

**OFFICE OF THE KANE COUNTY AUDITOR**  
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**June 29, 2016**

**FINANCE and BUDGET COMMITTEE REPORT**

**Updates from the Auditor's Office**

- A limited [internal audit of the Kane County Law Enforcement Fund](#) (DUI Task Force) has been completed. Management responses to findings and recommendations are included in the final report which was circulated to all stakeholders on June 2<sup>nd</sup>.
- The [internal performance audit of the Purchasing Department](#) has been completed. A draft version of the report was presented to all stakeholders for their review. Management responses to findings and recommendations are included in the final report which was circulated to all stakeholders on June 2<sup>nd</sup>.
- The [County Auditor's Quarterly Financial Report](#) for the second quarter of fiscal 2016 was circulated to all Board members as well as the Finance Advisory group on June 21<sup>st</sup>.
- The [FY 2017 budget proposal for the Auditor's Office](#) was presented at the Committee of the Whole on June 28<sup>th</sup>. Slides of that proposal have been included in the agenda packet
- Following the July 12<sup>th</sup> County Board meeting, the Auditor will be hosting a presentation on [Kane County OpenGov](#). Kane County OpenGov went live in June 2015 and during this past year we have made improvements to the original reports, and added new features. We will provide a brief demonstration of those changes, plus a preview of some of the resources that will be rolled out in the coming months.

We will also have a representative from OpenGov to display options currently used in other governmental agencies that could benefit a variety of offices and departments in Kane County.

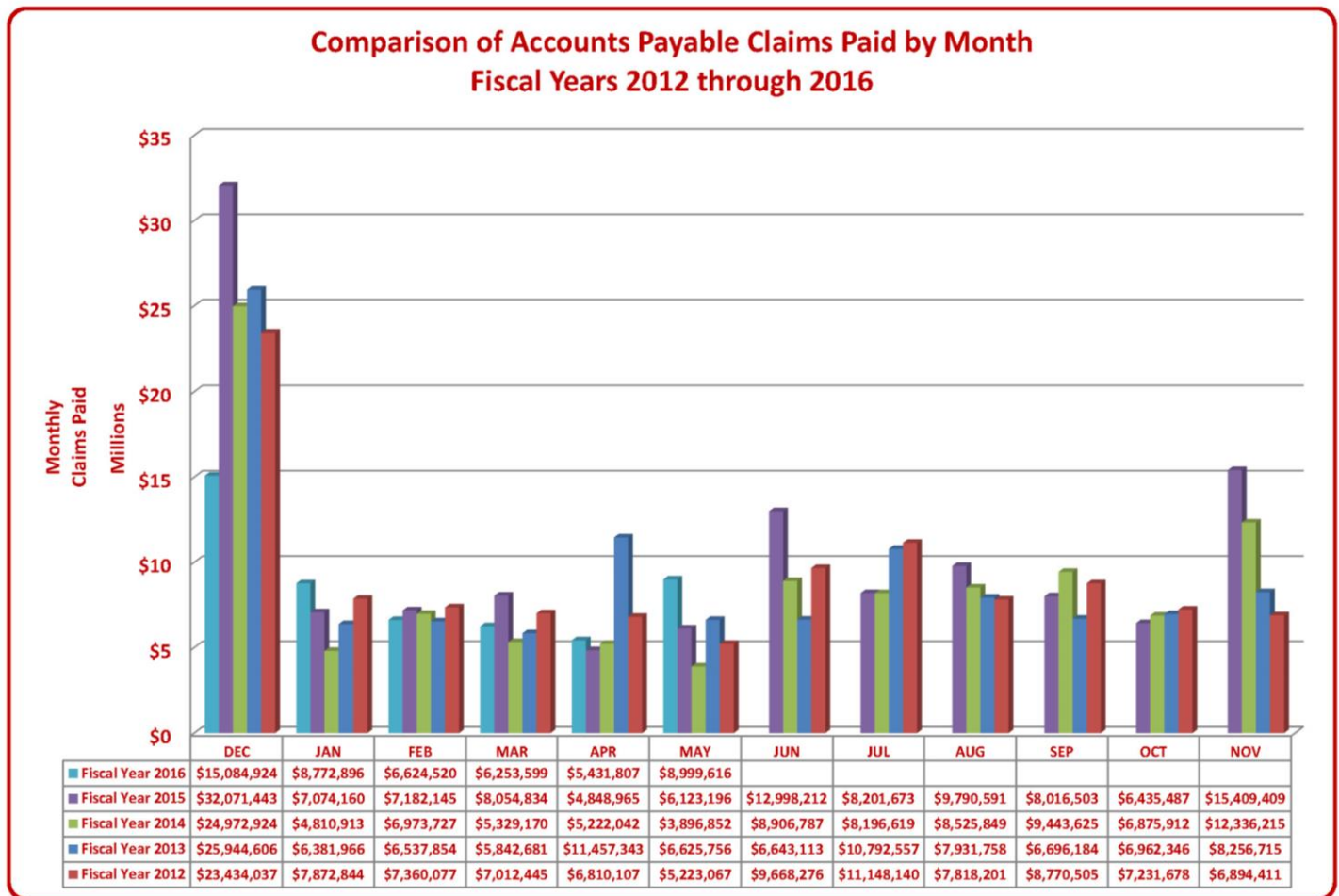
All elected officials, department heads, staff and local media are invited to join us. The event will be held in the first floor Auditorium. Because seating is limited and a light lunch will be provided, advance reservations will be required. Please contact Terry Hunt or Andrea Rich not later than July 8<sup>th</sup> to reserve a spot.

## Accounts Payable Claims Paid Report

- The [Accounts Payable Claims Paid Report for May 2016](#) shows 3,089 invoices were processed in May 2016 which resulted in payments of \$8,999,616.

That same information in a user friendly format is available on the **Kane County OpenGov** platform, where users can view the [online checkbook for May 2016](#) and/or find saved views for other months are also available at the [Kane County Online Checkbook](#).

The following chart illustrates the comparison between accounts payable claims paid by month for fiscal years 2012 through 2016.



## Auditor's Quarterly Report

- As noted in the updates, the [Auditor's Quarterly Financial Report for the 2<sup>nd</sup> Quarter](#) of Fiscal 2016 is available. A brief power point will provide a quick summary of that information, as well as some additional details. Slides of that presentation have been included in the agenda packet.



**Fiscal 2017 Budget Proposal  
Presented to the Committee of the Whole  
June 28, 2016**

**KANE COUNTY AUDITOR**

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

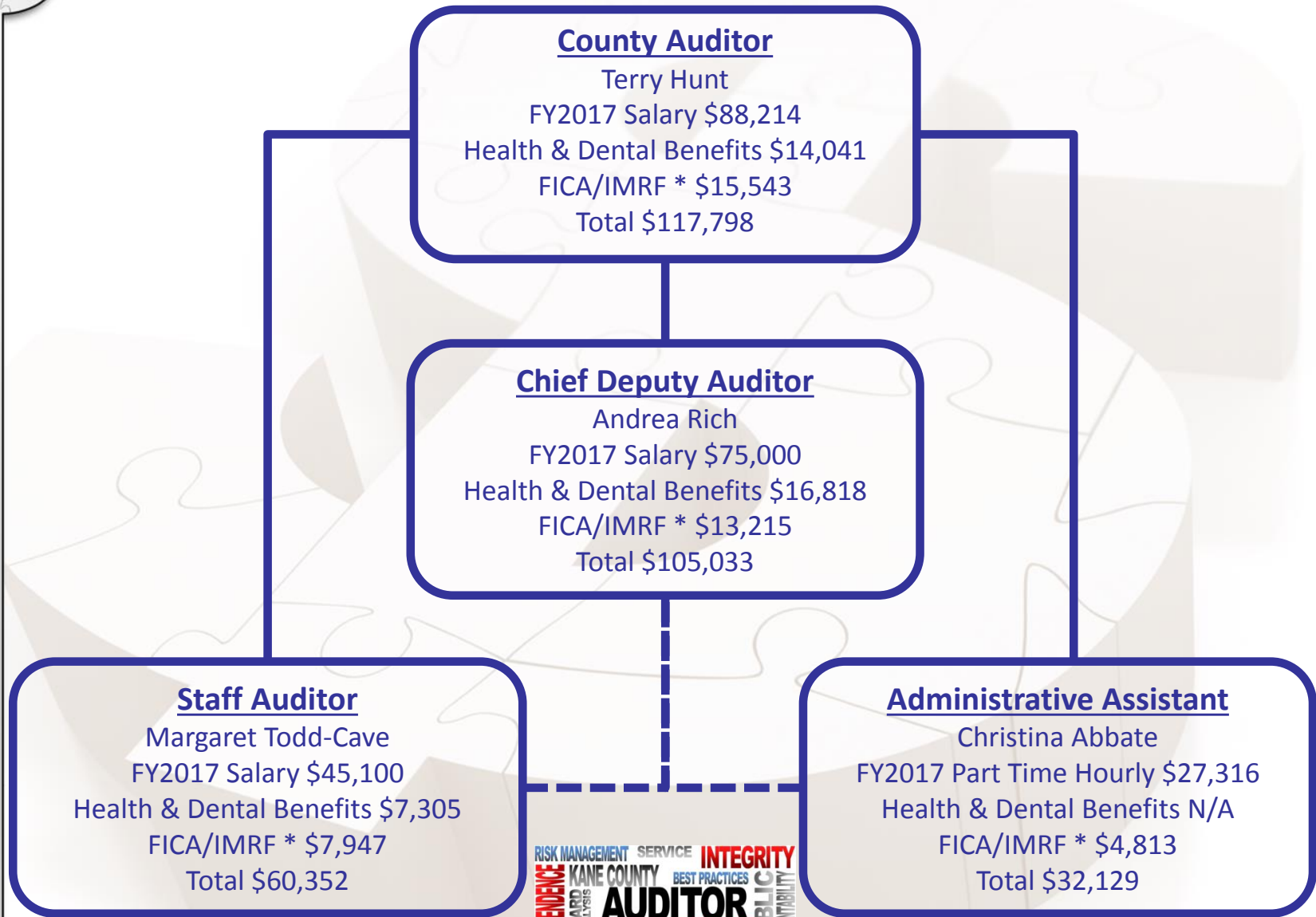


# FY2017 Budget Presentation Overview

- ❑ FY2017 Organizational Chart
  - ❑ Staffing levels remain unchanged
  
- ❑ FY2017 Budget Components
  - ❑ Personnel Budget
  - ❑ Contractual Services Budget
  - ❑ Commodities Budget
  - ❑ Footnotes
  
- ❑ FY2017 Budget Summary
  
- ❑ Questions



# Kane County Auditor FY2017 Organizational Chart





# FY2017 Budget Components

## Personnel Budget

- ❑ Salaries and wages have been increased by 2.5% for staff positions only. No change has been made for the salary of the elected official.
- ❑ The net health and dental insurance expenses have been based upon the rates projected by the finance department.
- ❑ The combined effect on the personnel budget is an increase of 2.2% over the previous year.



# FY2017 Budget Components

## Contractual Services Budget

- ❑ The FY2017 budget for contractual services has been reduced by \$5,000 which represents an 11.1% reduction from the FY2016 amended budget.
- ❑ FY2017 will be year three of our five year contract with OpenGov. For reference only, the remainder of the annual renewal rates for the balance of our contract period are
  - ❑ 1/26/2017 – 2018 \$12,500
  - ❑ 1/26/2018 – 2019 \$14,250
  - ❑ 1/26/2019 – 2020 \$14,250



# FY2017 Budget Components

## Commodities

- The FY2017 budget for commodities was virtually unchanged, resulting in a very small reduction of \$144 or 1.2% less than was budgeted for the previous year.





# FY2017 Budget Footnotes

## Transition Audit

- ❑ The FY2017 budget has been prepared based upon the assumption that there will be no need for transition audit(s) related to changes in elected officials and/or department directors. Should a transition audit become necessary, it may be necessary to request a supplemental budget adjustment.

## IT Vulnerability Assessment & Penetration Test

- ❑ The FY2016 amended budget includes \$25,000 for contractual services. The VAPT project has been deferred until after the launch of the new court case management system. It is likely the VAPT will not occur in FY2016, and will be rolled over into FY2017.

# FY2017 Budget Summary

## Kane County Auditor FY2017 Budget Proposal

	2016			2017	
	6 Mos Actual	Amended Budget	Actual % of Budget	Proposed Budget	Proposed % Change
* Personnel	\$ 125,400	268,805	46.7%	274,620	2.2%
Contractual	12,500	45,000	27.8%	40,000	-11.1%
Commodities	3,674	11,445	32.1%	11,301	-1.2%
<b>TOTAL</b>	<b>\$ 141,574</b>	<b>325,250</b>	<b>43.5%</b>	<b>325,921</b>	<b>0.2%</b>

\*Personnel includes salaries and wages, plus net health and dental insurance.

There is a 2.5% increase for staff salaries and wages. There is no increase for the County Auditor salary.

Health and dental insurance costs at rates projected by finance department.

# Questions?



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

# Auditor's Quarterly Financial Report

SECOND QUARTER FISCAL 2016

Presented to the Finance and Budget Committee  
June 29, 2016



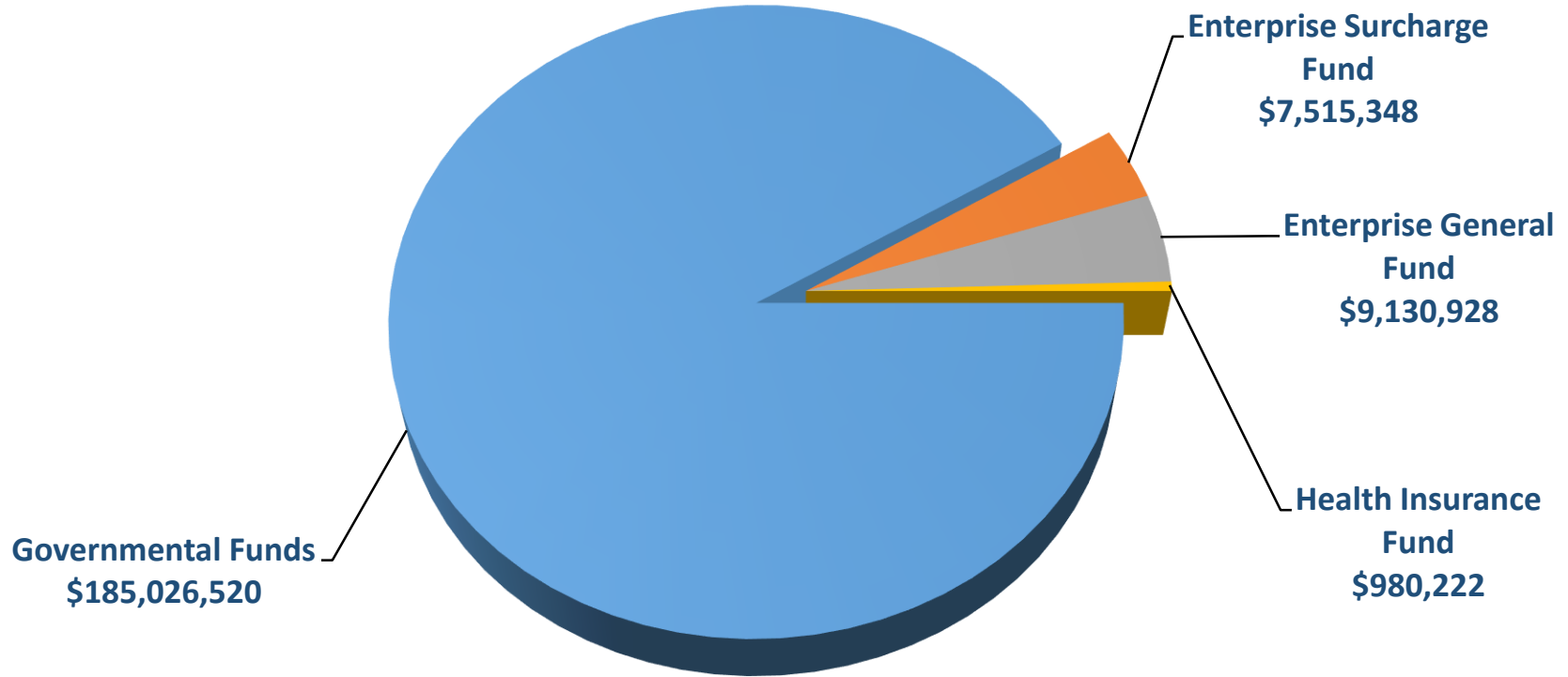
# Countywide Funds



# Countywide Funds

COUNTYWIDE FUNDS	ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$ 220,118,429	60,351,672
Expenditures & Encumbrances	220,118,429	118,286,621
Excess/(Deficiency) Revenues over Expenditures	0	(57,934,949)
Other Financing & Net Transfers In/(Out)	0	0
Less: Encumbrances Included Above	0	30,139,765
Net Change in Countywide Funds Balance	0	(27,795,184)
Countywide Funds Balance, Beginning of Year		230,448,202
Countywide Funds Balance, End of Quarter	\$	202,653,018

# Countywide Funds



# Governmental Funds

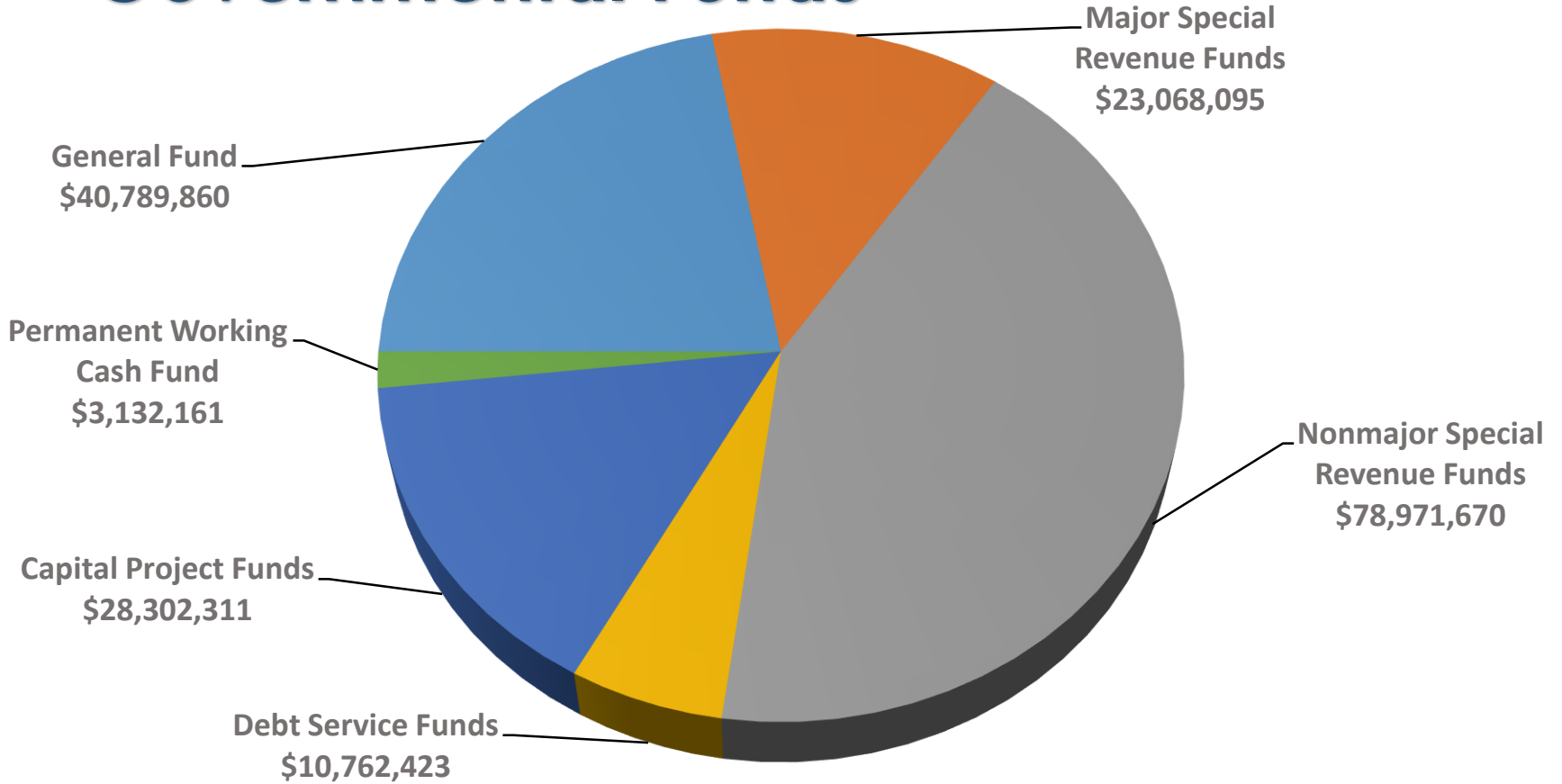




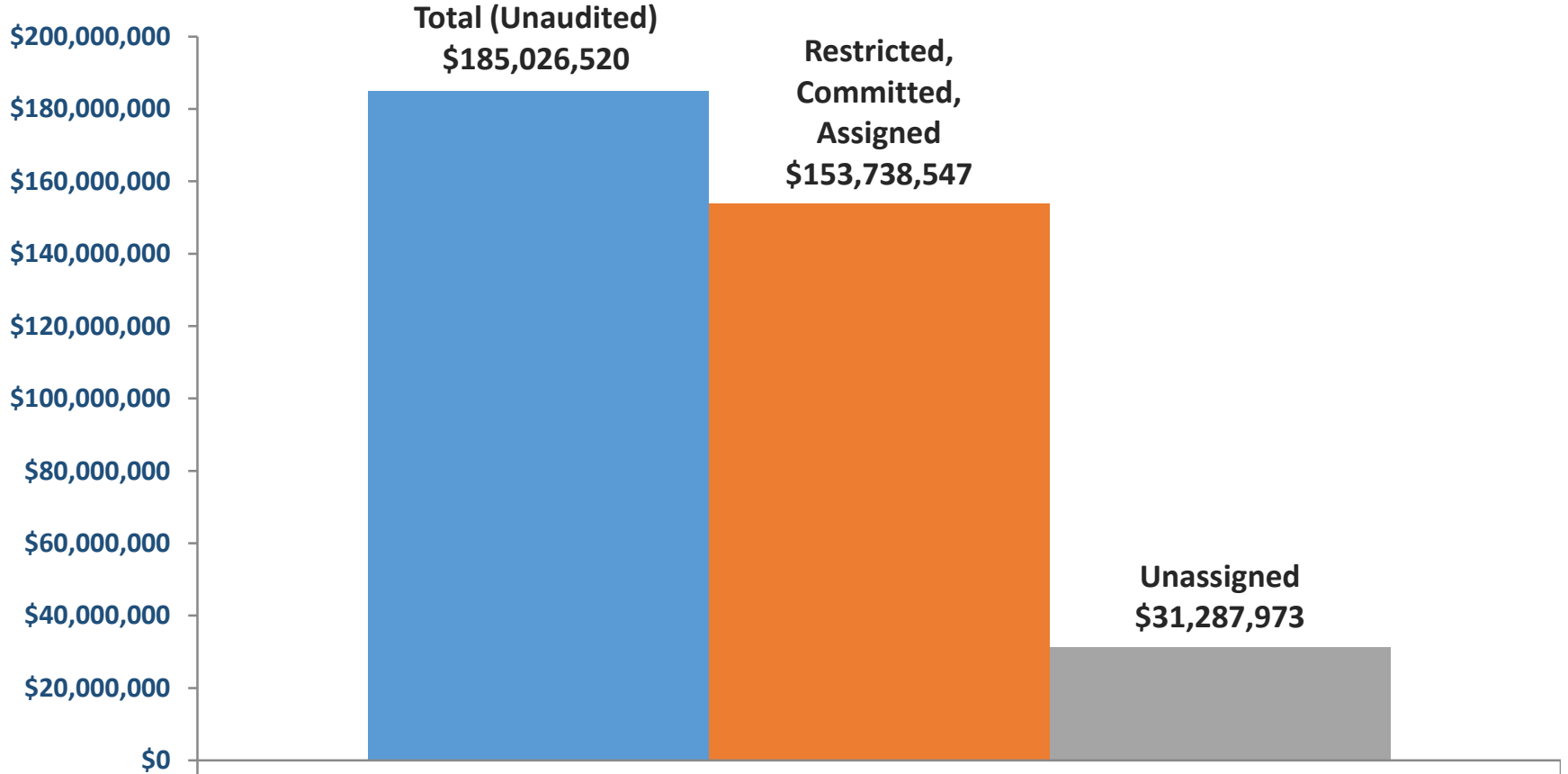
# Governmental Funds

GOVERNMENTAL FUNDS	ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$ 200,543,588	53,704,127
Expenditures & Encumbrances	200,610,975	108,521,638
Excess/(Deficiency) Revenues over Expenditures	(67,387)	(54,817,511)
Other Financing & Net Transfers In/(Out)	67,387	67,387
Less: Encumbrances Included Above	0	29,946,135
Net Change in Countywide Funds Balance	0	(24,803,989)
Governmental Funds Balance, Beginning of Year		209,830,509
Governmental Funds Balance, End of Quarter	\$	185,026,520

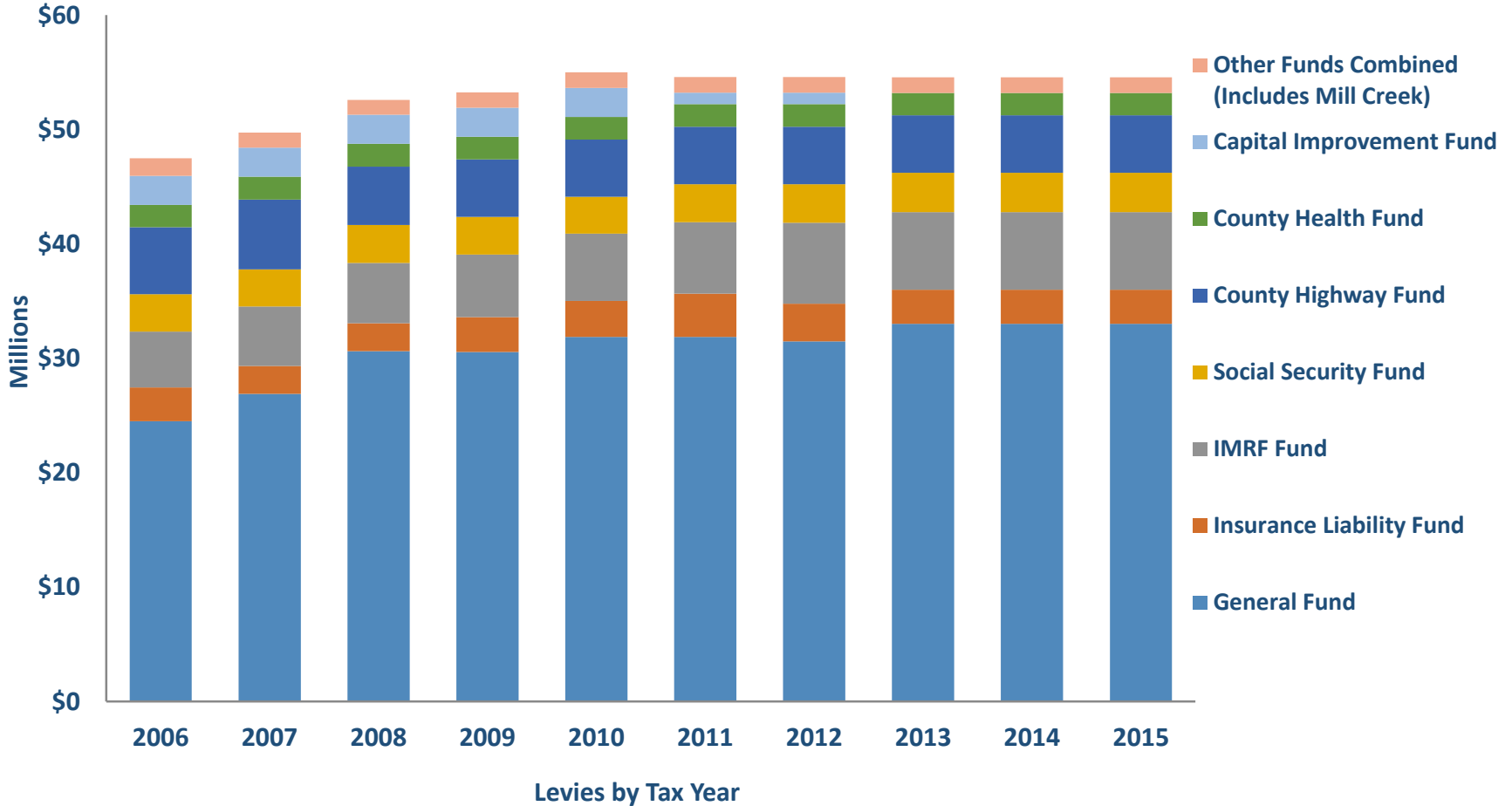
# Governmental Funds



# Governmental Funds



# Governmental Funds



# Change in Major Special Revenue Funds

- In previous years the Motor Fuel Local Option Fund and the Transportation Sales Tax Funds were categorized as major special revenue.
- For Fiscal Year 2015 the IMRF Fund was re-classified as a major special revenue fund, and the Motor Fuel Local Option Fund was reclassified as a non-major special revenue fund.
- For Fiscal Year 2016, the quarterly report reflects these changes in both the budget and actual results.

# Notes on Special Revenue Funds

## Timing Issues - Revenues

- Property Tax revenues are not collected evenly throughout the year. For **Special Revenue Funds only**, Property Tax Revenues are budgeted to be +/- \$21.6M for fiscal 2016. At the mid-point of the year, the revenues collected are just \$1.4M (6.6% of budget).
- Similarly, other tax revenue collections may also lag. For **Special Revenue Funds only** the budget is \$31.4M and YTD collections are \$10.7M (33.9% of budget).

# Notes on Special Revenue Funds

Funds running YTD deficits due to timing issues

- The following funds are running YTD deficits due to the timing issues related to the collection of property tax revenues. Each of these funds is expected to be within budget as collections catch up to the budget.
  - Insurance Liability Fund
  - FICA/Social Security Fund
  - County Health Fund
  - Veteran's Commission
  - Mill Creek SSA

# Notes on Special Revenue Funds

Funds running YTD deficits due to timing issues

- Collection of grant revenues can similarly affect interim fund balances. The following funds are currently operating at a deficit due to budgeted grant revenues which have not been collected. Grant revenues are less predictable, and it remains to be seen whether these funds will achieve their budgets.
  - Title IV-D
  - Homeless Management Info Systems
  - Neighborhood Stabilization Program
  - Continuum of Care Planning



# Notes on Special Revenue Funds

Funds running YTD deficits due to other issues

- Kane Comm has experienced YTD shortages for both charges for services and reimbursements received. As a result the Kane Comm fund is running at a YTD deficit of +/- \$259K.

# Notes on Special Revenue Funds

## Other situations

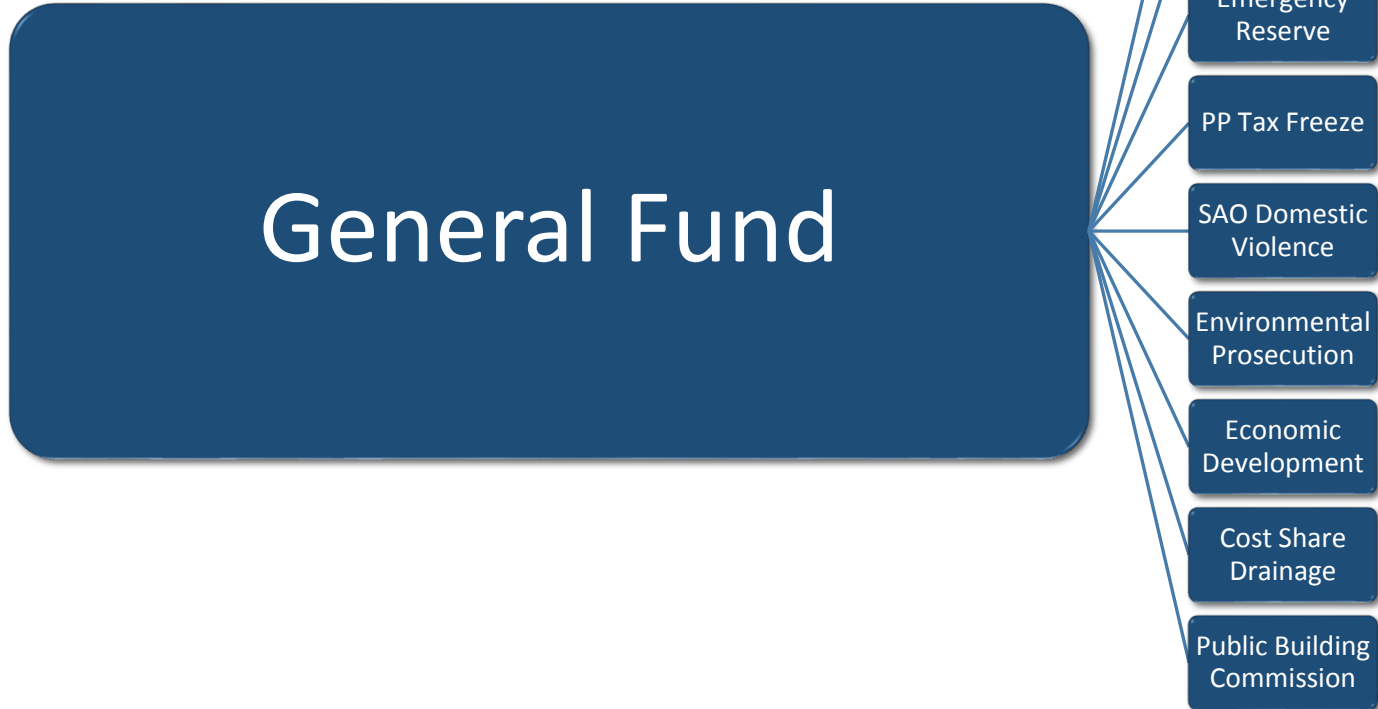
- Court Security was subsidized with an internal transfer of approximately \$552K. Without that transfer, this fund would be running a deficit of approximately \$381K. However the combination of increased court security fees and the transfer, the fund is actually operating with a surplus of +/- \$171K year-to-date.

# Notes on Special Revenue Funds

## Other situations

- Animal Control is operating at a year-to-date surplus of \$64K and currently has a small, but positive, fund balance.

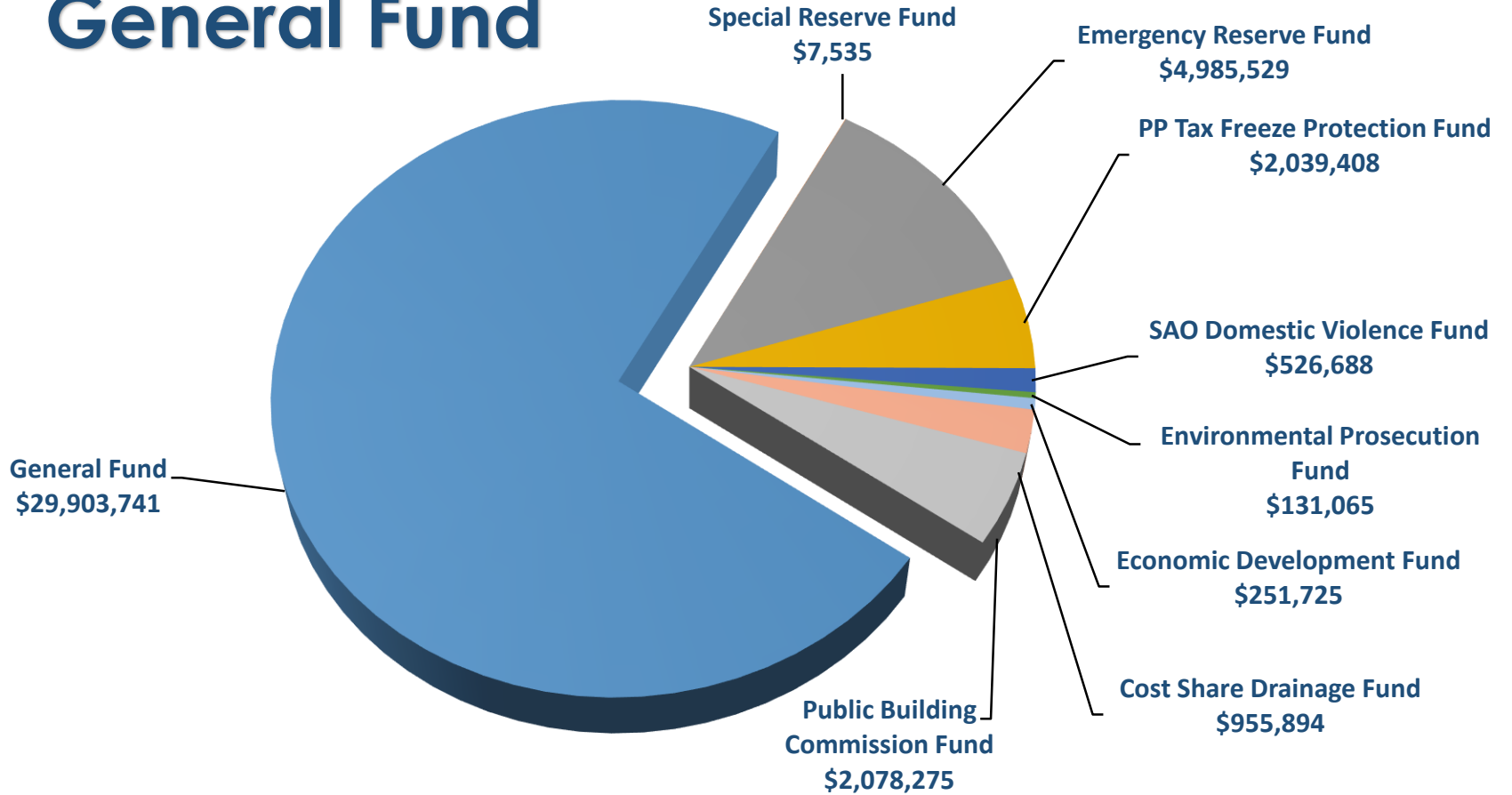
# General Fund



# General Fund

GENERAL FUND		ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$	82,268,686	17,885,091
Expenditures & Encumbrances		80,387,769	36,839,831
Excess/(Deficiency) Revenues over Expenditures		1,880,917	(1,984,740)
Other Financing & Net Transfers In/(Out)		(1,880,917)	(1,958,026)
Less: Encumbrances Included Above		0	258,956
Net Change in General Funds Balance		0	(20,683,810)
General Funds Balance, Beginning of Year			61,473,670
General Funds Balance, End of Quarter	\$		40,789,860

# General Fund



# Any questions?

