

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: RESOLUTION NO. 3, FY 2011-12 INTERNAL SERVICE FUND – FINAL BUDGET REVIEW

COMMITTEE: INNOVATION, EFFICIENCY AND GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

An Internal Service Fund was established in FY 2010-11 to record entries for the self-insured health benefits program which began January 1, 2010. The Internal Service Fund is a Proprietary Fund. As such, its measurement focus is on a full accrual basis vs. the modified accrual basis used by the other governmental funds. Full accrual accounting requires that expenses be booked based on the anticipated claims the District is expected to pay as determined by an actuary and not based on actual claims.

This fund requires that the district report the fund based on actuarial projections not actual payments. At this time we believe estimated claims liabilities will stabilize. As of June 30, 2012, the actual cash reserve is approximately \$39.2 million. District staff monitors this fund closely and will make adjustments as required to the fund.

This resolution decreases revenues, expenses and net assets by \$16,276,099. The attached schedule reflects actual FY 2011-12 results as shown on page 2 of 2.

RECOMMENDED: That The School Board of Miami-Dade County, Florida adopt Resolution No. 3, the FY 2011-12 Internal Service Fund - Final Budget Review, decreasing revenues, expenses and net assets by \$16,276,099 as shown on the schedule on page 2 of 2.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2011-12 SUMMARY OF REVENUES & EXPENSES
 SELF-INSURED HEALTHCARE
 INTERNAL SERVICE FUND**

	AMENDED BUDGET FY 05/16/12	RESOLUTION No. 3	AMENDED BUDGET FY 09/05/12
REVENUES			
Premium Revenue	\$ 382,938,430	\$ (23,200,575)	\$ 359,737,855
Other Operating Revenue	-	6,898,115	6,898,115
Investment/Interest Income	-	26,361	26,361
TOTAL REVENUES	\$ 382,938,430	\$ (16,276,099)	\$ 366,662,331
 TRANSFER FROM GENERAL FUND	 12,000,000	 -	 12,000,000
BEGINNING NET ASSETS	<u>(6,189,682)</u>	<u>-</u>	<u>(6,189,682)</u>
 TOTAL REVENUES, TRANSFERS AND BEGINNING NET ASSETS	 \$ 388,748,748	 \$ (16,276,099)	 \$ 372,472,649
 EXPENSES			
Salaries	\$ 156,711	\$ 3,014	\$ 159,725
Employee Benefits	38,901	(6,883)	32,018
Purchased Services	445,612	(124,802)	320,810
ASO/Stop Loss Fees	12,850,000	(880,093)	11,969,907
Other Expenses (estimated claims)	362,959,794	(6,734,794)	356,225,000
TOTAL EXPENSES	\$ 376,451,018	\$ (7,743,558)	\$ 368,707,460
 ENDING NET ASSETS	 <u>12,297,730</u>	 <u>(8,532,541)</u>	 <u>3,765,189</u>
 TOTAL EXPENSES AND ENDING NET ASSETS	 \$ 388,748,748	 \$ (16,276,099)	 \$ 372,472,649