
Internal Service Fund



City of Grandview Fiscal Year 2017 Annual Budget

Fund Summary

Fund Group:	Internal Service
Fund:	Insurance Deductible Fund

Fund Description

Insurance premiums for casualty and liability insurance experienced a dramatic increase several years ago primarily due to the events of September 11, 2001. To try and offset increases, the insurance trust the City previously purchased coverage from decided to increase its deductible cap for claims to \$25,000 per incident. At the same time, the trust also refunded worker's compensation premiums for those years that had been closed. The City of Grandview's refund was approximately \$450,000. At that time it was decided to place proceeds from the refund into a separate fund with the intent of allowing it to generate interest earnings that could be applied to deductibles that the City may have to pay on settled insurance claims in the future.

When the City bid its property and liability coverage in 2010, which resulted in moving away from the trust to a new carrier, its deductible decreased from \$25,000 to \$5,000/\$10,000 per incident. This has resulted in a dramatic decline in insurance deductible expenses over the last several fiscal years.

City of Grandview Fiscal Year 2017 Annual Budget

Summary of Fund Revenues and Expenditures

	Fund Group: Internal Service			
	Fund: Insurance Deductible			
	2013-14 Actual	2014-15 Actual	2015-16 Estimate	2016-17 Budget
<u>FUNDS AVAILABLE OCT. 1</u>	152,249	127,796	107,555	84,052
<u>REVENUE</u>				
Miscellaneous Revenue				
Miscellaneous Revenue				
Interest Earnings	1,387	2,120	1,497	1,000
Total Miscellaneous Revenue	1,387	2,120	1,497	1,000
Total Revenue	1,387	2,120	1,497	1,000
<u>EXPENDITURES</u>				
Pending Insurance Deductibles	25,840	22,361	25,000	50,000
Total Expenditures	25,840	22,361	25,000	50,000
<u>SURPLUS/(SHORTFALL)</u>	(24,453)	(20,241)	(23,503)	(49,000)
<u>FUNDS AVAILABLE SEPT. 30</u>	127,796	107,555	84,052	35,052

