

INTERNAL SERVICE FUNDS

GAAP permit internal service funds to be used “to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.”

**CITY OF KEARNEY
HEALTH INSURANCE FUND SUMMARY
2020 - 2021 BUDGET**

	Actual 2017 - 2018	Actual 2018 - 2019	Budget 2019 - 2020	Estimated Actual 2019 - 2020	Proposed Budget 2020 - 2021
EXPENDITURES					
Personal Services	10,017.50	12,565.30	23,400.00	23,400.00	23,400.00
Supplies, Materials and Contractual Services	4,557,247.60	3,805,447.14	4,839,015.00	4,426,615.00	4,805,021.00
Equipment Rental	0.00	0.00	0.00	0.00	0.00
Capital Outlay	0.00	0.00	0.00	0.00	0.00
Debt Servicing	0.00	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	4,567,265.10	3,818,012.44	4,862,415.00	4,450,015.00	4,828,421.00

REVENUES					
Taxes	0.00	0.00	0.00	0.00	0.00
Licenses and Permits	0.00	0.00	0.00	0.00	0.00
Charges for Services	0.00	0.00	0.00	0.00	0.00
Fines	0.00	0.00	0.00	0.00	0.00
Special Assessments	0.00	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00	0.00
Miscellaneous	4,521,895.72	4,611,857.82	5,077,313.00	4,777,000.00	4,890,173.00
Intergovernmental - State	0.00	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	4,521,895.72	4,611,857.82	5,077,313.00	4,777,000.00	4,890,173.00
Beginning fund balance	(43,069.51)	(88,438.89)	(116,938.89)	705,406.49	1,032,391.49
Total cash available	4,478,826.21	4,523,418.93	4,960,374.11	5,482,406.49	5,922,564.49
Less total expenditures	4,567,265.10	3,818,012.44	4,862,415.00	4,450,015.00	4,828,421.00
Ending fund balance	(88,438.89)	705,406.49	97,959.11	1,032,391.49	1,094,143.49

FUND BALANCE ANALYSIS

Year Ending:	Balance	Annual Change	Required		Surplus (Deficit)
			Operating	Capital	
09/30/11	291,365.40				
09/30/12	670,280.28	378,914.88			
09/30/13	1,066,985.22	396,704.94			
09/30/14	1,255,306.38	188,321.16			
09/30/15	518,618.76	(736,687.62)			
09/30/16	(480,045.31)	(998,664.07)			
09/30/17	(43,069.51)	436,975.80			
09/30/18	(88,438.89)	(45,369.38)			
09/30/19	705,406.49	793,845.38			
09/30/20 (estimate)	1,032,391.49	326,985.00			
09/30/21 (budget)	1,094,143.49	61,752.00	400,000.00	694,143.49	0.00

**HEALTH INSURANCE FUND
REVENUES**

**FUND 40 - HEALTH INSURANCE
ACCOUNT 00 - HEALTH INSURANCE**

Account	Account Name	Actual 2017 - 2018	Actual 2018 - 2019	Budget 2019 - 2020	Estimated Actual 2019 - 2020	Proposed Budget 2020 - 2021
37000 Miscellaneous						
400037107	City & employee - health/dental	4,282,773.18	4,512,087.32	4,977,313.00	4,650,000.00	4,747,691.00
400037112	City & employee - life, LTD, eye	104,611.40	94,884.46	100,000.00	115,000.00	120,000.00
400037180	Other (re-insurance)	114,663.39	0.00	0.00	0.00	0.00
400037203	Retired & COBRA contr.	19,847.75	4,886.04	0.00	12,000.00	22,482.00
Category Total		4,521,895.72	4,611,857.82	5,077,313.00	4,777,000.00	4,890,173.00
		4,521,895.72	4,611,857.82	5,077,313.00	4,777,000.00	4,890,173.00

**CITY OF KEARNEY
HEALTH INSURANCE
2020-2021 BUDGET**

DESCRIPTION

On January 26, 1988, the Kearney City Council passed and approved Resolution No. 88-5 which authorized the establishment of a self-funded health and dental care plan solely for the employees and dependents of the City of Kearney. This plan is in compliance with the Political Subdivision Self-Funding Act. This Act permitted political subdivisions to provide employee benefits to employees and their dependents through self-funding by establishing, participating in, and administering employee benefit plans. A second purpose of the act was to require political subdivisions using self-funding employee benefit plans to meet certain requirements to protect the benefits of covered employees and covered dependents. The Act states that the governing body of the plan sponsor shall annually review the self-funded portion of the employee benefit plan for compliance with the following provisions:

1. The plan sponsor has established accruals at a satisfactory level to provide funds to cover 100% of expected claims.
2. The plan sponsor has established reserves in an appropriate amount or an actuarial basis as determined by an independent actuary or an insurer.
3. The plan sponsor has established a restricted and segregated fund exclusively for the deposit of monthly accruals and other assets pertaining to the self-funded portion of the plan.
4. Disbursements from the restricted and segregated fund are made only for payment of claims, cost of insurance coverage, payment of service fees applicable to employee benefit plan design and other expenses directly related to the operation of the plan.

The Act additionally states that the governing body of a plan sponsor shall approve an annual report showing the beginning and ending balance of the funds established. This is done by the City Council annually when the annual audit report is approved and accepted.

NOTABLE EXPENDITURES

None.

**HEALTH INSURANCE FUND
EXPENDITURES**

**FUND 40 - HEALTH INSURANCE
ACCOUNT 00 - HEALTH INSURANCE**

Account	Account Name	Actual 2017 - 2018	Actual 2018 - 2019	Budget 2019 - 2020	Estimated Actual 2019 - 2020	Proposed Budget 2020 - 2021
41000 Personal Services						
400041160	Wellness program	10,017.50	12,565.30	23,400.00	23,400.00	23,400.00
	Category Total	10,017.50	12,565.30	23,400.00	23,400.00	23,400.00
42000 Supplies, Materials and Contractual Services						
400042105	Administrative	212,322.77	208,648.38	206,615.00	206,615.00	201,021.00
400042210	Claims, dental	161,143.49	232,497.96	210,000.00	200,000.00	210,000.00
400042215	Claims, medical	3,523,744.23	2,622,797.99	3,600,000.00	3,200,000.00	3,500,000.00
400042465	Insurance premiums - health reinsurance	563,125.13	639,810.18	722,400.00	705,000.00	774,000.00
400042466	Insurance premiums - life, LTD, eye	96,911.98	101,692.63	100,000.00	115,000.00	120,000.00
	Category Total	4,557,247.60	3,805,447.14	4,839,015.00	4,426,615.00	4,805,021.00
	Total	4,567,265.10	3,818,012.44	4,862,415.00	4,450,015.00	4,828,421.00