

Health Benefits Fund  
For the period ended December 31, 2006  
(amounts expressed in thousands)

	Unaudited Preliminary FY2006	FY2007				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F & A Projection
<b>Operating Revenues</b>						
City Medical Plans	\$ 215,966	\$ 237,027	\$ 237,027	\$ 115,191	\$ 231,657	\$ 231,657
City Dental Plans	7,973	7,663	7,663	3,799	7,600	7,600
City Life Insurance Plans	5,414	5,760	5,760	2,851	5,812	5,812
Health Flexible Spending Account	72	1,000	1,000	222	445	445
Dependent Care Reimbursement	154	160	160	83	174	174
<b>Operating Revenues</b>	<u>229,579</u>	<u>251,610</u>	<u>251,610</u>	<u>122,146</u>	<u>245,688</u>	<u>245,688</u>
<b>Operating Expenses</b>						
City Medical Plan Claims	212,621	231,164	231,164	112,130	226,404	226,404
City Dental Plan Claims	7,973	7,663	7,663	3,799	7,600	7,600
City Life Insurance Plans	5,409	5,760	5,760	2,849	5,812	5,812
Administrative Costs	3,134	3,583	3,583	1,309	2,834	2,834
Health Flexible Spending Account	39	1,000	1,000	192	445	445
Dependent Care	154	160	160	83	174	174
<b>Operating Expenses</b>	<u>229,330</u>	<u>249,330</u>	<u>249,330</u>	<u>120,362</u>	<u>243,269</u>	<u>243,269</u>
Operating Income (Loss)	249	2,280	2,280	1,784	2,419	2,419
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	457	400	400	271	500	500
Prior Year Expense Recovery	1,007	50	50	0	50	50
<b>Nonoperating Revenues (Expenses)</b>	<u>1,464</u>	<u>450</u>	<u>450</u>	<u>271</u>	<u>550</u>	<u>550</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	1,713	2,730	2,730	2,055	2,969	2,969
Net Assets, Beginning of Year	<u>1,277</u>	<u>2,990</u>	<u>2,990</u>	<u>2,990</u>	<u>2,990</u>	<u>2,990</u>
Net Assets, End of Year	\$ <u>2,990</u>	\$ <u>5,720</u>	\$ <u>5,720</u>	\$ <u>5,045</u>	\$ <u>5,959</u>	\$ <u>5,959</u>

**About the Fund:**

The Health Benefits Fund is an Internal Service Fund administered by the Human Resources Department. The Fund was established in 1984 to centralize the financial transactions for the City's benefit plans. In May 1994, the entire health benefits delivery system was revamped with a new system that employs aggressive managed care features. HMOBlueTexas (HMOBTX) provides Health Maintenance Organization (HMO) and Preferred Provider (PPO) plan, with limits on annual increases. These plans are supported by contributions from the City and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.