

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: RESOLUTION NO. 2, FY 2012-13 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. In 2011-12, the General Fund transferred \$12 million to the Internal Service Fund to stabilize the fund. Based on the latest actuarial report, the liabilities were reduced. As a result, this resolution restores the funds back to the General Fund. As of June 30, 2013, the actual cash reserve is approximately \$41 million. District staff monitors this fund closely and will make adjustments as required to the fund.

This resolution increases revenues, expenses and net position by \$2,545,735. The attached schedule reflects actual FY 2012-13 results as shown on page 2 of 2.

RECOMMENDED: That The School Board of Miami-Dade County, Florida adopt Resolution No. 2, the FY 2012-13 Internal Service Fund - Final Budget Review, increasing revenues, expenses and net position by \$2,545,735 as shown on the schedule on page 2 of 2.

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2012-13 INTERNAL SERVICE FUND
 SUMMARY OF REVENUES AND EXPENSES
 RESOLUTION NO. 2**

	<u>AMENDED BUDGET 5/8/13</u>	<u>INCREASE (DECREASE)</u>	<u>AMENDED BUDGET 9/3/13</u>
OPERATING REVENUE:			
Premium Revenue	\$ 360,186,695	\$ 2,368,420	\$ 362,555,115
Other Operating Revenue	1,662,344	175,496	1,837,840
NON-OPERATING REVENUE:			
Interest & Investment Revenue	32,000	1,819	33,819
TOTAL REVENUES	<u>\$ 361,881,039</u>	<u>\$ 2,545,735</u>	<u>\$ 364,426,774</u>
BEGINNING NET POSITION	<u>\$ 3,765,189</u>	<u>\$ -</u>	<u>\$ 3,765,189</u>
TOTAL OPERATING REVENUES, NON- OPERATING REVENUES & NET POSITION	<u><u>\$ 365,646,228</u></u>	<u><u>\$ 2,545,735</u></u>	<u><u>368,191,963</u></u>
OPERATING EXPENSES			
Salaries	\$ 159,078	\$ (1,155)	\$ 157,923
Fringe Benefits	42,296	(9,857)	32,439
Purchased Services	123,175	38,356	161,531
ASO/Stop Loss Fees	11,549,094	(796,075)	10,753,019
Other Expenses (estimated claims)	353,485,451	(16,259,705)	337,225,746
TOTAL OPERATING EXPENSES	<u>\$ 365,359,094</u>	<u>\$ (17,028,436)</u>	<u>\$ 348,330,658</u>
TRANSFER TO GENERAL FUND	\$ -	\$ 12,000,000	\$ 12,000,000
ENDING NET POSITION	\$ 287,134	\$ 7,574,171	\$ 7,861,305
TOTAL OPERATING EXPENSES AND NET POSITION	<u><u>\$ 365,646,228</u></u>	<u><u>\$ 2,545,735</u></u>	<u><u>\$ 368,191,963</u></u>