

298 - SELF-INSURED BENEFITS INTERNAL SERVICE FUND

Operational Summary

Description:

The Self-Insured Benefits Internal Service Fund (ISF) provides for salary continuance, dental benefits, and administration of the Health Care and Dependent Care Reimbursement Accounts.

Strategic Goals:

- Fund 298 is one of the five Internal Service Funds under Employee Benefits. Employee Benefits operates under the Strategic Priorities and Business Plan for Human Resources and administers employee benefit programs as supported by the Board of Supervisors.

FY 2003-2004 Key Project Accomplishments:

- The Budgeted Operating Transfer into Fund 298 from Miscellaneous General Funds in the amount of \$98,093 for FY 03-04 will not be needed resulting in General Fund savings. This amount represents the cost of administration of the Employee Health Care Reimbursement Account, implemented on January 1, 2002 and has now been included in the cost of the County of Orange Benefits Center in Fund 100; Agency 056.

SELF-INSUR SALARY CONTINUANCE - The Self-Insured Benefits Internal Service Fund (ISF) provides for salary continuance, dental benefits, and administration of the Health Care and Dependent Care Reimbursement Accounts.

At a Glance:

| | |
|--|-----------|
| Total FY 2003-2004 Actual Expenditure + Encumbrance: | 2,369,481 |
| Total Final FY 2004-2005 Budget: | 6,999,854 |
| Percent of County General Fund: | N/A |
| Total Employees: | 0.00 |

Changes Included in the Base Budget:

The Operating Transfer into Fund 298 from Miscellaneous General Funds in the amount of \$98,093 is being eliminated starting FY 04-05 resulting in \$98,093 in General Fund savings. This amount represents the cost of administration of the Employee Health Care Reimbursement Account, implemented on January 1, 2002 and is included in the cost of the County of Orange Benefits Center in Fund 100 - Agency 056.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Employee Benefits Division supports the Board of Supervisors adopted strategic priorities as they relate to the implementation and administration of employee benefits.

Final Budget and History:

| Sources and Uses | FY 2002-2003 Actual Exp/Rev | FY 2003-2004 Budget As of 6/30/04 | FY 2003-2004 Actual Exp/Rev ⁽¹⁾ At 6/30/04 | FY 2004-2005 Final Budget | Change from FY 2003-2004 Actual | |
|--------------------|--------------------------------|---|---|------------------------------|------------------------------------|---------|
| | | | | | Amount | Percent |
| Total Revenues | 6,806,315 | 6,962,905 | 7,186,467 | 6,999,854 | (186,613) | -2.60 |
| Total Requirements | 2,627,743 | 7,219,023 | 2,369,481 | 6,999,854 | 4,630,373 | 195.42 |
| Net County Cost | 4,178,573 | (256,118) | 4,816,986 | 0 | (4,816,986) | -100.00 |

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2003-04 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Self-Insured Benefits Internal Service Fund in the Appendix on page 631.

Highlights of Key Trends:

- The Operating Transfer into Fund 298 from Miscellaneous General Funds in the amount of \$98,093 is being eliminated starting FY 04-05 resulting in \$98,093 in General Fund savings. This amount represents the cost

of administration of the Employee Health Care Reimbursement Account, implemented on January 1, 2002 and is included in the cost of the County of Orange Benefits Center in Fund 100 - Agency 056.



298 - SELF-INSURED BENEFITS ISF

Operation of Internal Service Fund 298 Operational Statement for the Fiscal Year 2004 - 2005

| Operating Detail (1) | | 2002-2003 Actual (2) | 2003-2004 Actual (3) | 2004 - 2005 Proposed Budget (4) | 2004 - 2005 Final Budget (5) |
|---|---|----------------------------|----------------------------|---------------------------------------|------------------------------------|
| Operating Income | | | | | |
| 7710 | Insurance Premiums | 2,629,058 | 2,641,839 | 2,701,090 | 2,701,090 |
| Total Operating Income | | 2,629,058 | 2,641,839 | 2,701,090 | 2,701,090 |
| Operating Expenses | | | | | |
| Services & Supplies | | | | | |
| 1809 | Minor Office Equipment To Be Controlled | 0 | 870 | 5,700 | 5,700 |
| 1900 | Professional And Specialized Services | 122,507 | 85,333 | 176,326 | 176,326 |
| 1911 | CWCAPCharges | 18,806 | 24,747 | 28,864 | 28,864 |
| Total Services & Supplies | | 141,313 | 110,950 | 210,890 | 210,890 |
| Other Charges | | | | | |
| 3500 | Judgments And Damages | (92,073) | 0 | 0 | 0 |
| 3510 | Other Charges - Operating | 2,497,717 | 2,252,719 | 6,782,364 | 6,782,364 |
| Total Other Charges | | 2,405,644 | 2,252,719 | 6,782,364 | 6,782,364 |
| Total Operating Expenses | | 2,546,957 | 2,363,669 | 6,993,254 | 6,993,254 |
| Total Operating Income (Loss) | | 82,101 | 278,170 | (4,292,164) | (4,292,164) |
| Non-Operating Revenue | | | | | |
| 6610 | Interest | 82,680 | 57,714 | 65,929 | 65,929 |
| 7670 | Miscellaneous Revenue | 0 | 307,433 | 0 | 0 |
| Total Non-Operating Revenue | | 82,680 | 365,147 | 65,929 | 65,929 |
| Non-Operating Expenses | | | | | |
| 1912 | Investment Administrative Fees | 5,786 | 4,904 | 6,600 | 6,600 |
| 5400 | Loss Or Gain On Disposition Of Assets | 0 | 907 | 0 | 0 |
| Total Non-Operating Expenses | | 5,786 | 5,811 | 6,600 | 6,600 |
| Net Non-Operating Income (Loss) | | 76,894 | 359,336 | 59,329 | 59,329 |
| Income (Loss) Before Contributions & Transfers | | 158,995 | 637,506 | (4,232,835) | (4,232,835) |
| Statement Of Changes In Net Assets - Unrestricted | | | | | |
| Income (Loss) Before Contributions & Transfers | | 158,995 | 637,506 | (4,232,835) | (4,232,835) |
| 7810 | Interfund Transfers In - From Fund 100 | 98,093 | 0 | 0 | 0 |
| Changes To Reserves - Net Assets - Reserved (Inc.)/ Dec. | | (75,000) | 0 | 0 | 0 |

Operation of Internal Service Fund 298 Operational Statement for the Fiscal Year 2004 - 2005 (Continued)

| Operating Detail (1) | 2002-2003 Actual (2) | 2003-2004 Actual (3) | 2004 - 2005 Proposed Budget (4) | 2004 - 2005 Final Budget (5) |
|--|----------------------------|----------------------------|---------------------------------------|------------------------------------|
| Changes To Reserves - Net Assets, Invested In Capital Assets, Net Of Related Debt - (Inc.)/Dec. | 0 | 907 | 0 | 0 |
| Increase (Decrease) In Net Assets - Unrestricted | 182,088 | 638,413 | (4,232,835) | (4,232,835) |
| Net Assets - Unrestricted - Beginning Of Year | 3,996,485 | 4,178,573 | 4,232,835 | 4,232,835 |
| Net Assets - Unrestricted - End Of Year | 4,178,573 | 4,816,986 | 0 | 0 |

