT STD	297,718	306,501	8,783	2.95%
613-40 PERCENT STD	142,859	142,685	(174)	-0.12%
Total STD	\$ 1,825,513	\$ 1,845,594	20,081	1.10%
Total Revenue	\$ 122,097,152	\$ 123,315,389	\$ 1,218,237	1.00%
Expenses				
601-CMG MEDICAL	\$ 38,798,632	\$ 41,510,420	\$ (2,711,788)	-6.99%
602-CMG LOW OPTION	1,201,113	984,807	216,306	18.01%
603-OAP IN	17,985,367	13,689,687	4,295,680	23.88%
604-OAP MEDICAL	29,754,654	28,470,044	1,284,610	4.32%
605-OAP LOW OPTION	2,187,205	1,856,573	330,632	15.12%
606-CHOICE FUND H.S.A.	5,514,104	8,451,716	(2,937,612)	-53.27%
614-BEHAVIORAL HEALTH	2,104,872	1,643,595	461,277	21.91%
Total Medical & BH	\$ 97,545,947	\$ 96,606,841	\$ 939,106	0.96%
629-SI DENTAL	3,573,945	3,732,156	(158,211)	-4.43%
Total Dental	\$ 3,573,945	\$ 3,732,156	\$ (158,211)	-4.43%
608-COINSURANCE PHARMACY	11,358,884	13,059,050	(1,700,166)	-14.97%
609-CONSUMER CHOICE	1,711,120	1,837,768	(126,648)	-7.40%
Total Pharmacy	\$ 13,070,004	\$ 14,896,818	\$ (1,826,814)	-13.98%
623-VISION	1,327,632	1,497,544	(169,912)	-12.80%
Total Vision	\$ 1,327,632	\$ 1,497,544	\$ (169,912)	-12.80%
615-WELLNESS	3,693,698	915,509	2,778,189	75.21%
616-CONTRACT ADMINISTRATION	381,852	241,013	140,839	36.88%
618-BENEFIT ADMINISTRATION	3,370,482	1,848,377	1,522,105	45.16%
Total Other	\$ 7,446,032	\$ 3,004,899	\$ 4,441,133	59.64%
611-60 PERCENT STD	2,173,104	1,447,173	725,931	33.41%
612-50 PERCENT STD	477,494	244,671	232,824	48.76%
613-40 PERCENT STD	234,901	61,797	173,104	73.69%
Total STD	\$ 2,885,499	\$ 1,753,640	\$ 1,131,859	39.23%
Total Expenses	\$ 125,849,059	\$ 121,491,898	\$ 4,357,161	3.46%

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

7/10/2012

	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
<u>Accounts receivable</u>			
<i>COBRA Receivable</i>	\$ 61,592	\$ 113,352	\$ 436,144
<i>STD</i>			
<i>Vision</i>	1,057		
<i>Dental</i>	1,154		
<i>WHI Rebate</i>	696,708	784,843	823,920
<i>Wellness</i>			
Total Accounts receivable	\$ 760,512	\$ 898,195	\$ 1,260,064
<u>Prepaid insurance</u>			
<i>STD</i>	\$ 97,716	\$ 97,716	\$ 105,544
<i>Vision</i>	4,856	4,856	4,988
<i>H.S.A</i>	1,300,000	750,235	
Total prepaid insurance	\$ 1,402,572	\$ 852,807	\$ 110,532
<u>Accounts payable</u>			
<i>Medical</i>	\$ -	\$ -	\$ 378,664
<i>Behavioral Health</i>	\$ 11,481	32,500	24,000
<i>Vision</i>	\$ -	300	6,362
<i>Dental</i>			
<i>STD</i>		13,007	23,743
<i>WELLNESS</i>	648	16,705	1,512
<i>616-CONTRACT ADMINISTRATION</i>	(0)	37,543	21,107
<i>618-BENEFIT ADMINISTRATION</i>	2,225	24,217	57,167
Total accounts payable	\$ 14,354	\$ 124,271	\$ 512,556
<u>Accrued Liabilities</u>			
<i>Medical</i>	\$ 2,687,943	\$ 1,470,817	\$ 2,272,774
<i>Behavioral Health</i>			
<i>Pharmacy</i>	625,425	650,525	657,132
<i>Vision</i>			141,657
<i>Dental</i>	401,144	261,625	121,960
<i>STD</i>			
<i>616-CONTRACT ADMINISTRATION</i>			
<i>999-BENEFITS CLEARING</i>	1,942,466		
<i>HEALTH SELECT SI TRUST</i>			49,990
Total Accrued Liabilities	\$ 5,656,978	\$ 2,382,967	\$ 3,243,514
<u>Employee compensation payable</u>			
<i>Consumer Choice Pharmacy Employee Ai</i>	\$ 3,122,217	\$ 3,166,021	\$ 2,124,477
<i>Employee compensation payable</i>	127,323	124,553	138,949
<i>H.S.A</i>	43,804	0	
Total Employee Comp Accrual	\$ 3,293,344	\$ 3,290,574	\$ 2,263,426
<u>Reserve for losses and loss expenses -IBNR Details</u>			
<i>Medical</i>	\$ 9,812,823	\$ 10,991,704	\$ 7,444,933
<i>Pharmacy</i>			
<i>Behavioral Health</i>	178,642	178,642	252,691
<i>Vision</i>	91,554	91,554	52,502
<i>Dental</i>	409,517	409,517	374,756
<i>STD</i>	443,654	443,654	380,147
Total Reserve for losses and loss ex	\$ 10,936,189	\$ 12,115,071	\$ 8,505,029

MARICOPA COUNTY
EMPLOYEE BENEFITS TRUST FUNDS
Notes to Financial Statements
June 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 \$61,592 for the American Recovery and Reinvestment Act (ARRA) program receivables for employees on COBRA, \$1,057 for Vision, \$1,154 for Dental, and \$696,708 for WHI Rebates.

NOTE 3 – Pre-Paid Insurance

Pre-Paid insurance included \$97,716 for Sedgwick, \$4,856 for Vision plan, and \$1,300,000 for H.S.A.

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 \$11,481 for Behavioral Health (Magellan Health Services), \$648 for Wellness (Mountain States Spec Inc.), and \$2,225 for Benefit Administration (Swan Architects, 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 \$2,687,943 for Medical, \$625,425 for Pharmacy, \$401,144 for Dental, and \$1,942,466 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 \$127,323 is accrued salaries as of month end, plus employee vacations earnings payable, and \$43,804 is for H.S.A.

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