

OFFICE OF THE KANE COUNTY AUDITOR
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June 24, 2015

FINANCE and BUDGET COMMITTEE REPORT

Updates from the Auditor's Office

- The proposed budget for the County Auditor for fiscal year 2016 has been submitted to the finance department. The proposed budget for the office for 2016 is \$302,860. Compared to the current budget of \$322,668 that represents an overall decrease of 6.14%. The budget proposal is first part of a short two-part power point presentation. The slides have been included in this packet for your reference. The slides are also available at <http://www.kanecountyauditor.com/Documents/Budget%20Proposal/2016%20Budget%20Proposal%20for%20Auditor's%20Office.pdf>
- The County Auditor's Quarterly Financial Report for the second quarter of fiscal 2015 was circulated to the County Chairman, the County Board and the Finance Advisory Group on June 10th. The report has been published online and can be accessed at <http://www.kanecountyauditor.com/Documents/Auditors%20Quarterly%20Financial%20Reports/County%20Auditor's%20Quarterly%20Financial%20Report%20-%202015/2nd%20Quarter%20Fiscal%202015.pdf> A summary of the report will be the second portion of the power point presentation. Those slides have also been included for your reference.
- As of this writing, fieldwork for the Court Services audit has been substantially completed, and the draft audit report has been sent to the stakeholders' for review before the report is finalized and published.
- As of this writing, approximately half of the Countywide Petty Cash Accounts have been audited. Rather than issue individual reports, one comprehensive report will be published to cover all accounts.
- Bids from three finalists for the IT Vulnerability and Penetration Test project should be received by the end of this month. Pending the results of the bids and follow-up interviews it is anticipated that we will have selected a provider early in July and that an updated status report will be available for next month's committee meeting.

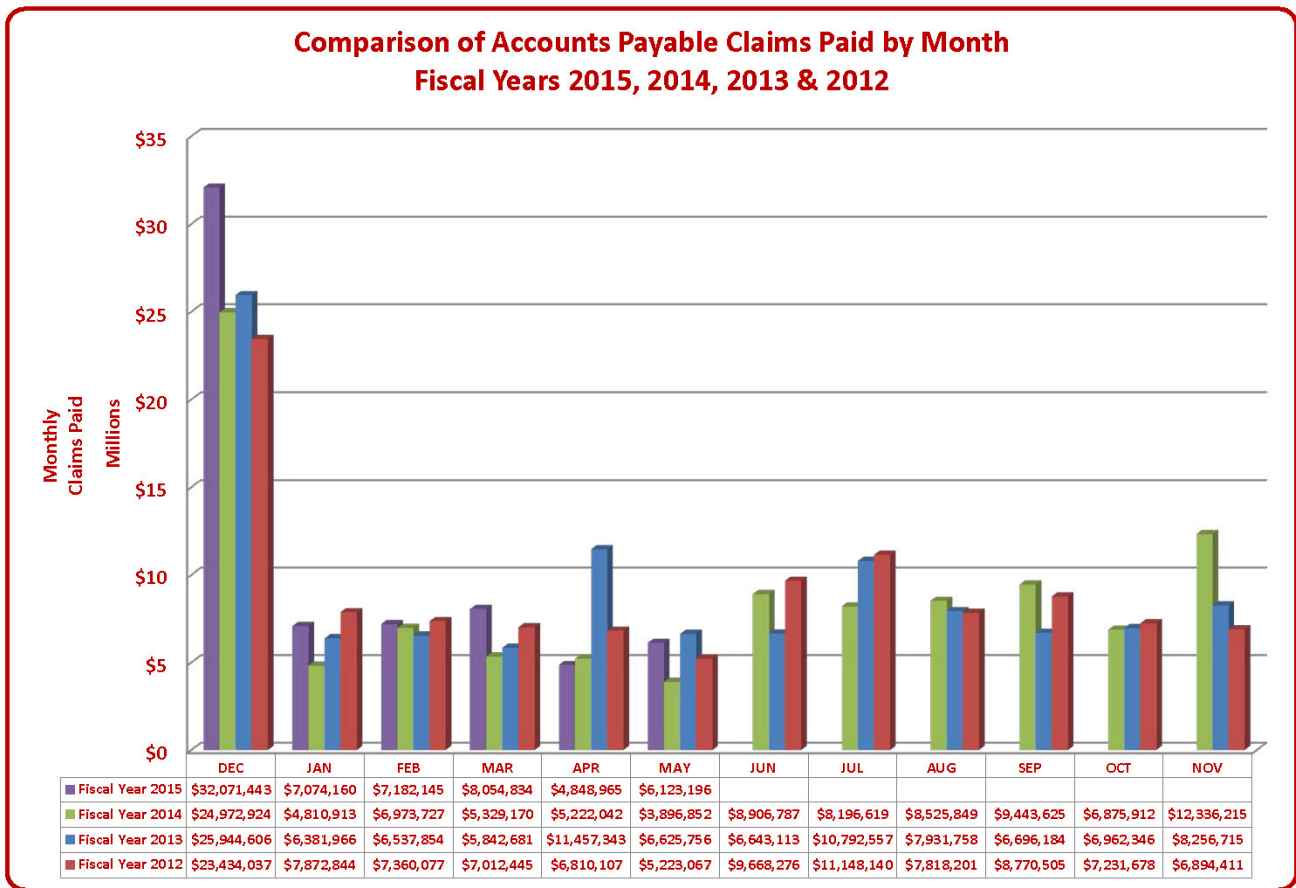
- Thanks to the Kane County IT Department for their expertise in updating the County Auditor website, especially to Adam Tedder, Davis Neuenkirchen, Chris Ardelean and Cassie Smith for their hard work. The new site is integrated with the Kane County site, but can also be accessed directly at kanecountyauditor.org
- The Kane County OpenGov website was launched to the public on June 1st as planned. The first in-house training session on June 12th received rave reviews from a captive audience.

Accounts Payable Claims Paid Report

- 1,795 invoices were processed in May 2015 which resulted in payments of \$6,123,196. The detailed report is available on the County Auditor’s section of the Kane County website at <http://www.kanecountyauditor.com/Documents/Monthly%20Claims%20Paid%20Reports/Monthly%20Claims%20Paid%20Fiscal%20Year%202015/May%202015.pdf>

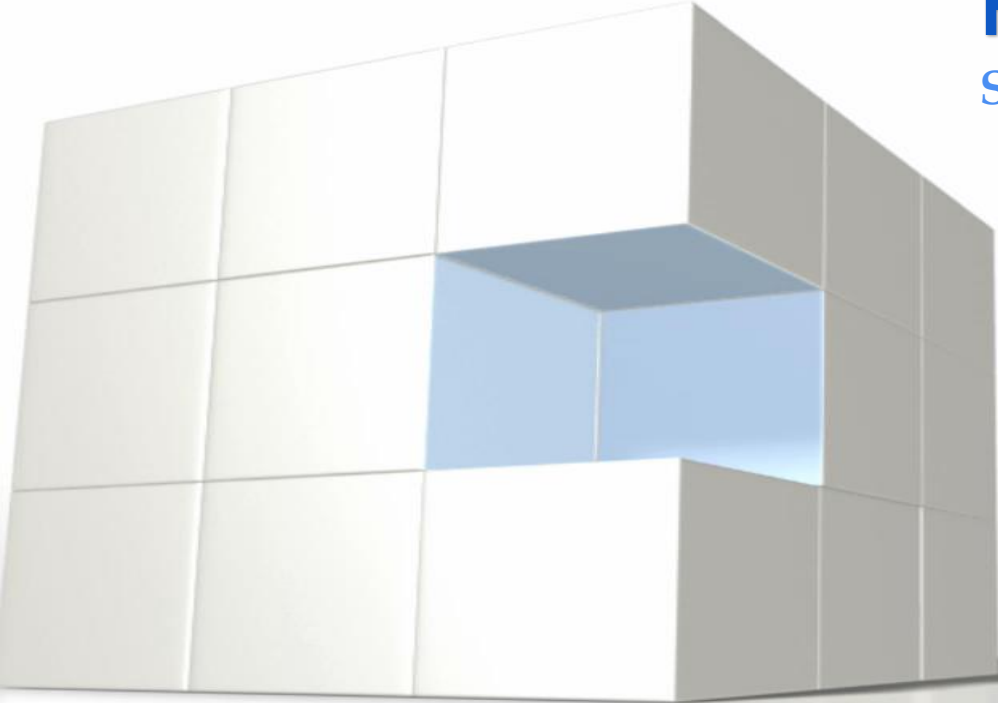
The detail may also be accessed at [Kane County OpenGov.com](http://KaneCountyOpenGov.com) Simply choose the Online Checkbook report option and set the filters for the month.

The chart shown below illustrates the comparison between accounts payable claims paid by month for fiscal year 2015 and the monthly payments made for the entire 2014, 2013 and 2012 fiscal years.



Auditor's Quarterly Financial Report

Second Quarter Fiscal Year 2015



**Presented to the
Finance & Budget Committee**

RISK MANAGEMENT SERVICE INTEGRITY
BOARD ANALYSIS KANE COUNTY BEST PRACTICES
AUDITOR
TRANSPARENCY FINANCIAL INFORMATION INNOVATION
PUBLIC ACCOUNTABILITY



June 24, 2015

County Auditor's Quarterly Financial Report

The County Auditor is required to prepare a quarterly report of the financial operations of the County which is presented to the County Board.

In accordance with State Statute, the report summarizes “the entire financial operations of the county including revenues anticipated and received, expenditures estimated and paid, obligations unpaid, the condition of all funds and appropriations and other pertinent information.”

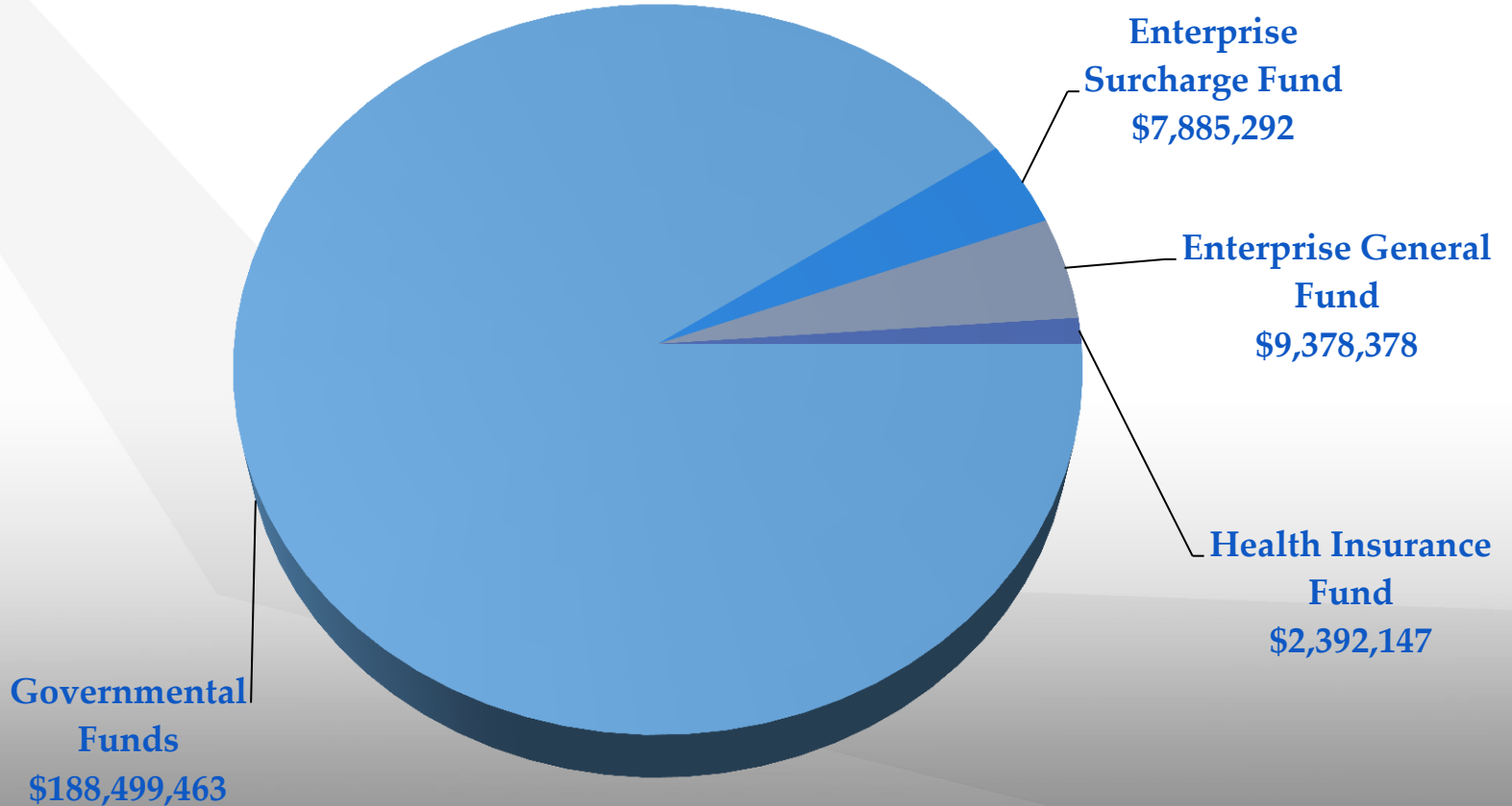
Countywide Funds



Countywide Funds

COUNTYWIDE FUNDS		ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$	242,714,690	59,181,324
Expenditures & Encumbrances		242,714,690	131,648,969
Excess/(Deficiency) Revenues over Expenditures		0	(72,467,645)
Other Financing & Net Transfers In/(Out)		0	0
Less: Encumbrances Included Above		0	41,848,469
Net Change in Countywide Funds Balance		0	(30,619,176)
Countywide Funds Balance, Beginning of Year			238,774,456
Countywide Funds Balance, End of Quarter	\$		208,155,280

Countywide Funds



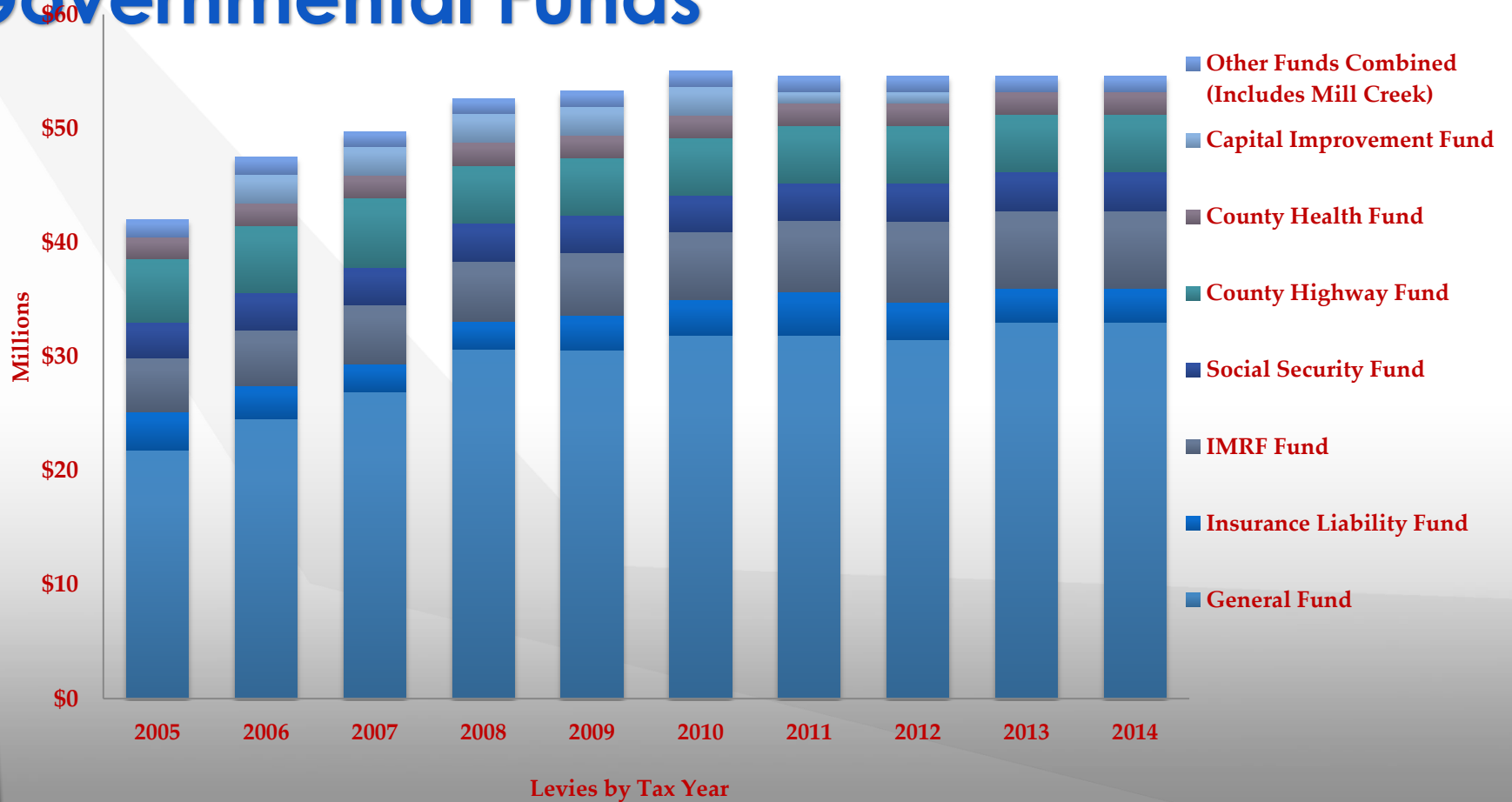
Governmental Funds



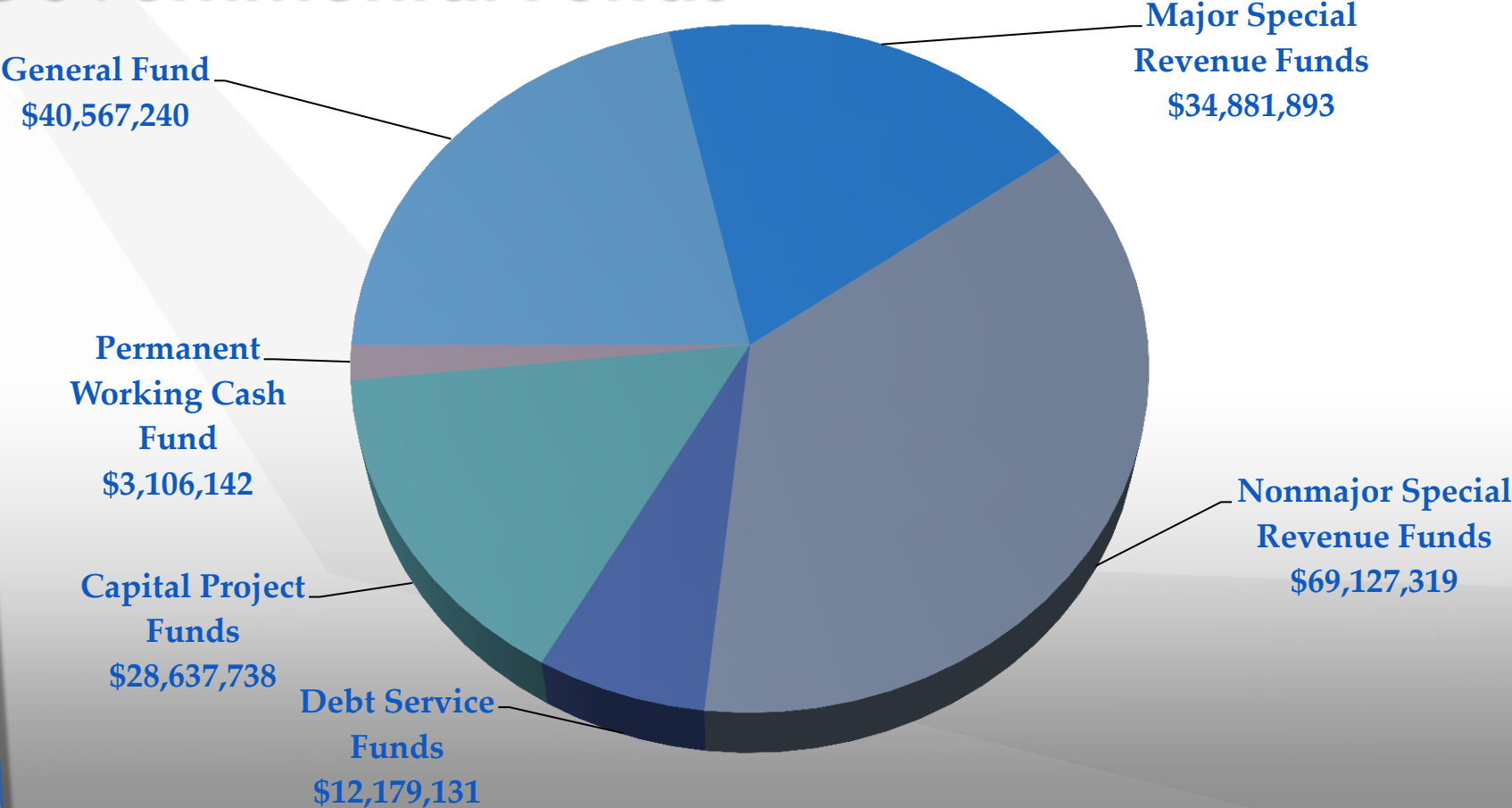
Governmental Funds

GOVERNMENTAL FUNDS		ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$	225,453,400	52,895,808
Expenditures & Encumbrances		225,621,975	125,924,055
Excess/(Deficiency) Revenues over Expenditures		(168,575)	(73,028,247)
Other Financing & Net Transfers In/(Out)		168,575	168,575
Less: Encumbrances Included Above		0	41,778,418
Net Change in Countywide Funds Balance		0	(31,081,254)
Countywide Funds Balance, Beginning of Year			219,580,717
Countywide Funds Balance, End of Quarter	\$		188,499,463

Governmental Funds



Governmental Funds



Condition of Funds – 2nd Quarter 2015

In reviewing the cash activity of the nonmajor special revenue funds through the end of the second quarter of fiscal 2015, thirty-two (32) individual funds were operating at a year-to-date deficit. Many of the deficits are relatively small, but there are fifteen (15) funds with operational deficits in excess of \$100,000 for the first half of the year.

Condition of Funds – 2nd Quarter 2015

For some of the funds, this is not unusual. Eight (8) of the funds operating at a deficit are largely dependent upon property tax collections which will occur mostly in the third and fourth quarters. Similarly other funds are subject to timing variations related to grant revenues.

As reported last quarter – the GIS and Riverboat funds continue to operate at a designed deficit.

The Court Automation fund has generated a \$108,000 deficit to date due to reduced filings.

Condition of Funds – 2nd Quarter 2015

The Motor Fuel Tax fund is currently operating at a substantial deficit, which warrants a closer look. The Motor Fuel Tax revenue is running at 56% of the pro-rated budgeted amount at the midpoint of the year – approximately \$1.36M less than what might be expected.

However, the following chart depicts the historical trend of that revenue line and suggests that the timing of revenue collections is not linear based upon the previous years' total revenue for the Motor Fuel Tax.



Filters Views

SHOW

Revenues

BROKEN DOWN BY

Revenue Type

FISCAL YEAR THROUGH

May

FILTERED BY

All

Funds

Departments

Revenue Type

FISCAL YEAR

2009

2015

DOCUMENTS

FY 2014 CAFR

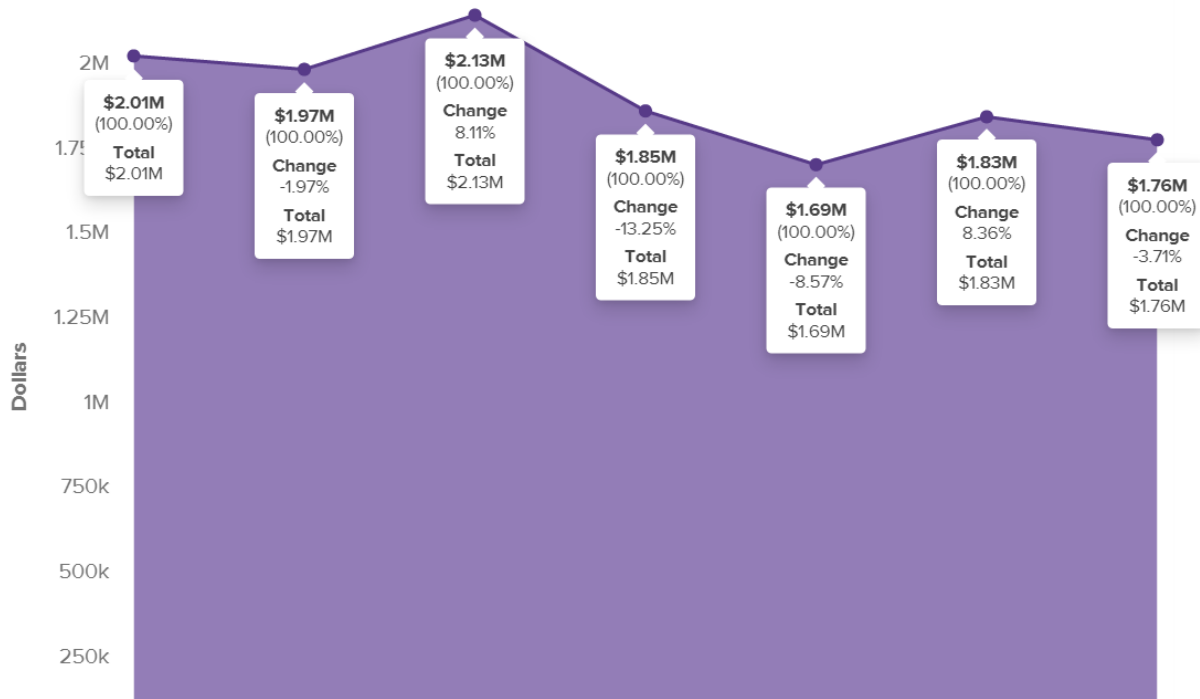
FY 2015 Budget

Back Reset

Other Taxes

Motor Fuel Tax

The actual revenues or expenses are displayed through the fiscal quarter selected in the menu. Multiple years may be chosen to analyze trends within departments. Internal transfers in and out are not included in the default setting.



Sort By Chart of Accounts

Motor Fuel Tax

General Fund

General Fund

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graph LR; A[General Fund] --- B[General Fund]; A --- C[Special Reserve]; A --- D[Emergency Reserve]; A --- E[PP Tax Freeze]; A --- F[SAO Domestic Violence]; A --- G[Environmental Prosecution]; A --- H[Economic Development]; A --- I[Cost Share Drainage]; A --- J[Public Building Commission];
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General Fund

Special Reserve

Emergency Reserve

PP Tax Freeze

SAO Domestic Violence

Environmental Prosecution

Economic Development

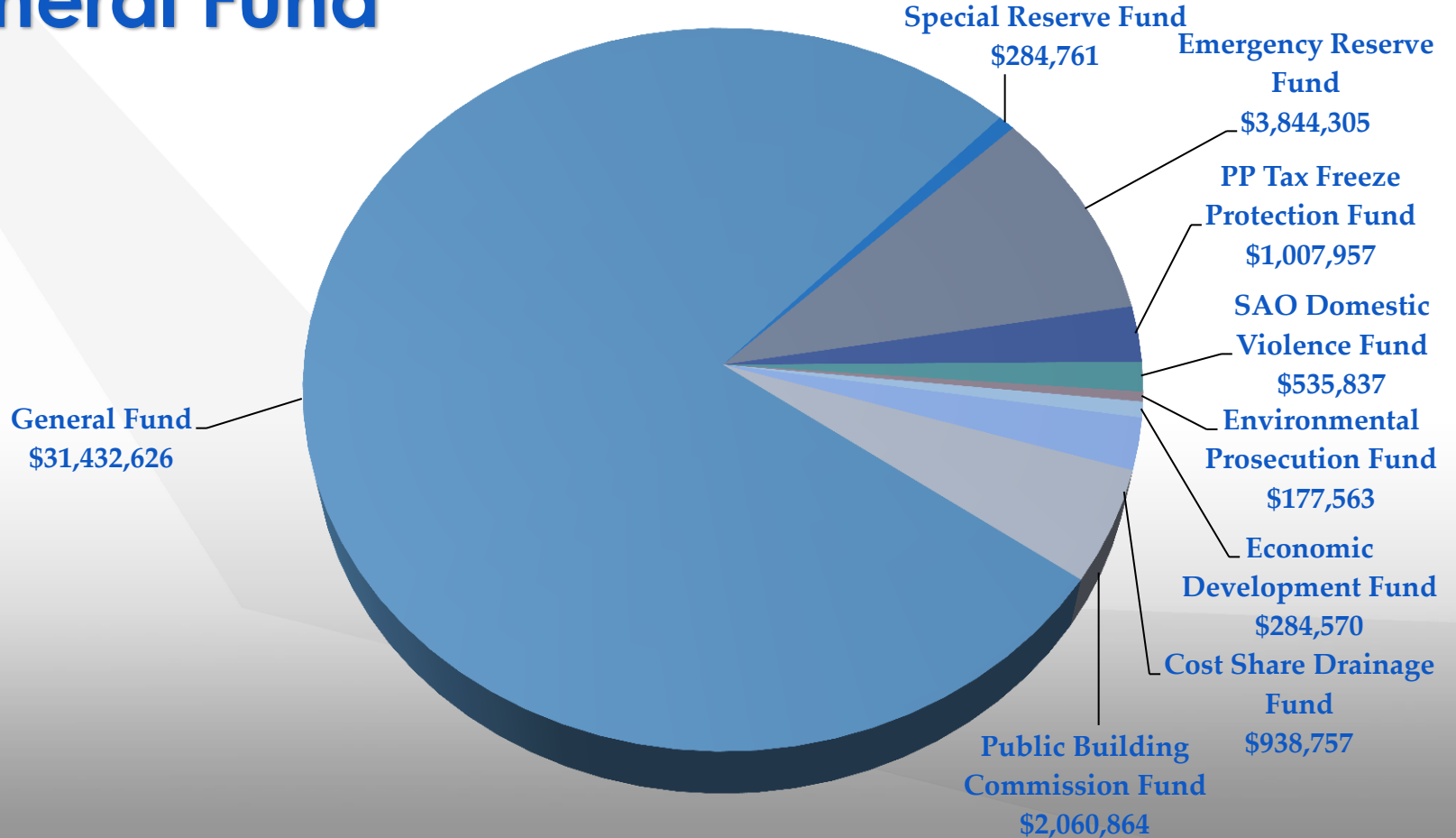
Cost Share Drainage

Public Building Commission

General Fund

GENERAL FUND		ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$	80,495,959	21,380,056
Expenditures & Encumbrances		77,495,565	37,237,128
Excess/(Deficiency) Revenues over Expenditures		3,000,394	(15,857,072)
Other Financing & Net Transfers In/(Out)		(3,000,394)	(3,077,628)
Less: Encumbrances Included Above		0	230,715
Net Change in Countywide Funds Balance		0	(18,703,985)
Countywide Funds Balance, Beginning of Year			59,271,225
Countywide Funds Balance, End of Quarter	\$		40,567,240

General Fund





Fiscal 2016 Budget Proposal
Presented to Finance & Budget Committee
June 24, 2015

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OFFICE OF THE KANE COUNTY AUDITOR



Budget Presentation Overview

Moving forward from 2015 to 2016

- Organizational Chart
- Changes for 2016 Operations Budget
 - Kane County OpenGov
 - Transition Audit
 - Vulnerability Scan and Penetration Test
 - Other Minor Changes for 2016 Budget
- 2016 Budget Summary
- Questions



Kane County Auditor Organizational Chart

County Auditor

Terry Hunt

2016 Salary \$88,214

Health & Dental Benefits \$13,778

Total \$101,992

Deputy Auditor

Andrea Rich

2016 Salary \$69,000

Health & Dental Benefits \$20,197

Total \$89,197

Staff Auditor

Margaret Todd-Cave

2016 Salary \$44,000

Health & Dental Benefits \$7,170

Total \$51,170

Administrative Assistant

Christina Abbate

2016 Part Time Hourly \$26,650

Health & Dental Benefits N/A

Total \$26,650





Budget Changes

Kane County OpenGov



- FY2016 budget is increased by \$12,500 for the annual OpenGov service contract.
- For reference only the annual renewal rates for the five year contract period are
 - 1/26/2015 – 2016 \$12,500
 - 1/26/2016 – 2017 \$12,500
 - 1/26/2017 – 2018 \$12,500
 - 1/26/2018 – 2019 \$14,250
 - 1/26/2019 – 2020 \$14,250



Budget Changes

Transition Audit

- FY2015 budget included \$30,000 for contractual services related to the Sheriff's Office transition.
- FY2016 has no budget for transition audits, resulting in a net reduction of \$30,000.

IT Vulnerability Scan & Penetration Test

- FY2015 budget included \$20,000 for third party contractual services.
- FY2016 includes \$7,500 for follow-up testing and/or other value added audits, resulting in a net reduction of \$12,500.



Minor Budget Changes

Office Furniture

- FY2015 budget included \$2,500 for office furniture to accommodate the addition of the Administrative Assistant position.
- FY2016 has no budget for such expenditures, resulting in a net reduction of \$2,500.

Kane County Auditor 2016 Budget Proposal

		2015			2016	
		6 Mos Actual	Amended Budget	Actual % of Budget	Proposed Budget	Proposed % Change
Salaries *	\$	100,227	219,786	46%	230,270	4.77%
Benefits **		9,848	38,282	26%	41,145	7.48%
Contractual		26,566	60,600	44%	29,945	-50.59%
Commodities		2,269	1,500	151%	1,500	0%
Capital		2,182	2,500	87%	0	-100.00%
TOTAL	\$	141,092	322,668	44%	302,860	-6.14%

* Administrative Assistant schedules changed from 21 hours per week in 2015 to 25 hours per week in 2016. That change accounted for a 1.9% increase in the budget.

** 2016 budget for benefits includes coverage change(s) applied with current estimated rates...subject to change.

Questions?



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