

# FUND STATEMENT

## Fund Type G50, Internal Service Funds

## Fund 506, Health Benefits Trust Fund

	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2009 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	<b>\$77,310,769</b>	<b>\$14,581,880</b>	<b>\$50,126,875</b>	<b>\$50,126,875</b>	<b>\$0</b>
Revenue:					
Employer Share of Premiums	\$65,311,072	\$70,615,467	\$67,407,767	\$67,407,767	\$0
Employee Share of Premiums	18,920,880	20,728,348	19,540,667	19,540,667	0
Retiree Premiums	18,246,015	20,455,260	18,702,514	18,702,514	0
Interest Income	2,955,364	2,426,645	2,426,645	2,426,645	0
Administrative Service Charge/ COBRA Premiums	523,001	502,729	502,729	502,729	0
<b>Total Revenue</b>	<b>\$105,956,332</b>	<b>\$114,728,449</b>	<b>\$108,580,322</b>	<b>\$108,580,322</b>	<b>\$0</b>
Transfer In:					
General Fund (001)	\$8,200,000	\$0	\$0	\$0	\$0
<b>Total Transfer In</b>	<b>\$8,200,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$191,467,101</b>	<b>\$129,310,329</b>	<b>\$158,707,197</b>	<b>\$158,707,197</b>	<b>\$0</b>
Expenditures:					
Benefits Paid	\$86,364,830	\$83,440,271	\$93,274,015	\$93,274,015	\$0
Administrative Expenses	4,868,571	5,035,108	5,112,000	5,112,000	0
Premium Stabilization Reserve <sup>1</sup>	0	3,658,840	16,340,739	16,340,739	0
Incurred but not Reported Claims (IBNR) <sup>2</sup>	1,906,825	476,802	744,802	744,802	0
Health Promotion and Wellness Initiative	0	742,000	742,000	742,000	0
General Fund Reimbursement	0	5,100,000	5,100,000	5,100,000	0
<b>Total Expenditures</b>	<b>\$93,140,226</b>	<b>\$98,453,021</b>	<b>\$121,313,556</b>	<b>\$121,313,556</b>	<b>\$0</b>
Transfers Out:					
Information Technology Fund (104)	\$0	\$7,000,000	\$7,000,000	\$7,000,000	\$0
OPEB Trust Fund (603)	48,200,000	9,900,000	14,900,000	14,900,000	0
<b>Total Transfer Out</b>	<b>\$48,200,000</b>	<b>\$16,900,000</b>	<b>\$21,900,000</b>	<b>\$21,900,000</b>	<b>\$0</b>
<b>Total Disbursements</b>	<b>\$141,340,226</b>	<b>\$115,353,021</b>	<b>\$143,213,556</b>	<b>\$143,213,556</b>	<b>\$0</b>
Ending Balance:					
Fund Equity	\$59,436,896	\$23,970,141	\$25,548,464	\$25,548,464	\$0
IBNR	9,310,021	10,012,833	10,054,823	10,054,823	0
<b>Ending Balance <sup>3</sup></b>	<b>\$50,126,875</b>	<b>\$13,957,308</b>	<b>\$15,493,641</b>	<b>\$15,493,641</b>	<b>\$0</b>
Premium Stabilization Reserve	\$35,787,067	\$0	\$0	\$0	\$0
<b>Unreserved Ending Balance</b>	<b>\$14,339,808</b>	<b>\$13,957,308</b>	<b>\$15,493,641</b>	<b>\$15,493,641</b>	<b>\$0</b>
<b>Percent of Claims</b>	<b>16.6%</b>	<b>16.7%</b>	<b>16.6%</b>	<b>16.6%</b>	<b>0.0%</b>

<sup>1</sup> Fluctuations in the Premium Stabilization Reserve are the result of reconciliations of budget to actual experience. For example it is anticipated that a significant portion of the Revised Budget Plan Premium Stabilization Reserve will be carried forward from one year to the next with adjustments as a result of actual final year-end experience.

<sup>2</sup> In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of \$83,119 have been reflected as an increase to FY 2008 expenditures to accurately record Incurred but not Reported (IBNR) claims. These audit adjustments have been included in the FY 2008 Comprehensive Annual Fiscal Report (CAFR). Details of the FY 2008 audit adjustments are included in the FY 2009 Third Quarter Package.

<sup>3</sup> The FY 2008 Actual Ending Balance decreases over the FY 2008 Actual Beginning Balance primarily due to the transfer of \$48.2 million, which previously resided in a GASB 45 Liability Reserve, to Fund 603, OPEB Trust Fund. Fluctuations in the ending balance in budget years are due to the Fund's policy of maintaining the ending balance as a percent of claims at the targeted industry standard.