

**TOWN OF AVON  
MEDICAL CLAIMS  
INTERNAL SERVICE FUND  
REVENUE AND EXPENDITURE BUDGET  
FISCAL YEAR 2023/2024**

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

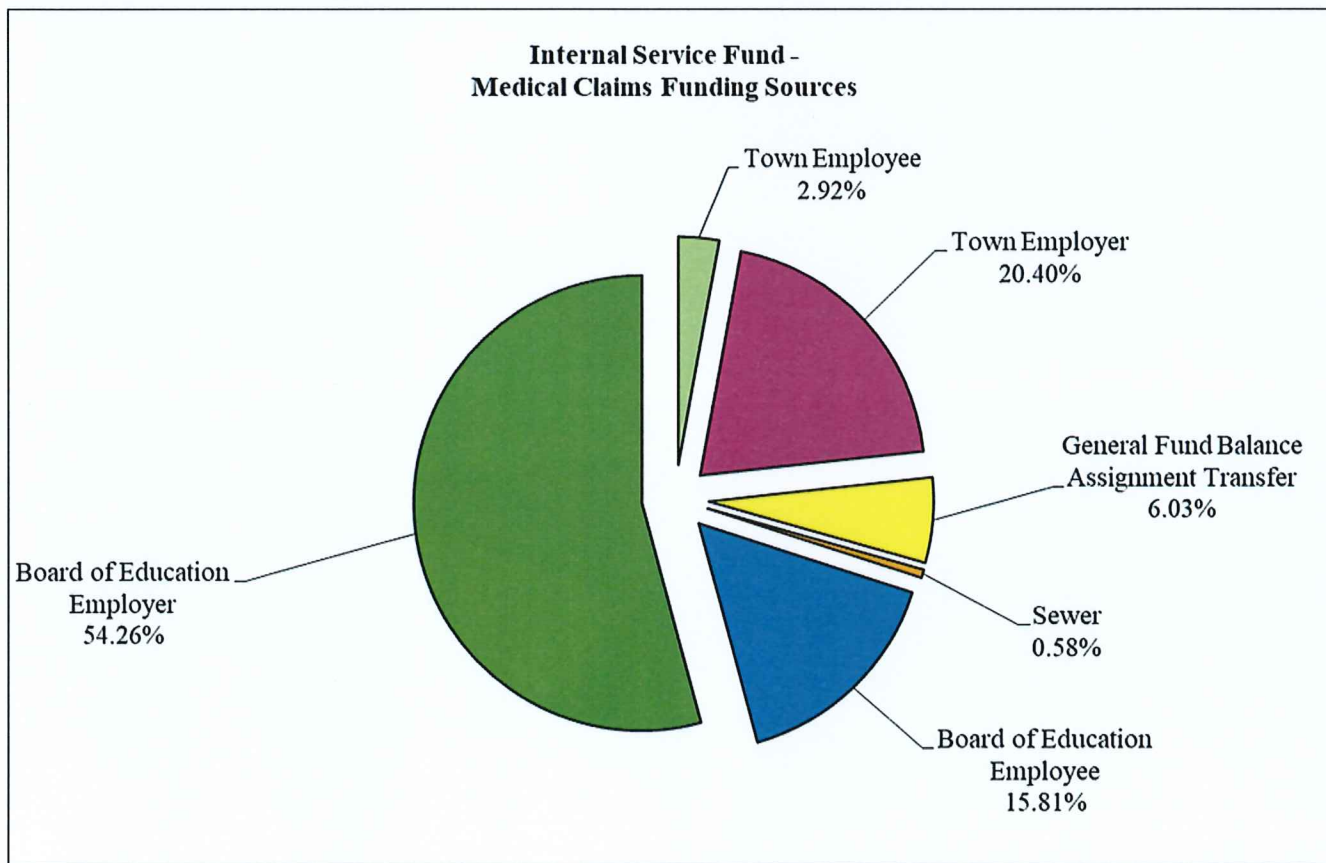
**FUND TYPE:** Proprietary

**PROGRAM DESCRIPTION**

The purpose of this fund is to account for the revenues and expenses related to the Town and Board of Education's current employee health benefits. The budget adopted for fiscal year 2023/2024 includes contributions from the Board of Education, General Government, and Sewer Fund.

Town appropriations for this fund are budgeted within the General Fund and Sewer Fund under benefit object numbers 51033, 51043, and 51054. The requested appropriations for fiscal year 2023/2024 amount to \$2,607,383. There is also funding in the amount of \$750,000 that is being requested from the Internal Service Claims assignment in the General Fund, which brings the total request for Town employer contribution appropriations to \$3,357,383. The Board of Education budgets appropriations to this fund entirely within the General Fund.

Per GASB Statements 74/75 retiree health insurance activity is reflected in a separate Fiduciary Fund, the Other Post-Employment Benefits Fund (Fund 19). Other Post-Employment Benefits Program information for the Town and Board of Education can be located in Tab P.



|                     |       |                                  |             |             | 2023/24     | 2023/24      |              |              | 2023/24     | 2023/24   |
|---------------------|-------|----------------------------------|-------------|-------------|-------------|--------------|--------------|--------------|-------------|-----------|
|                     |       |                                  |             |             | REQUESTED   | RECOMMENDED  |              |              | DOLLAR      | PERCENT   |
| Fd                  | Obj.  | BUDGET                           | 2021/22     | 2022/23     | 2022/23     | TOWN         | TOWN         | 2023/24      | INCREASE/   | INCREASE/ |
|                     |       |                                  | BUDGETED    | BUDGETED    | ESTIMATED   | MANAGER      | COUNCIL      | ADOPTED      | (DECREASE)  | -DECREASE |
| OPERATING REVENUES: |       |                                  |             |             |             |              |              |              |             |           |
| 10                  | 43622 | Town Employee Contributions      | \$300,000   | \$352,694   | \$352,694   | \$362,385    | \$362,385    | \$362,385    | \$9,691     | 2.75%     |
| 10                  | 43623 | Town Employer Contributions      | 1,680,510   | 1,894,056   | 1,894,056   | 2,535,435    | 2,535,435    | 2,535,435    | 641,379     | 33.86%    |
| 10                  | 43623 | Transfer - Assigned General Fund | -           | -           | -           | 750,000      | 750,000      | 750,000      | 750,000     | 100.00%   |
| 10                  | 43627 | BOE Employee Contributions       | 1,325,715   | 1,640,107   | 1,640,107   | 1,964,826    | 1,964,826    | 1,964,826    | 324,719     | 19.80%    |
| 10                  | 43628 | BOE Employer Contributions       | 5,862,666   | 5,984,670   | 5,984,670   | 6,744,723    | 6,744,723    | 6,744,723    | 760,053     | 12.70%    |
|                     |       | Total GF and Other Cont.         | 9,168,891   | 9,871,527   | 9,871,527   | 12,357,369   | 12,357,369   | 12,357,369   | 2,485,842   | 25.18%    |
| 10                  | 43623 | Sewer Fund                       | 58,545      | 60,915      | 60,915      | 71,948       | 71,948       | 71,948       | 11,033      | 18.11%    |
|                     |       | TOTAL REVENUES                   | \$9,227,436 | \$9,932,442 | \$9,932,442 | \$12,429,317 | \$12,429,317 | \$12,429,317 | \$2,496,875 | 25.14%    |
| OPERATING EXPENSES: |       |                                  |             |             |             |              |              |              |             |           |
| TOWN                |       |                                  |             |             |             |              |              |              |             |           |
| 10                  | 51038 | Def. Contribution for Waivers    | \$11,163    | \$8,376     | \$8,376     | -            | -            | -            | (\$8,376)   | -100.00%  |
| 10                  | 51041 | Medical Claims - Town            | 1,496,806   | 1,805,948   | 1,805,948   | 3,162,875    | 3,162,875    | 3,162,875    | 1,356,927   | 75.14%    |
| 10                  | 51042 | Medical Admin. - Town            | 334,846     | 276,901     | 276,901     | 343,253      | 343,253      | 343,253      | 66,352      | 23.96%    |
| 10                  | 51043 | Pymts in Lieu of Coverage        | 132,500     | 100,000     | 100,000     | 90,000       | 90,000       | 90,000       | (10,000)    | -10.00%   |
| 10                  | 51044 | Other Serv: Town EAP             | 3,240       | 3,240       | 3,240       | 3,240        | 3,240        | 3,240        | -           | 0.00%     |
| 10                  | 51054 | ER Contribution HSA              | 30,000      | 85,000      | 85,000      | 92,000       | 92,000       | 92,000       | 7,000       | 8.24%     |
| 10                  | 52184 | Service & Consultant             | 30,500      | 28,200      | 28,200      | 28,400       | 28,400       | 28,400       | 200         | 0.71%     |
| BOE                 |       |                                  |             |             |             |              |              |              |             |           |
| 10                  | 51041 | Medical Claims - BOE             | 6,196,972   | 6,633,368   | 6,633,368   | 7,592,231    | 7,592,231    | 7,592,231    | 958,863     | 14.46%    |
| 10                  | 51042 | Medical Admin. - BOE             | 991,409     | 991,409     | 991,409     | 1,117,318    | 1,117,318    | 1,117,318    | 125,909     | 12.70%    |
|                     |       | TOTAL EXPENSES                   | \$9,227,436 | \$9,932,442 | \$9,932,442 | \$12,429,317 | \$12,429,317 | \$12,429,317 | \$2,496,875 | 25.14%    |

Budget Fiscal Year: 2024 to 2024

| Account# and Description       | 2022<br>Actual | 2023<br>Base Budget | 2023<br>Actual YTD | Department<br>Head | Town Manager | Town Council | Board<br>of Finance | Inc/Dec   | %  |
|--------------------------------|----------------|---------------------|--------------------|--------------------|--------------|--------------|---------------------|-----------|----|
| 10 MEDICAL CLAIMS INTE         |                |                     |                    |                    |              |              |                     |           |    |
| 1101 TOWN COUNCIL              |                |                     |                    |                    |              |              |                     |           |    |
| PERSONAL SERVICES              |                |                     |                    |                    |              |              |                     |           |    |
| EMPLOYEE BENEFITS              | 2,473,120      | 2,279,465           | 2,104,160          | 2,179,465          | 3,691,368    | 3,691,368    | 3,691,368           | 1,411,903 | 62 |
| Total PERSONAL SERVICES        | 2,473,120      | 2,279,465           | 2,104,160          | 2,179,465          | 3,691,368    | 3,691,368    | 3,691,368           | 1,411,903 | 62 |
| SERVICES & SUPPLIES            |                |                     |                    |                    |              |              |                     |           |    |
| CONTRACTUCTUAL SERV & PRINTING | 27,400         | 28,200              | 31,200             | 28,200             | 28,400       | 28,400       | 28,400              | 200       | 1  |
| Total SERVICES & SUPPLIES      | 27,400         | 28,200              | 31,200             | 28,200             | 28,400       | 28,400       | 28,400              | 200       | 1  |
| Total 1101 TOWN COUNCIL        | 2,500,520      | 2,307,665           | 2,135,360          | 2,207,665          | 3,719,768    | 3,719,768    | 3,719,768           | 1,412,103 | 61 |

## Board of Finance's Budget Detail

Budget Fiscal Year: 2024 to 2024

| Account# and Description   | 2022<br>Actual | 2023<br>Base Budget | 2023<br>Actual YTD | Department<br>Head | Town Manager | Town Council | Board<br>of Finance | Inc/Dec   | %     |
|--|----------------|---------------------|--------------------|--------------------|--------------|--------------|---------------------|-----------|-------|
| 10-1101-51038 DEFINED CONTRIB  | 0              | 8,376               | 0                  | 8,376              | 0            | 0            | 0                   | (8,376)   | (100) |
| 10-1101-51041 MEDICAL-CLAIMS<br>Budgeted medical insurance claim<br>payments   | 2,054,469      | 1,805,948           | 1,802,901          | 1,805,948          | 3,162,875    | 3,162,875    | 3,162,875           | 1,356,927 | 75    |
| 10-1101-51042 MEDICAL-ADMINIS<br>Budgeted administrative costs for<br>active employees' medical<br>insurance coverage. | 222,090        | 276,901             | 203,843            | 276,901            | 343,253      | 343,253      | 343,253             | 66,352    | 24    |
| 10-1101-51043 PMTS IN LIEU OF  | 100,000        | 100,000             | 0                  | 0                  | 90,000       | 90,000       | 90,000              | (10,000)  | (10)  |
| 10-1101-51044 OTHER SERVICES-  | 3,396          | 3,240               | 4,616              | 3,240              | 3,240        | 3,240        | 3,240               | 0         | 0     |
| 10-1101-51054 ER CONTRIB HSA   | 93,165         | 85,000              | 92,800             | 85,000             | 92,000       | 92,000       | 92,000              | 7,000     | 8     |
| 10-1101-52184 SERVICE & CONSU<br>Budgeted cost of insurance<br>consultant fees.  | 27,400         | 28,200              | 31,200             | 28,200             | 28,400       | 28,400       | 28,400              | 200       | 1     |
| Total LEGISLATIVE  | 2,500,520      | 2,307,665           | 2,135,360          | 2,207,665          | 3,719,768    | 3,719,768    | 3,719,768           | 1,412,103 | 61    |
| Total 1101 TOWN COUNCIL  | 2,500,520      | 2,307,665           | 2,135,360          | 2,207,665          | 3,719,768    | 3,719,768    | 3,719,768           | 1,412,103 | 61    |

## Board of Finance's Budget Summary

Budget Fiscal Year: 2024 to 2024

| Account# and Description     | 2022<br>Actual | 2023<br>Base Budget | 2023<br>Actual YTD | Department<br>Head | Town Manager | Town Council | Board<br>of Finance | Inc/Dec   | \$ |
|------------------------------|----------------|---------------------|--------------------|--------------------|--------------|--------------|---------------------|-----------|----|
| 9401 BOARD OF EDUCATIO       |                |                     |                    |                    |              |              |                     |           |    |
| PERSONAL SERVICES            |                |                     |                    |                    |              |              |                     |           |    |
| EMPLOYEE BENEFITS            | 8,327,501      | 7,624,777           | 6,768,340          | 8,709,549          | 8,709,549    | 8,709,549    | 8,709,549           | 1,084,772 | 14 |
| Total PERSONAL SERVICES      | 8,327,501      | 7,624,777           | 6,768,340          | 8,709,549          | 8,709,549    | 8,709,549    | 8,709,549           | 1,084,772 | 14 |
| Total 9401 BOARD OF EDUCATIO | 8,327,501      | 7,624,777           | 6,768,340          | 8,709,549          | 8,709,549    | 8,709,549    | 8,709,549           | 1,084,772 | 14 |

## Board of Finance's Budget Detail

Budget Fiscal Year: 2024 to 2024

| Account# and Description      | 2022<br>Actual | 2023<br>Base Budget | 2023<br>Actual YTD | Department<br>Head | Town Manager | Town Council | Board<br>of Finance | Inc/Dec   | %  |
|-------------------------------|----------------|---------------------|--------------------|--------------------|--------------|--------------|---------------------|-----------|----|
| 10-9401-51041 MEDICAL-CLAIMS  | 7,368,207      | 6,633,368           | 5,903,697          | 7,592,231          | 7,592,231    | 7,592,231    | 7,592,231           | 958,863   | 14 |
| 10-9401-51042 MEDICAL-ADMINIS | 959,294        | 991,409             | 864,643            | 1,117,318          | 1,117,318    | 1,117,318    | 1,117,318           | 125,909   | 13 |
| Total BOARD OF EDUCA          | 8,327,501      | 7,624,777           | 6,768,340          | 8,709,549          | 8,709,549    | 8,709,549    | 8,709,549           | 1,084,772 | 14 |
| Total 9401 BOARD OF EDU       | 8,327,501      | 7,624,777           | 6,768,340          | 8,709,549          | 8,709,549    | 8,709,549    | 8,709,549           | 1,084,772 | 14 |

**TOWN OF AVON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

|                                   | <u>Governmental<br/>Activities</u>   |
|-----------------------------------|--------------------------------------|
|                                   | <u>Internal<br/>Service<br/>Fund</u> |
| Operating Revenues:               |                                      |
| Charges for Services:             |                                      |
| Town                              | \$ 2,769,541                         |
| Board of Education                | 7,157,888                            |
| Other                             | 483,546                              |
| Total Operating Revenues          | <u>10,410,975</u>                    |
| Operating Expenses:               |                                      |
| Medical Claims:                   |                                      |
| Town                              | 2,500,521                            |
| Board of Education                | 8,327,500                            |
| Total Operating Expenses          | <u>10,828,021</u>                    |
| Changes in Net Position           | (417,046)                            |
| Net Position at Beginning of Year | <u>2,461,208</u>                     |
| Net Position at End of Year       | <u><u>\$ 2,044,162</u></u>           |

