

**TOWN OF AVON  
MEDICAL CLAIMS  
INTERNAL SERVICE FUND  
REVENUE AND EXPENDITURE BUDGET  
FISCAL YEAR 2018/2019**

**NAME OF FUND:** Medical Claims Internal Service Fund (10)

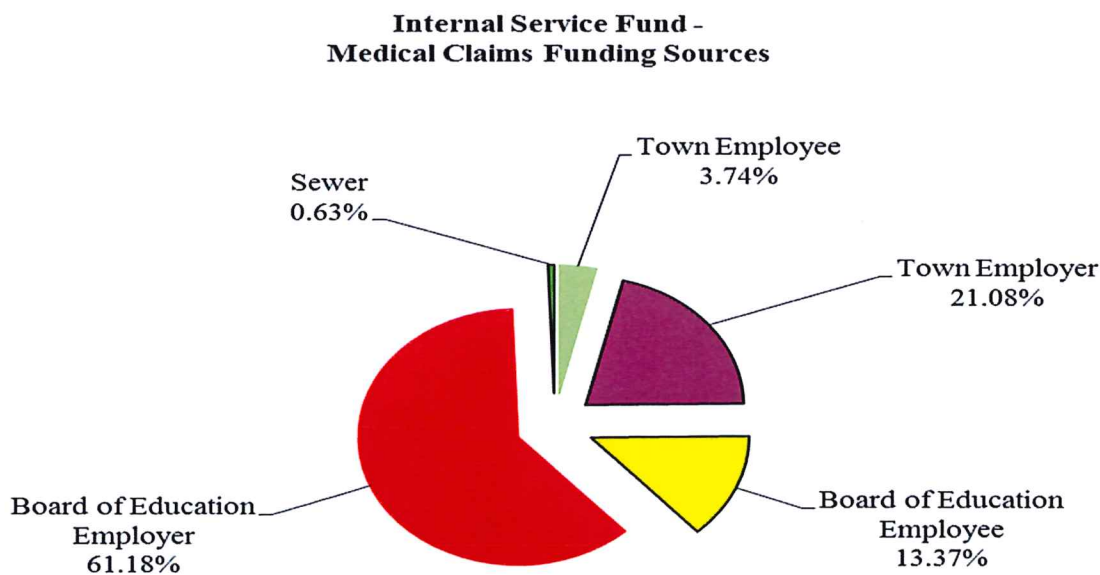
**FUND TYPE:** Proprietary

**PROGRAM DESCRIPTION**

For budgeting purposes, the appropriations for this fund are within the General Fund and Sewer Special Revenue Fund, in benefit object number 51033, for the Town, in the amount of \$1,735,163 for current employee's health benefits. For the Board of Education, the appropriations are budgeted in the General Fund. In the past, current active employees' health revenues and expenses, and retiree health revenues and expenses, have been reported in this fund. Beginning in 2017/2018 and going forward, due to the implementation of GASB Statements 74/75, the financial reporting requirements have expanded significantly and retiree activity is reflected in a separate Fiduciary Fund, Other Post-Employment Benefits Fund.

For reporting purposes, the Town will continue to report a separate Medical Claims Internal Service Fund within the Proprietary Fund Type and include contributions from all sources for active employees in Fund 10. Retiree Health Other Post-Employment Benefits Program information for the Town and Board of Education can be located in Tab P, Fund 19. The table on page Q.2 is the revised budget for Fund 10.

Management instituted an audit recommendation to account for the financing on a cost-reimbursement basis for medical claims services provided by one agency to other departments. This fund is to account for the revenues and expenses related to the Town and Board of Education's medical insurance plan. Town Manager's Request, Town Council Recommended, and Board of Finance Adopted include Board of Education, General Government, and Sewer Fund. To our knowledge, all proposed sources of revenues and all proposed estimated expenses are allocated to the new activity accounts.



Fd	Obj.	BUDGET	2016/2017 * BUDGETED	2017/2018 BUDGETED	2017/2018 ESTIMATED	2018/19 REQUESTED TOWN MANAGER	2018/19 RECOMMENDED TOWN COUNCIL	2018/19 ADOPTED	2018/19 DOLLAR INC/(DEC)	2018/19 PERCENTAGE INC-/DEC
		<b>Operating Revenues:</b>								
10	43622	Town EE Cont.	\$296,253	\$325,097	\$325,097	\$303,979	\$303,979	303,979	(\$21,118)	-6.50%
10	43623	Town ER Cont.GF, DC Waive,	3,318,376	1,727,354	1,727,354	1,714,058	1,714,058	1,714,058	(13,296)	-0.77%
10	43626	BOE COBRA	30,000	-	-	-	-	-	-	0.00%
10	43627	BOE EE Cont.	1,311,913	1,159,916	1,159,916	1,087,231	1,087,231	1,087,231	(72,685)	-6.27%
10	43628	BOE ER Cont.-GF	6,427,379	5,939,245	5,939,245	4,974,573	4,974,573	4,974,573	(964,672)	-16.24%
10	43629	BOE Food Service	30,000	-	-	-	-	-	-	0.00%
		Total GF and Other Cont.	11,413,921	9,151,612	9,151,612	8,079,841	8,079,841	8,079,841	(1,071,771)	-11.71%
10	43623	Sewer Fund	65,563	69,490	69,490	51,093	51,093	51,093	(18,397)	-26.47%
		<b>TOTAL</b>	<b>\$11,479,484</b>	<b>\$9,221,102</b>	<b>\$9,221,102</b>	<b>\$8,130,934</b>	<b>\$8,130,934</b>	<b>\$8,130,934</b>	<b>(\$1,090,168)</b>	<b>-11.82%</b>
		<b>Operating Expenses:</b>								
	TOWN									
10	51038	Def.Contrib. for Waivers	\$29,708	\$30,578	\$30,578	\$29,988	\$29,988	\$29,988	(\$590)	-1.93%
10	51041	Medical-Claims- Town	3,256,128	1,522,388	1,522,388	1,437,994	1,437,994	1,437,994	(84,394)	-5.54%
10	51042	Medical -Admin. - Town	232,000	188,072	188,072	224,172	224,172	224,172	36,100	19.19%
10	51043	Pymts in Lieu of Cov.	348,354	359,063	359,063	356,896	356,896	356,896	(2,167)	-0.60%
10	51044	Other Serv: Town EAP	1,680	1,680	1,680	1,680	1,680	1,680	-	0.00%
10	52184	Service & Consultant	21,600	20,160	20,160	18,400	18,400	18,400	(1,760)	-8.73%
	BOE									
10	51041	Medical Claims - BOE	7,149,292	6,416,661	6,416,661	5,379,304	5,379,304	5,379,304	(1,037,357)	-16.17%
10	51042	Medical Admin. - BOE	650,000	682,500	682,500	682,500	682,500	682,500	-	0.00%
		<b>TOTAL</b>	<b>\$11,688,762</b>	<b>\$9,221,102</b>	<b>\$9,221,102</b>	<b>\$8,130,934</b>	<b>\$8,130,934</b>	<b>\$8,130,934</b>	<b>(\$1,090,168)</b>	<b>-11.82%</b>
		<b>* Active and Retiree are not broken out.</b>								
		<b>NOTES to recalculate fund 10 and fund 19 schedules:</b>								
		2016/2017 Budgeted Total Revenues of \$11,479,484 (Fund #10) plus Town Sewer Fund Employer contributions for OPEB of \$74,018 = \$11,553,502.								
		2016/2017 Budgeted Total Expenses of \$11,688,762 (Fund #10) minus Town Retiree contributions of \$171,825, plus Town Employer contributions								
		fully insured of \$36,565 = \$11,553,502.								

**TOWN OF AVON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**

**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Operating Revenues:	
Charges for Services:	
Town of Avon	\$2,057,950
Board of Education	6,349,860
Refunds and Reimbursements	<u>202,777</u>
Total Operating Revenues	<u>\$8,610,587</u>
Operating Expenses:	
Medical Claims:	
Town of Avon	\$2,352,531
Board of Education	<u>6,051,965</u>
Total Operating Expenses	<u>\$8,404,496</u>
Changes in Net Position	206,091
Net Position at Beginning of Year	<u>\$ 2,280,040</u>
Net Position at End of Year	<u>\$ 2,486,131</u>

