

# OFFICE OF THE KANE COUNTY AUDITOR

TERRY HUNT, KANE COUNTY AUDITOR

ANDREA RICH  
DEPUTY AUDITOR

MARGARET TODD-CAVE  
STAFF AUDITOR



719 S.BATAVIA AVENUE  
GENEVA, ILLINOIS 60134

630-232-5915  
630-208-3838 (FAX)

## Children's Waiting Room (Fund 195)

### Background

The resolutions and state statute pertaining to the Children's Waiting Room (CWR) Fund follow:

- Resolution 02-257 (August 13, 2002) resolved that the Circuit Clerk shall charge and collect a fee of \$5.00...fee so collected shall be remitted monthly to the County Treasurer.
- Resolution 03-300 (October 14, 2003) resolved that the Board Chairman is authorized to enter in a licensing agreement with the Kane County Bar Foundation (KCBF) for erecting, operation and maintaining the CWR at the Kane County Judicial Center.
- Resolution 04-49 (February 10, 2004) ordained the fund to the county budget. The budget had separate line items for expenditures.
- Resolution 13-328 (January 28, 2014) renewed contract with The Kane County Bar Foundation through January 24, 2024.

Illinois Compiled Statute 705 ILCS 105/27.7 stipulates that:

The expense of establishing and maintaining a children's waiting room for children whose parents or guardians are attending a court hearing as a litigant, witness, or for other court purposes as determined by the court may be borne by the county. To defray that expense in any county having established a children's waiting room or that elects to establish such a system, the county board may require the clerk of the circuit court in the county to charge and collect a children's waiting room fee of not more than \$10. The fee shall be paid at the time of filing the first pleading, paper, or other appearance filed by each party in all civil cases. No additional fee shall be required if more than one party is presented in a single pleading, paper, or other appearance. The fee shall be collected in the manner in which all other fees or costs are collected. Each clerk shall commence the charges and collection upon receipt of written notice from the chairman of the county board together with a certified copy of the board's resolution. The clerk shall file the resolution of record in his or her office. The fees shall be in addition to all other fees and charges of the clerks, shall be assessable as costs, and may be waived only if the judge specifically provides for the waiver of the children's waiting room fee. The fees shall be remitted monthly by the clerk to the county treasurer, to be retained by the treasurer in a special fund designated as the children's waiting room fund. The fund shall be audited by the county auditor, and the county board shall make expenditure from the fund in payment of any cost related to the establishment and maintenance of the children's waiting room, including personnel, heat, light, telephone,

security, rental of space, or any other item in connection with the operation of a children's waiting room. The fees shall not be charged in any matter coming to the clerk on a change of venue, nor in any proceeding to review the decision of any administrative officer, agency, or body.

### **Scope and Testing**

#### **General**

- Reviewed County Code, resolutions, etc. relative to the fund.
- Reviewed processes and accounts with appropriate personnel – Discussed fund processes and accounts with Court Administrator and Deputy Court Administrator in charge of fund oversight.
- Reviewed renewed contract with Kane County Bar Foundation.
- Performed Income Statement fluctuation analysis for FY 2014 7/31 YTD actuals annualized vs 2014 budget vs FY 2013 and noted the following:
  - Annualized revenues are \$88k vs \$105k budget vs \$94k prior year. Fee revenue hit a high in 2010 at \$134k and has decreased every year since then.
  - Annualized expenses are \$141k vs \$125k budget vs \$128k prior year. Expenses were \$87k in 2010 and have risen to \$128k in 2013 and an estimated \$141k in 2014.
  - Net \$49k excess revenues over expenses in 2010 to \$(33k) shortage in 2013 and estimated \$(53k) shortage in 2014.
  - Fund's balance at the end of Q3 2014 is \$123k. At the current rate of expenses over revenue, the fund balance is estimated to be depleted in three years.

**Revenue** – Agreed December 2013 through August 2014 revenue to the Circuit Clerk allocation report of fines and fees with no exception.

**Expenditures** - Reviewed invoices for approval, supporting documentation, proper g/l coding and proper accounting period. Minor exceptions have been corrected.

### **Findings and Recommendations**

1. State statute allows for the Children's Waiting Room fee to be up to \$10 per filing. Currently, our filing fee is \$5. Given the projected expenses of the fund, management should consider raising the fee.

2. A new agreement was signed with Kane County Bar Foundation in January, 2014 allowing that the “licensee shall pay to licensor \$1,000.00 per month in rent”. The licensee is Kane County Bar Foundation; the licensor is Kane County. The agreement further states that the licensor will “pay such money to licensee for the exclusive construction, operation and maintenance of the Children’s Waiting Room.” The Kane County Bar Foundation is billing us for reimbursement of rent expense (paid \$8,000 9/30/14 YTD); however, the Kane County Bar Foundation has only made one payment to Kane County for rent (received \$4k 9/30/14 YTD). To avoid cutting checks back and forth, Finance has set up an annual journal entry transferring the rent payment from Children’s Waiting Room to the General Fund. Recommendation is to continue using the journal entry to avoid cutting checks back and forth between Kane County Bar Foundation and Kane County; however, since some checks were cut this year, the transfer should only be \$8,000 (\$12,000 annual total less \$4,000 received from Kane County Bar Foundation). Additionally, Kane County Bar Foundation has overcharged Children’s Waiting Room by \$4,000 9/30/14 YTD. Net impact of the adjustments will decrease Children’s Waiting Room expense by \$8,000.

The Auditor’s Office would like to express our thanks to the Court Administrator and Deputy Court Administrator for their support in the completion of the audit.



Terry Hunt – Kane County Auditor



Andrea Rich – Deputy Auditor