

## **INTERNAL SERVICES FUND**

The Internal Services Fund was established in July 2006. The Internal Services Fund provides a mechanism for full disclosure of revenue and expenditures on one statement, retaining fund balances specifically for health benefits, and establishing long-term budget stability. The Board of Education is responsible for recording the transactions for the fund and preparing periodic reports.

The Fund also was established to account for all of the business transactions associated with providing employees with the health benefit program outlined in collective bargaining agreements and the Board of Education's agreements with non-represented staff. The fund has a "Revenue and Expenditure Statement" and a "Balance Sheet".

Starting July 1, 2018, the district moved to the State Partnership Plan 2.0 for Health Insurance. As a result, the district will no longer be self-insured for medical claims and will pay premiums to the State of Connecticut as part of the State Partnership Plan 2.0. However, we will remain self-insured for Dental Claims. We intend to keep the Internal Services Fund intact due to the self-insured Dental Plan and to cover the possibility of leaving the State Partnership Plan 2.0 in the future.

The recommended FY 20 budget includes a deposit into the Internal Service Fund of \$352,500 to fund anticipated dental claims and administrative fees related to dental insurance. As of November 30, 2018, the fund balance in the Internal Services Fund was \$1,530,702. We are projecting a slight decline in this amount as our run out of claims from Aetna continue to be processed, which is reflected on page 228.