

FUND STATEMENT

Fund Type G50, Internal Service Funds

Fund 506, Health Benefits Fund

| | FY 2011 Actual | FY 2012 Adopted Budget Plan | FY 2012 Revised Budget Plan | FY 2012 Third Quarter Estimate | Increase (Decrease) (Col. 5-4) |
|---|----------------------|-----------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| Beginning Balance | \$27,473,477 | \$21,303,230 | \$27,388,846 | \$27,388,846 | \$0 |
| Revenue: | | | | | |
| Employer Share of Premiums | \$76,559,813 | \$82,831,438 | \$82,831,438 | \$89,535,473 | \$6,704,035 |
| Employee Share of Premiums | 22,577,570 | 24,479,380 | 24,479,380 | 26,308,233 | 1,828,853 |
| Retiree Premiums | 22,301,643 | 21,547,889 | 21,547,889 | 26,396,941 | 4,849,052 |
| Early Retiree Reinsurance Program (ERRP) ³ | 2,008,767 | 0 | 0 | 674,646 | 674,646 |
| Interest Income | 177,256 | 211,188 | 211,188 | 125,078 | (86,110) |
| Administrative Service Charge/ COBRA Premiums | 489,325 | 477,701 | 477,701 | 477,701 | 0 |
| Employee Fitness Center Revenue | 62,236 | 61,000 | 61,000 | 61,000 | 0 |
| Total Revenue | \$124,176,610 | \$129,608,596 | \$129,608,596 | \$143,579,072 | \$13,970,476 |
| Total Available | \$151,650,087 | \$150,911,826 | \$156,997,442 | \$170,967,918 | \$13,970,476 |
| Expenditures: | | | | | |
| Benefits Paid ¹ | \$119,289,863 | \$118,913,293 | \$118,913,293 | \$130,662,280 | \$11,748,987 |
| Administrative Expenses | 5,760,562 | 5,346,192 | 5,346,192 | 5,449,786 | 103,594 |
| Premium Stabilization Reserve ² | 0 | 2,359,782 | 7,254,919 | 7,636,631 | 381,712 |
| Incurred but not Reported Claims (IBNR) | (1,128,506) | 2,492,039 | 2,492,039 | 3,981,974 | 1,489,935 |
| LiveWell Program | 339,322 | 742,000 | 742,000 | 742,000 | 0 |
| Total Expenditures | \$124,261,241 | \$129,853,306 | \$134,748,443 | \$148,472,671 | \$13,724,228 |
| Total Disbursements | \$124,261,241 | \$129,853,306 | \$134,748,443 | \$148,472,671 | \$13,724,228 |
| Ending Balance: | | | | | |
| Fund Equity | \$39,086,346 | \$36,517,249 | \$36,438,538 | \$38,174,721 | \$1,736,183 |
| IBNR | 11,697,500 | 15,458,729 | 14,189,539 | 15,679,474 | 1,489,935 |
| Ending Balance | \$27,388,846 | \$21,058,520 | \$22,248,999 | \$22,495,247 | \$246,248 |
| Premium Stabilization Reserve ² | \$5,458,672 | \$0 | \$381,712 | \$0 | (\$381,712) |
| ERRP Reserve ³ | 2,008,767 | 1,200,000 | 2,008,767 | 674,646 | (1,334,121) |
| Unreserved Ending Balance | \$19,921,407 | \$19,858,520 | \$19,858,520 | \$21,820,601 | \$1,962,081 |
| Percent of Claims | 16.7% | 16.7% | 16.7% | 16.7% | 0.0% |

¹ In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$381,712.10 has been reflected as a decrease to FY 2011 expenditures in order to appropriately account for benefit expenses. The audit adjustments has been included in the FY 2011 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustment are included in the FY 2012 Third Quarter package.

² 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 final year-end experience.

³ Revenues received from the Early Retiree Reinsurance Program are held in the ERRP Reserve. Fluctuations in the ERRP Reserve are due to the receipt of additional funds as well as the use of these revenues to offset increases in health insurance costs for all participants in the County's self-insured plans.