

Health Benefits Fund
For the period ended September 30, 2006
(amounts expressed in thousands)

	Unaudited Preliminary FY2006	FY2007				
		Adopted Budget	Current Budget	YTD	Controller's Projection	F & A Projection
Operating Revenues						
City Medical Plans	\$ 215,966	\$ 237,027	\$ 237,027	\$ 57,516	\$ 237,027	\$ 237,027
City Dental Plans	7,973	7,663	7,663	1,898	7,663	7,663
City Life Insurance Plans	5,414	5,760	5,760	1,409	5,760	5,760
Health Flexible Spending Account	72	1,000	1,000	110	1,000	1,000
Dependent Care Reimbursement	154	160	160	44	160	160
Operating Revenues	<u>229,579</u>	<u>251,610</u>	<u>251,610</u>	<u>60,977</u>	<u>251,610</u>	<u>251,610</u>
Operating Expenses						
City Medical Plan Claims	212,621	231,164	231,164	56,270	231,164	231,164
City Dental Plan Claims	7,973	7,663	7,663	1,898	7,663	7,663
City Life Insurance Plans	5,409	5,760	5,760	1,408	5,760	5,760
Administrative Costs	3,132	3,583	3,583	641	3,583	3,583
Health Flexible Spending Account	39	1,000	1,000	114	1,000	1,000
Dependent Care	154	160	160	44	160	160
Operating Expenses	<u>229,328</u>	<u>249,330</u>	<u>249,330</u>	<u>60,375</u>	<u>249,330</u>	<u>249,330</u>
Operating Income (Loss)	251	2,280	2,280	602	2,280	2,280
Nonoperating Revenues (Expenses)						
Interest Income	457	400	400	120	400	400
Prior Year Expense Recovery	1,007	50	50	0	50	50
Nonoperating Revenues (Expenses)	<u>1,464</u>	<u>450</u>	<u>450</u>	<u>120</u>	<u>450</u>	<u>450</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	1,715	2,730	2,730	722	2,730	2,730
Net Assets, Beginning of Year	<u>1,277</u>	<u>2,992</u>	<u>2,992</u>	<u>2,992</u>	<u>2,992</u>	<u>2,992</u>
Net Assets, End of Year	<u>\$ 2,992</u>	<u>\$ 5,722</u>	<u>\$ 5,722</u>	<u>\$ 3,714</u>	<u>\$ 5,722</u>	<u>\$ 5,722</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.