

CITY OF CHANDLER
Chandler Health Care Benefits Self-Insurance Trust Fund
Statement of Net Position
December 31, 2022 (Unaudited)

ASSETS

Cash and investments	\$ 15,249,021
Accrued interest	66,310
Due from City - premiums	2,788,860
Total assets	<u>18,104,191</u>

LIABILITIES

Compensated absences payable	47,613
Claims incurred but not reported (IBNR) Current 90%	2,034,000
Claims incurred but not reported (IBNR) Non-current 10%	226,000
Employees claims payable, due to Blue Cross Blue Shield	1,537,326
Retirees claims payable, due to Blue Cross Blue Shield	628,888
COBRA claims payable, due to Blue Cross Blue Shield	150
Total liabilities	<u>4,473,977</u>

NET POSITION

Unrestricted	13,630,215
Total net position	<u><u>\$ 13,630,215</u></u>

Note: December 31, 2021 minimum end of year reserve including IBNR and two months costs as projected by Segal Consulting.

\$ 6,934,000

CITY OF CHANDLER
Chandler Health Care Benefits Self-Insurance Trust Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2022 (Unaudited)

	2022 Budget	Actuals	Budget to Actual Difference
OPERATING REVENUES			
Contributions:			
Employer self insurance premiums	\$ 19,194,205	\$ 18,181,137	\$ (1,013,068)
Employee self insurance premiums	2,194,830	2,087,082	(107,748)
Retiree premiums	2,051,370	2,277,877	226,507
COBRA premiums	77,095	38,360	(38,735)
Other:			
BCBS wellness programs	25,000	25,000	-
BCBS wellness coordinator	100,000	100,000	-
BCBS administration	25,000	25,000	-
BCBS communication	30,000	30,000	-
Recovery of medical claims	30,000	50,280	20,280
Total operating revenues	23,727,500	22,814,736	(912,764)
OPERATING EXPENSES			
Personnel support	473,828	434,472	(39,356)
Audits & financial services	8,600	8,340	(260)
Promotional	30,000	5,055	(24,945)
Operating supplies & equipment	40,027	14,384	(25,643)
Bank charges	400	258	(142)
Contractual services	174,000	13,234	(160,766)
Other:			
Self-insurance administrative fees	2,818,636	2,594,726	(223,910)
PCORI fees	11,000	9,267	(1,733)
Wellness programs	130,494	18,144	(112,350)
Health savings & flex spending acct contributions	317,700	212,450	(105,250)
Claims paid:			
Employees	18,862,000	18,114,513	(747,487)
Retirees	4,252,000	4,185,801	(66,199)
COBRA	136,000	61,852	(74,148)
Total operating expenses	27,254,685	25,672,497	(1,582,188)
OPERATING INCOME (LOSS)	(3,527,185)	(2,857,761)	669,424
NONOPERATING REVENUES (EXPENSES):			
Transfers Out - Technology Fund	(5,530)	(5,530)	-
Transfers In - General Fund	5,000,000	5,000,000	-
Interest income (loss)	106,050	160,953	54,903
Total nonoperating revenues (expenses)	5,100,520	5,155,423	54,903
Change in net position	1,573,335	2,297,662	724,326
NET POSITION:			
Total net position, as of January 1, 2022	11,332,553	11,332,553	-
Total net position, as of December 31, 2022	\$ 12,905,888	\$ 13,630,215	\$ 724,326

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Statement of Cash Flows
For the Year Ended December 31, 2022 (Unaudited)

Cash flows from operating activities:

Cash received for premiums and other operating purposes	\$ 23,883,972
Cash payments for claims	(22,399,926)
Cash payments to suppliers for other services	(2,865,937)
Cash payments to employees for services	(452,287)
Net cash provided by operating activities	<u>(1,834,179)</u>

Cash flows from noncapital financing activities:

Cash paid to City for technology replacement	(5,530)
Cash received from City	5,000,000
Net cash used for noncapital financing activities	<u>4,994,470</u>

Cash flows from investing activities:

Investment income	(286,719)
Proceeds from sales of investments	23,984,626
Purchases of investments	(26,858,199)
Net cash used for investing activities	<u>(3,160,292)</u>

Net increase in cash and cash equivalents

-

Cash and cash equivalents, January 1, 2022

-

Cash and cash equivalents, December 31, 2022

\$ -

Reconciliation of operating income to cash provided by operating activities:

Operating income	\$ (2,857,761)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
(Increase)/Decrease in due from (to) City	1,069,236
(Increase)/Decrease in prepaids	12,826
Increase/(Decrease) in claims payable	(37,760)
Increase/(Decrease) in accounts payable	(2,904)
Increase/(Decrease) in accrued payroll	(17,815)
Net cash provided by operating activities	<u>\$ (1,834,179)</u>

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:

Cash and cash equivalents	\$ -
Investments	15,249,021
Cash and investments	<u>\$ 15,249,021</u>