

Financial Services
Mrs. Judith M. Marte, Chief Financial Officer

**SUBJECT: RESOLUTION NO. 1, FY 2015-16 INTERNAL SERVICE
(HEALTH INSURANCE) FUND MID-YEAR BUDGET REVIEW**

COMMITTEE: FISCAL ACCOUNTABILITY

**LINK TO STRATEGIC
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

Revenue reported in the Internal Service Fund is lower than anticipated as a result of the decrease in enrollment. AON, the District's actuary, has provided updated actuarial amounts based on claims data through September 30, 2015. They performed a trend analysis and the attached resolution includes adjusted figures for the projected cost to be incurred for fiscal year 2015-16. Per the updated actuarial figures, we expect a decrease in Ending Net Position of \$16,542,875.

This resolution amends the Adopted Budget and aligns the projected revenues and expenses to reflect the latest information which has been provided to date.

<u>REVENUE CHANGES</u>	<u>INCREASE (DECREASE)</u>
1. Decrease premium revenue.	\$ (7,781,000)
2. Decrease other operating revenues based on latest projection.	(200,000)
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DECREASE IN REVENUES	<u>\$ (7,981,000)</u>

CHANGES IN BEGINNING NET POSITION

1. The Beginning Net Position recorded as of adoption was based on the amount reported on the Annual Financial Report (AFR). During the preparation of the Comprehensive Annual Financial Report (CAFR), updated actuarial information was received. The updated figures provided required a change in the prior year Ending Net Position for the CAFR. The adjustment is being reflected in this resolution.

TOTAL DECREASE IN OPERATING REVENUES, NON-OPERATING REVENUES & BEGINNING NET POSITION	<u>\$ (2,145,033)</u>
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EXPENSE CHANGES

**INCREASE
(DECREASE)**

1. Increase salaries/fringe benefits to reflect estimated expenses.	\$ 7,842
2. Decrease ASO/Stop Loss Fees to reflect projected expenses.	(584,000)
3. Increase other expenses to reflect projected claims per the actuarial report.	15,174,000
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TOTAL EXPENSES	\$ 14,597,842

CHANGES IN ENDING NET POSITION

1. Reflect change in Ending Net Position as a result of the change in revenue and expenses.	\$ (16,742,875)
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TOTAL DECREASE IN EXPENSES AND ENDING NET POSITION	<u>\$ (2,145,033)</u>

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. adopt Resolution No. 1, FY 2015-16 Internal Service Fund Mid-Year Budget Review, decreasing revenues net position and expenses by \$2,145,033; and
2. adopt the Summary of Revenues and Appropriations (page 3).

**MIAMI-DADE COUNTY PUBLIC SCHOOLS
 FY 2015-16 INTERNAL SERVICE FUND
 SUMMARY OF REVENUES & EXPENSES
 RESOLUTION NO. 1**

	ADOPTED BUDGET 9/9/2015	INCREASE (DECREASE)	AMENDED BUDGET 2/3/2016
OPERATING REVENUES:			
Charges for Services	\$ 354,627,000	\$ (7,781,000)	\$ 346,846,000
Other Operating Revenues	2,000,000	(200,000)	1,800,000
Total Operating Revenues	\$ 356,627,000	\$ (7,981,000)	\$ 348,646,000
NONOPERATING REVENUE:			
Interest & Investment Revenue/(Loss)	90,000	-	90,000
Total Revenues	\$ 356,717,000	\$ (7,981,000)	\$ 348,736,000
BEGINNING NET POSITION	45,829,996	5,835,967	51,665,963
TOTAL OPERATING & NON-OPERATING REVENUES & BEGINNING NET POSITION	\$ 402,546,996	\$ (2,145,033)	\$ 400,401,963
OPERATING EXPENSES:			
Salaries	\$ 277,684	\$ 6,611	\$ 284,295
Fringe Benefits	84,629	1,231	85,860
Purchased Services	800,000	-	800,000
Dues & Fees	2,650,000	-	2,650,000
ASO/Stop Loss Fees	9,703,000	(584,000)	9,119,000
Other Expenses (estimated claims)	330,368,000	15,174,000	345,542,000
Total Operating Expenses	\$ 343,883,313	\$ 14,597,842	\$ 358,481,155
ENDING NET POSITION	58,663,683	(16,742,875)	41,920,808
TOTAL OPERATING EXPENSES AND ENDING NET POSITION	\$ 402,546,996	\$ (2,145,033)	\$ 400,401,963