

OFFICE OF THE KANE COUNTY AUDITOR
TERRY HUNT, KANE COUNTY AUDITOR

MARIOLA OSCARSON
DEPUTY AUDITOR

MARGARET TODD-CAVE
STAFF AUDITOR



719 S.BATAVIA AVENUE
GENEVA, ILLINOIS 60134

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

September 27, 2017

FINANCE and BUDGET COMMITTEE REPORT

Updates from the Auditor's Office

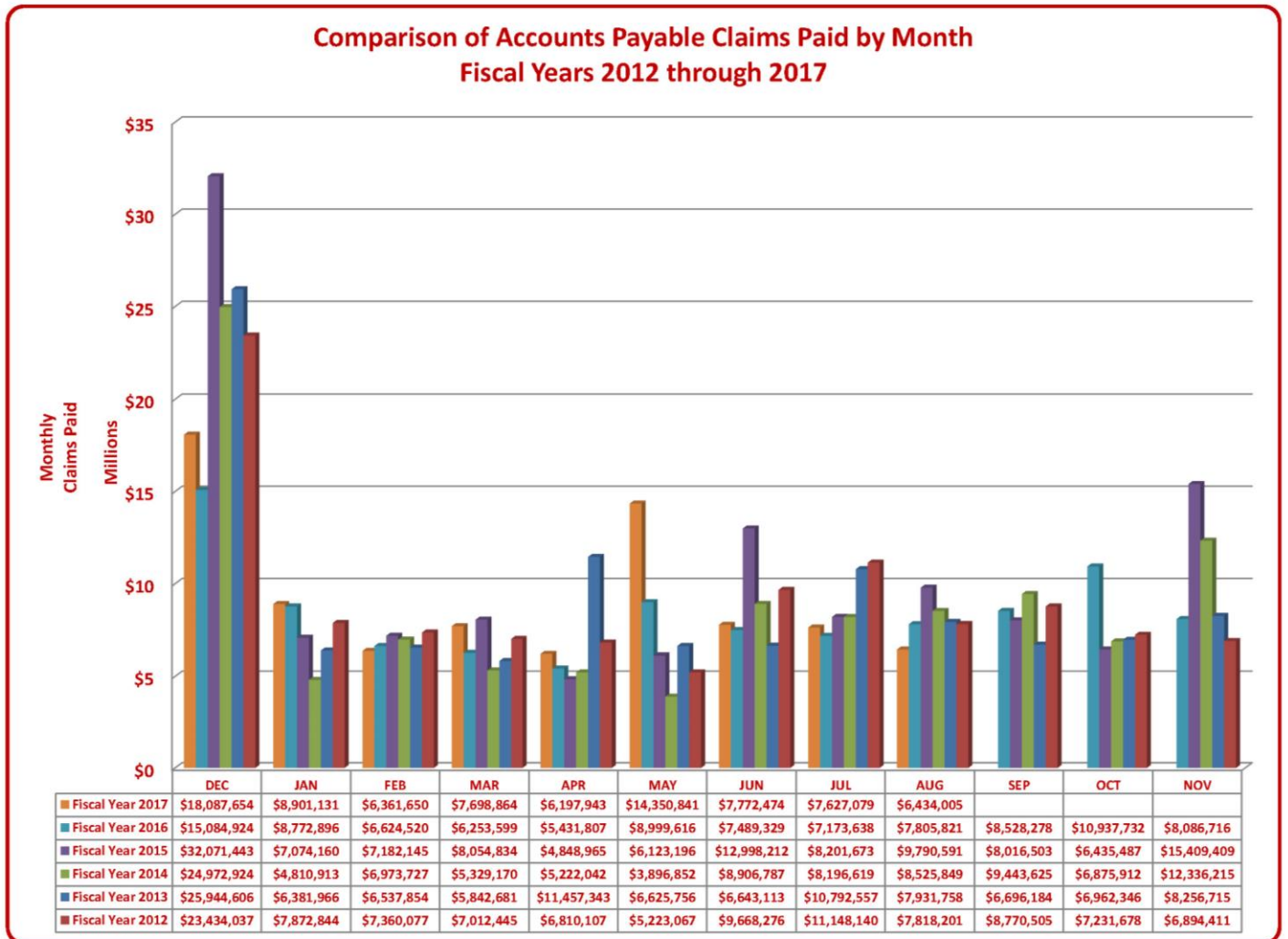
- The [Auditor's Quarterly Financial Report](#) for the 3rd Quarter of Fiscal 2017 was circulated electronically on September 14th to all County Board members as well as non-board members of the Enhanced Finance & Budget Committee. The County Auditor's webpage also has a link to the report for viewing by the public.
- An overview of portions of that report will be the subject of a short power point presentation. Slides of that presentation are included as part of the agenda.
- The revised version of the Fiscal [2018 Budget Proposal for the County Auditor's Office](#) has been submitted to the Finance Department. The information included was made available for discussion at the Enhanced Finance and Budget Committee meeting on September 21st. The additional reductions made in the revision resulted in an overall reduction of 12.1% from the amended 2017 budget for the Office. There are two important assumptions in arriving at that reduction.
 1. Non-union staff wages are frozen at their 2017 levels on a countywide basis, and
 2. The County Board agrees to defer the Vulnerability Assessment and Penetration Test until some future date, despite the potential value of the project and the inherent risk of further delay.

Accounts Payable Claims Paid Report

The **Accounts Payable Claims Paid Report for August 2017** shows that 1,938 invoices were processed which resulted in payments of \$6,434,004.93.

The supporting detail is available on the **Kane County OpenGov** platform. The following link will connect to the [online checkbook for August 2017](#). Reports for previous months are also available as saved views on the [Kane County Online Checkbook](#).

The following chart illustrates the comparison between accounts payable claims paid by month for fiscal years 2012 through 2017 to date.



Power Point Presentation

A brief power point presentation has been prepared which provides an overview of the County Auditor’s Quarterly Report for the third quarter of Fiscal 2017. Slides of the presentation are included in the agenda packet.



Auditor's Quarterly Financial Report Overview

THIRD QUARTER FISCAL YEAR 2017
FISCAL YEAR ENDED NOVEMBER 30, 2017

Presented to the Finance and Budget Committee
September 27, 2017



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

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

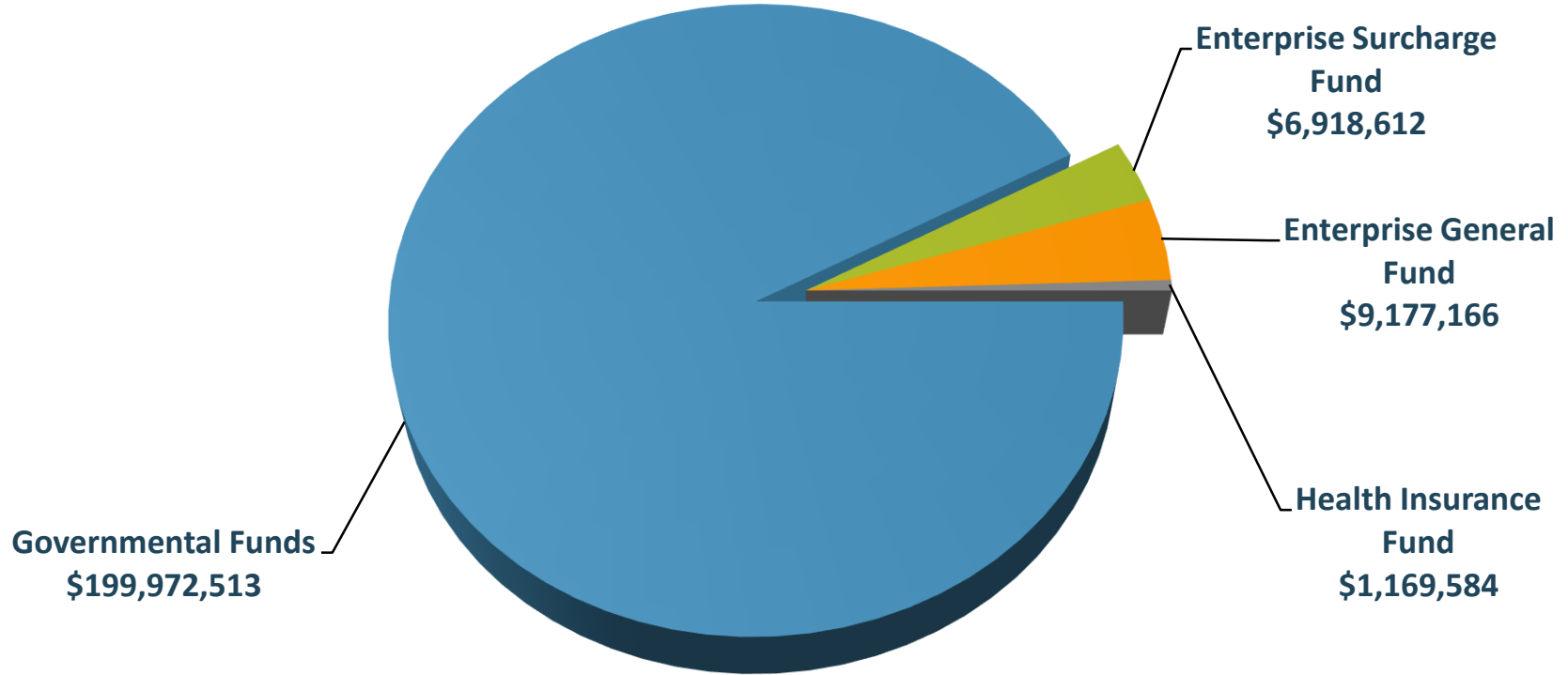
Governmental
Funds

Proprietary
Funds

Countywide Funds (as of August 31, 2017)

COUNTYWIDE FUNDS	ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$ 230,879,820	113,192,660
Expenditures & Encumbrances	260,879,820	153,226,430
Excess/(Deficiency) Revenues over Expenditures	(30,000,000)	(40,033,770)
Other Financing & Net Transfers In/(Out)	30,000,000	0
Less: Encumbrances Included Above		22,544,836
Net Change in Countywide Funds Balance		(17,488,934)
Countywide Funds Balance, Beginning of Year		234,726,809
Countywide Funds Balance, End of Quarter	\$	217,237,875

Countywide Funds



Governmental Funds



Governmental Funds

General
Fund

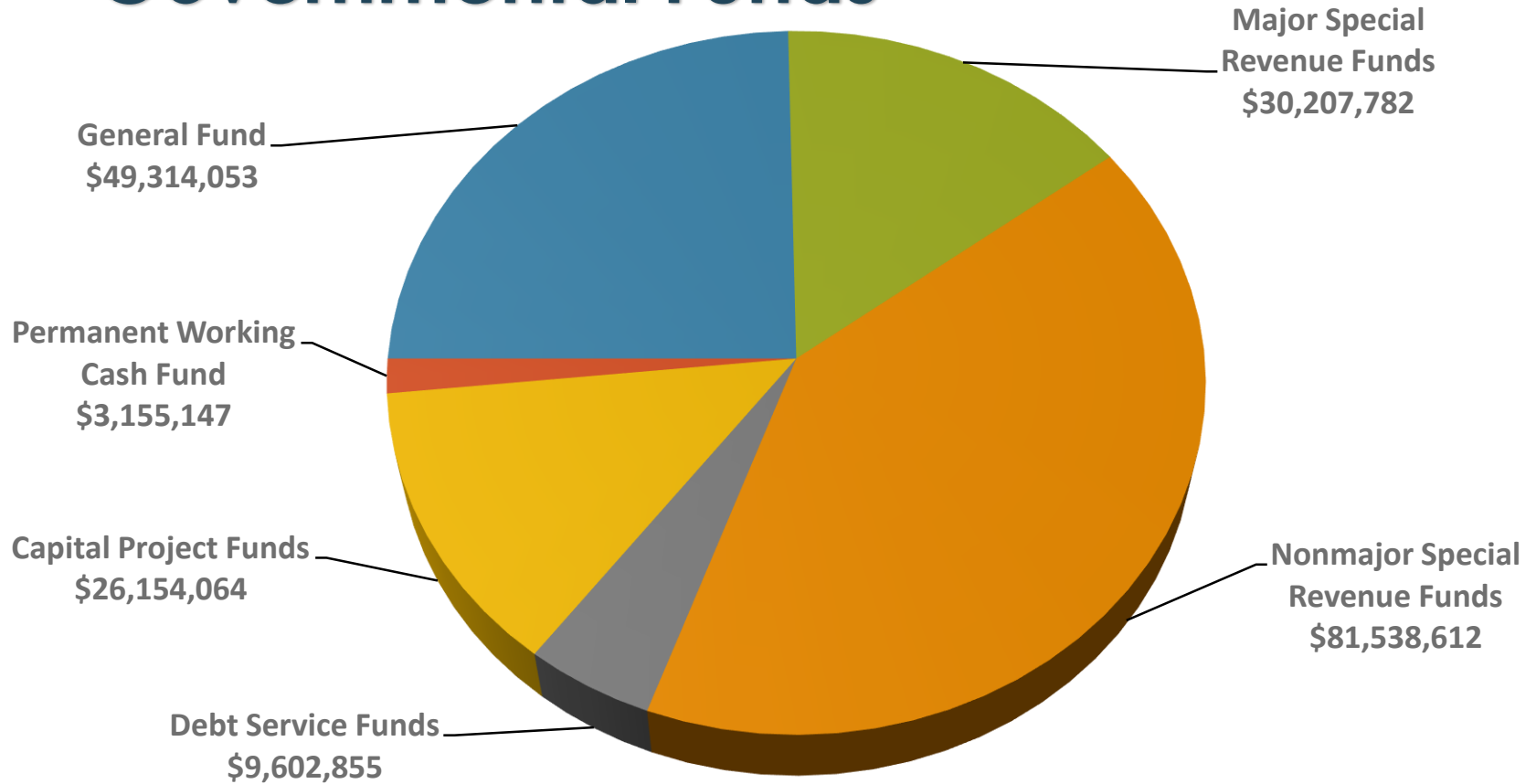
Special Revenue
Funds

Permanent
Working Cash
Fund

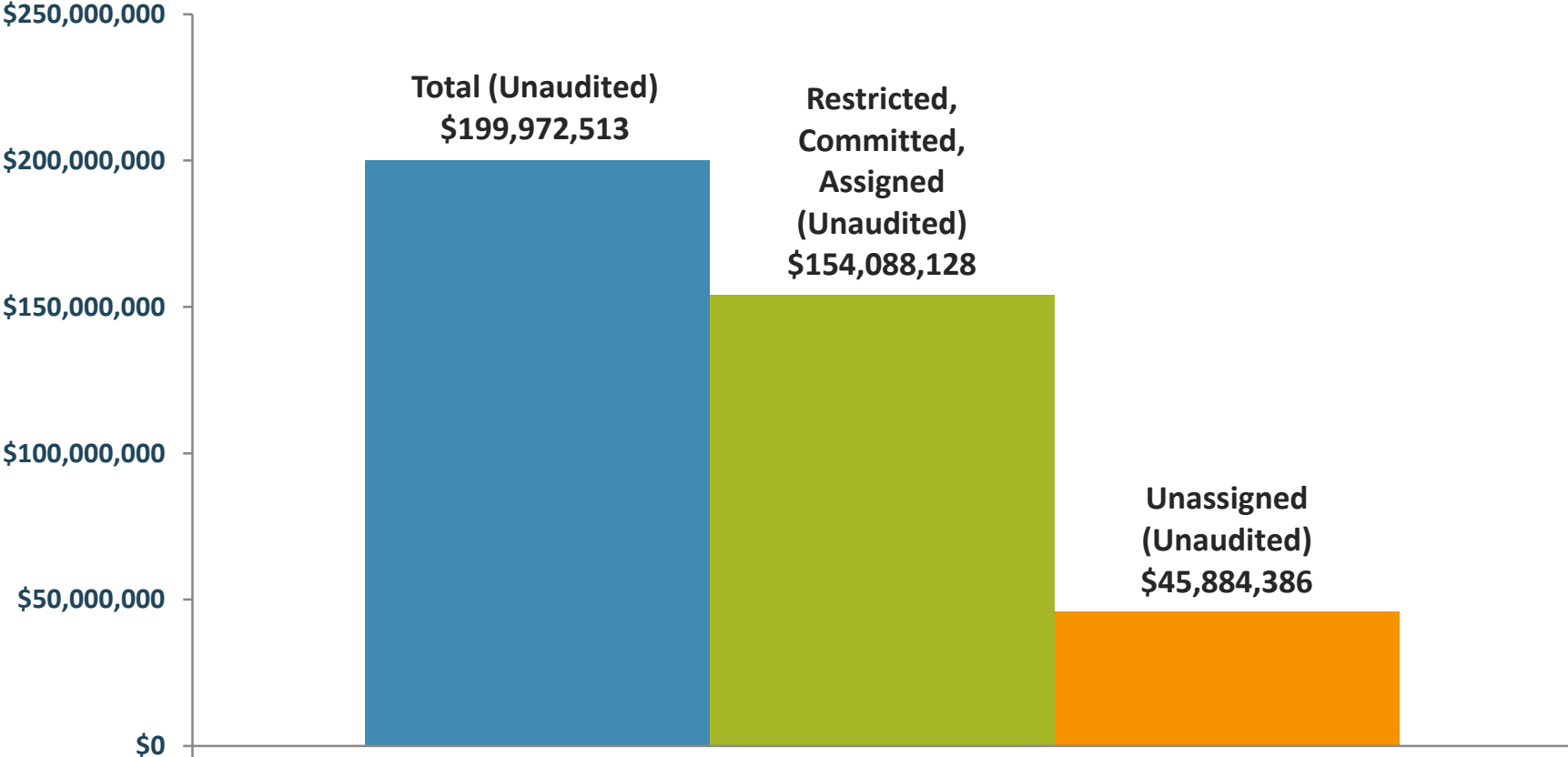
Governmental Funds (as of August 31, 2017)

GOVERNMENTAL FUNDS	ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$ 207,360,175	101,921,327
Expenditures & Encumbrances	237,367,314	139,303,093
Excess/(Deficiency) Revenues over Expenditures	(30,007,139)	(37,381,767)
Other Financing & Net Transfers In/(Out)	30,007,139	7,139
Less: Encumbrances Included Above		22,509,327
Net Change in Governmental Funds Balance		(14,865,301)
Governmental Funds Balance, Beginning of Year		214,837,814
Governmental Funds Balance, End of Quarter	\$	199,972,513

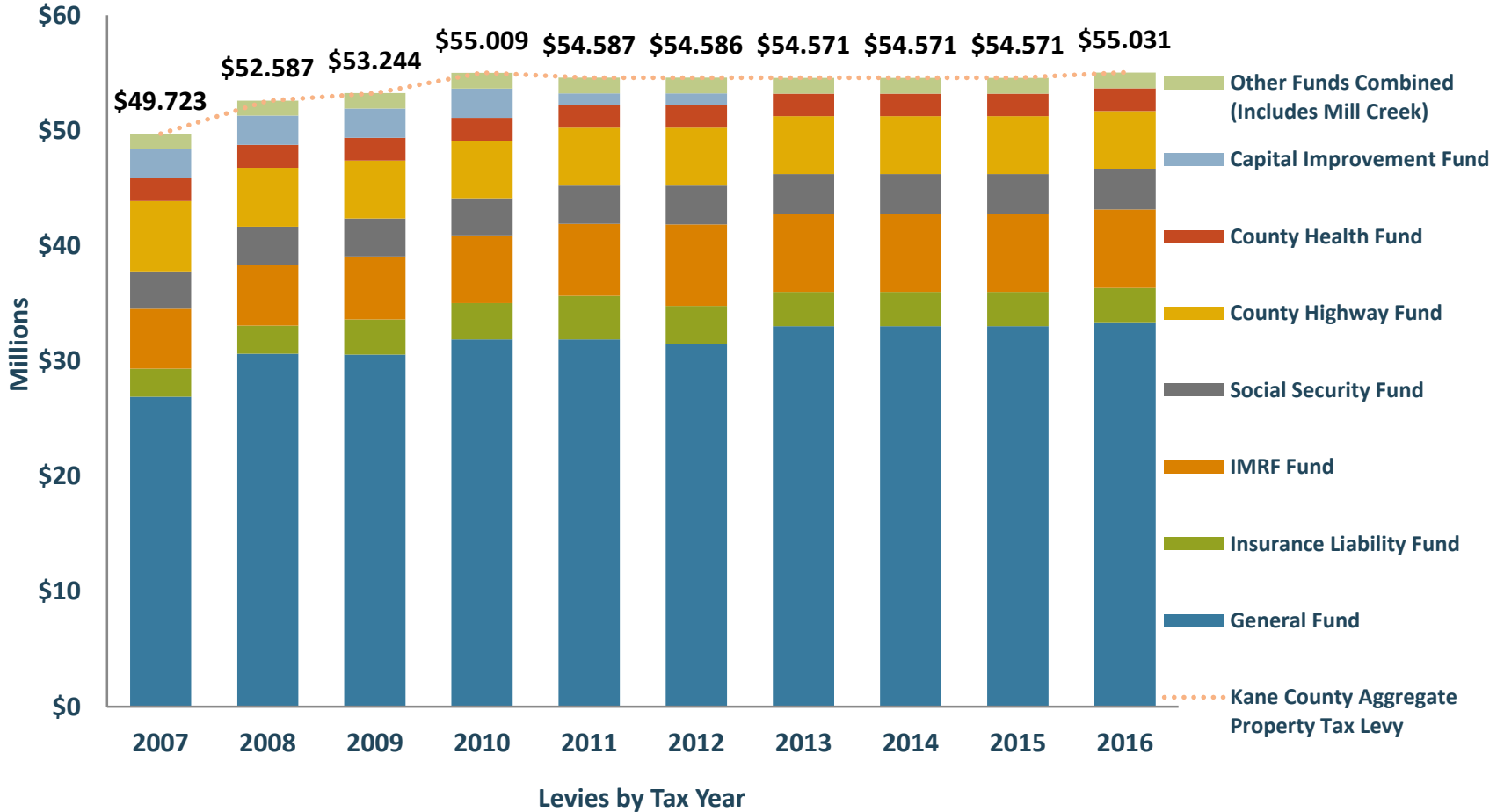
Governmental Funds



Governmental Funds (as of August 31, 2017)



Governmental Funds



General Fund



General Fund

General Fund

Special Reserve

Emergency Reserve

PP Tax Freeze

SAO Domestic Violence

Environmental Prosecution

Economic Development

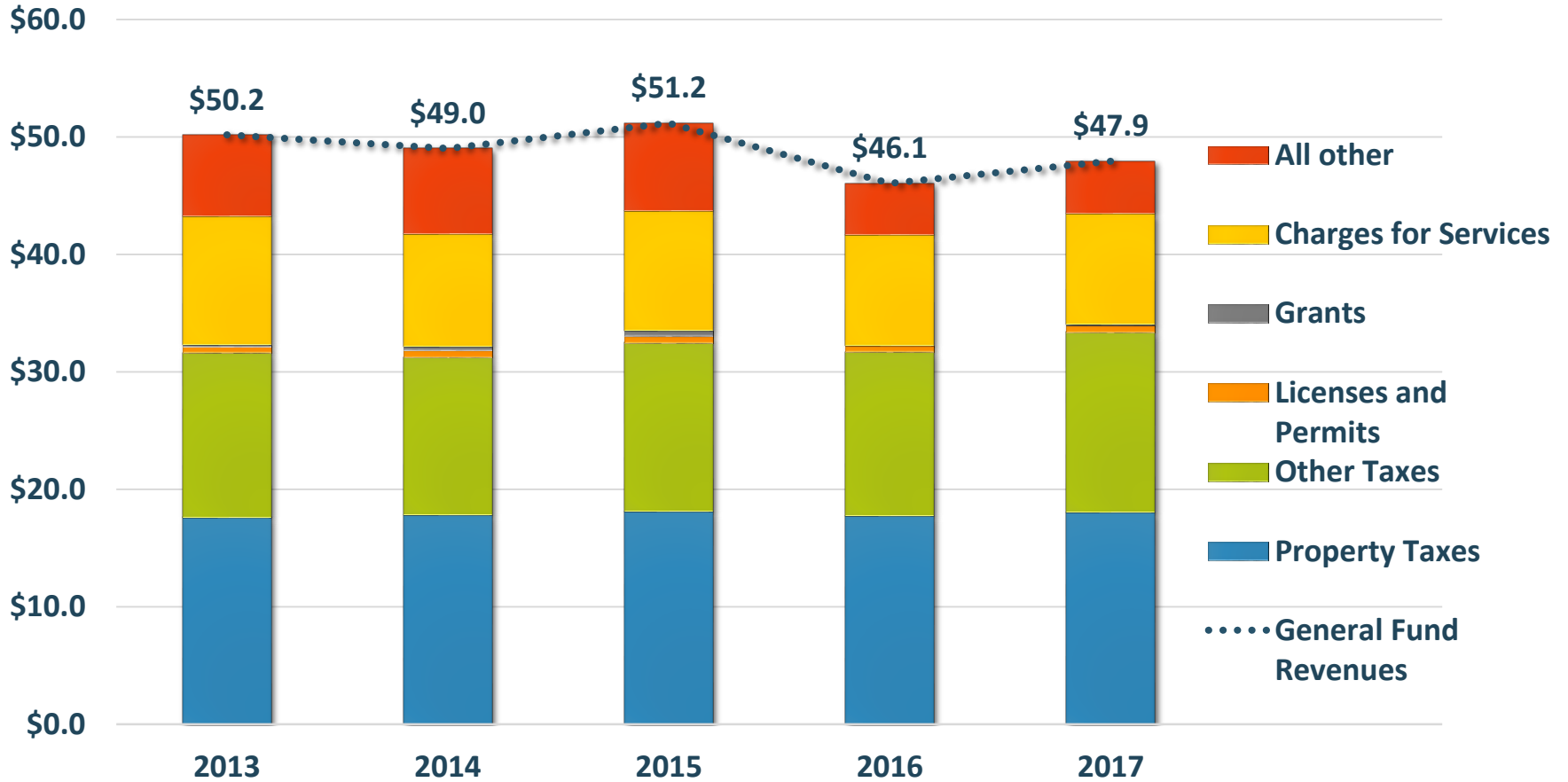
Cost Share Drainage

Public Building Commission

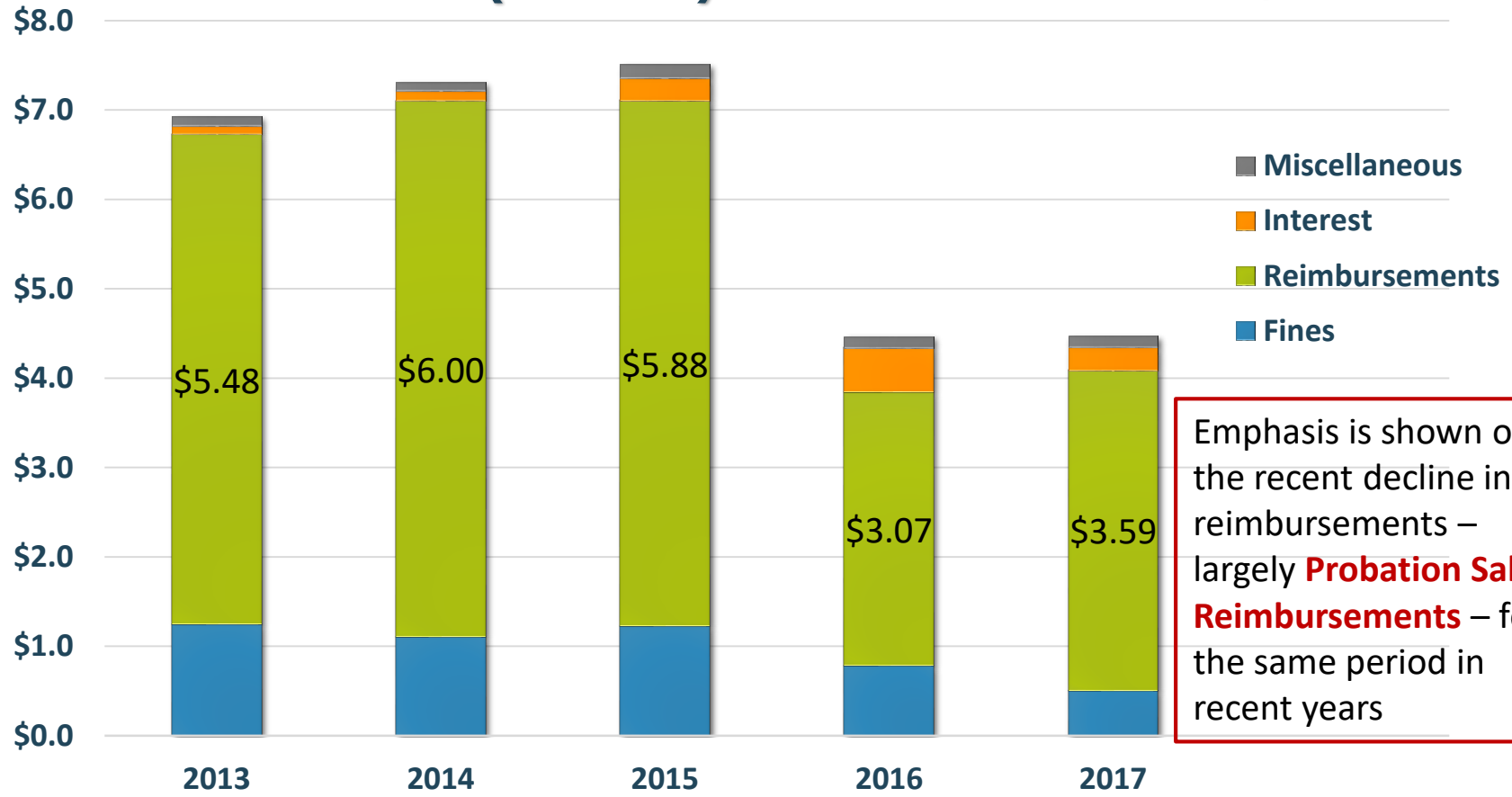
General Fund (as of August 31, 2017)

GENERAL FUND	ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$ 85,102,616	48,053,655
Expenditures & Encumbrances	81,735,986	57,282,145
Excess/(Deficiency) Revenues over Expenditures	3,366,630	(9,228,490)
Other Financing & Net Transfers In/(Out)	(3,366,630)	(3,642,462)
Less: Encumbrances Included Above		246,700
Net Change in General Fund Balance		(12,624,252)
General Fund Balance, Beginning of Year		61,938,304
General Fund Balance, End of Quarter	\$	49,314,053

General Fund Revenues - Third Quarter

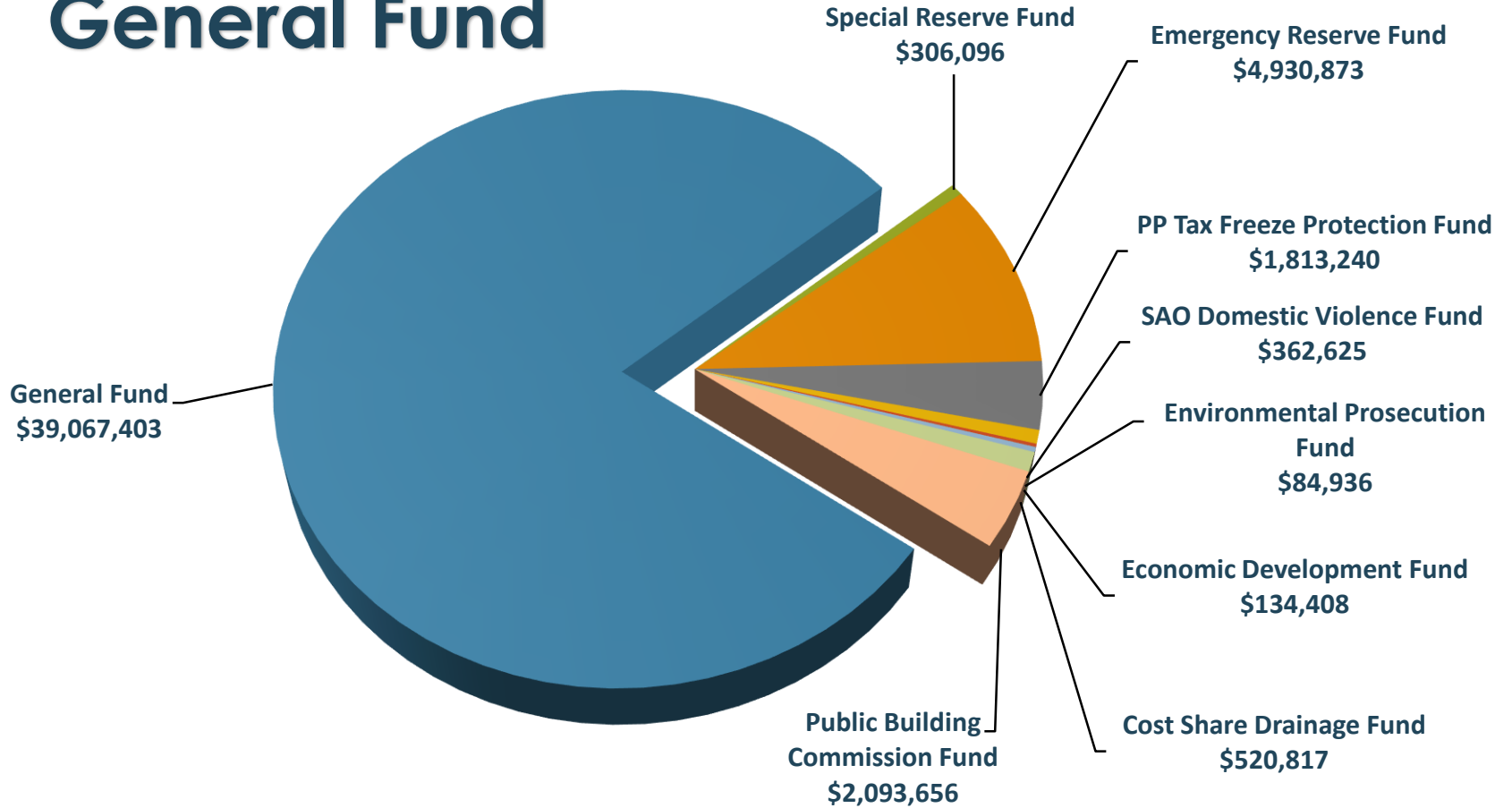


Gen Fund (All other) Revenues - Third Quarter



Emphasis is shown on the recent decline in reimbursements – largely **Probation Salary Reimbursements** – for the same period in recent years

General Fund



General Obligation Bonds



Outstanding Bonds

Series 2004
GO Refunding

Series 2010
GO Alt Revenue

Series 2013
GO Refunding

Bonds Outstanding – Issued Fiscal Year 2004

In 2004 the County issued \$26,785,000 of General Obligation Bonds – Series 2004 for the purpose of refunding various debt instruments.

These bonds were used to refund previously issued bonds, including those used to finance the construction of the Orchard Road project.

Semi-annual interest is paid at 5.25%. This series is scheduled to be retired in fiscal 2021.

Bonds Outstanding – Issued Fiscal Year 2011

In December 2010 the County issued an additional \$7,670,000 in “Build America Bonds” as authorized under the American Recovery and Reinvestment Act of 2009. The act provides for a Federal subsidy through a refundable tax credit to be paid to the County equal to 45% of the total interest paid to investors.

These bonds were designated as Recovery Zone Economic Development Bonds. Principal and interest payments come from the Recovery Zone Bond Debt Service Fund.

Semi-annual interest is paid at rates ranging from 1.15% to 6.55%. This series is scheduled to be fully retired in 2031.

Bonds Outstanding – Issued Fiscal Year 2013

In April 2013 the County issued \$27,225,000 of General Obligation Bonds – Series 2013 for the purpose of refunding various debt instruments which carried higher interest rates to reduce the overall interest expense to the County.

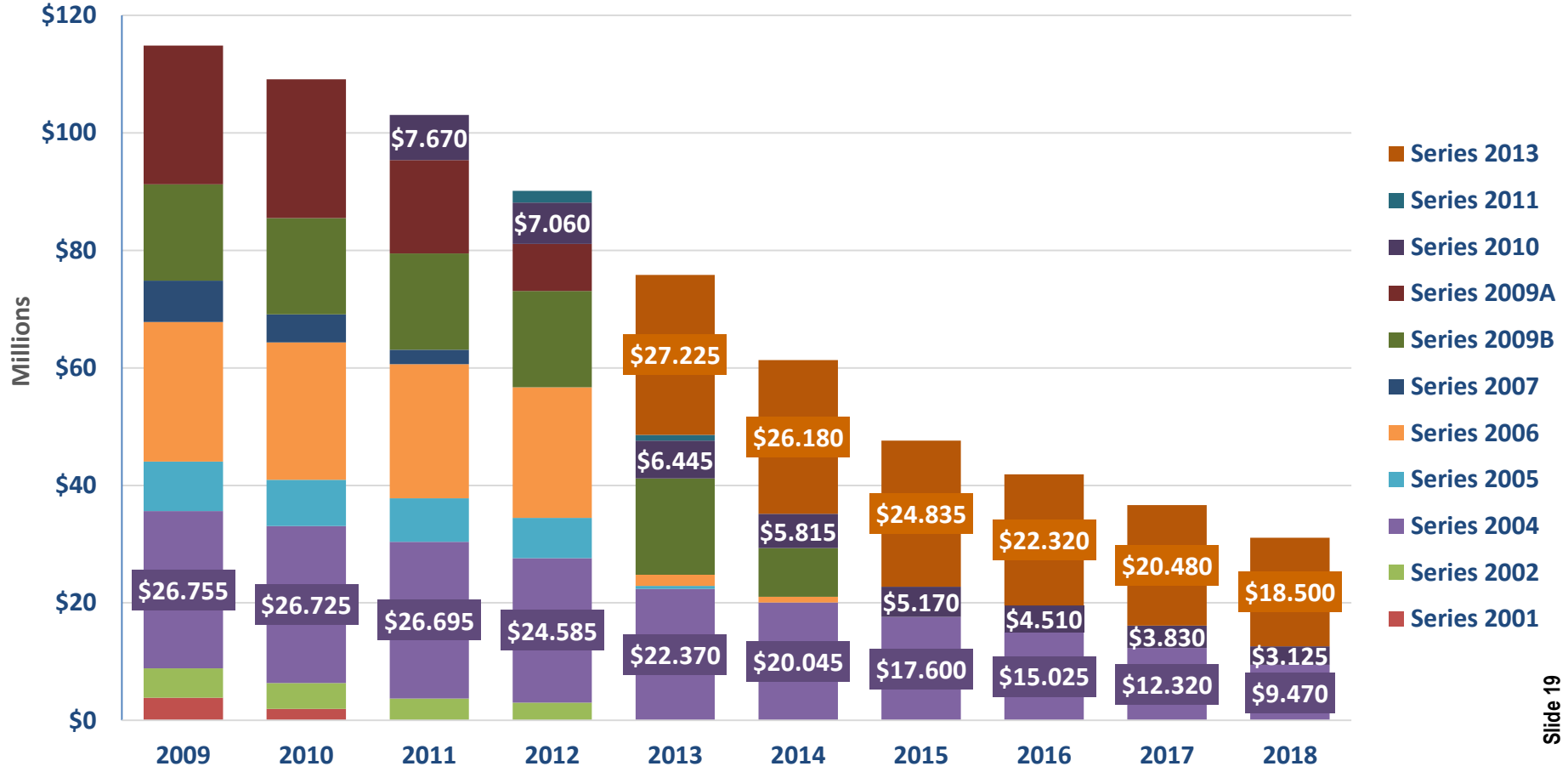
The remaining principal balance of approximately \$2,320,000 in Series 2002 G.O. Bonds was fully refunded.

Additionally, partial refunding of approximately \$5,795,000 in Series 2005 Debt Certificates, and \$19,620,000 in Series 2006 Debt Certificates was made through the Series 2013 issue.

Interest between 2.00% and 3.00% is paid on a semi-annual basis. This series is scheduled to be fully retired in 2024.

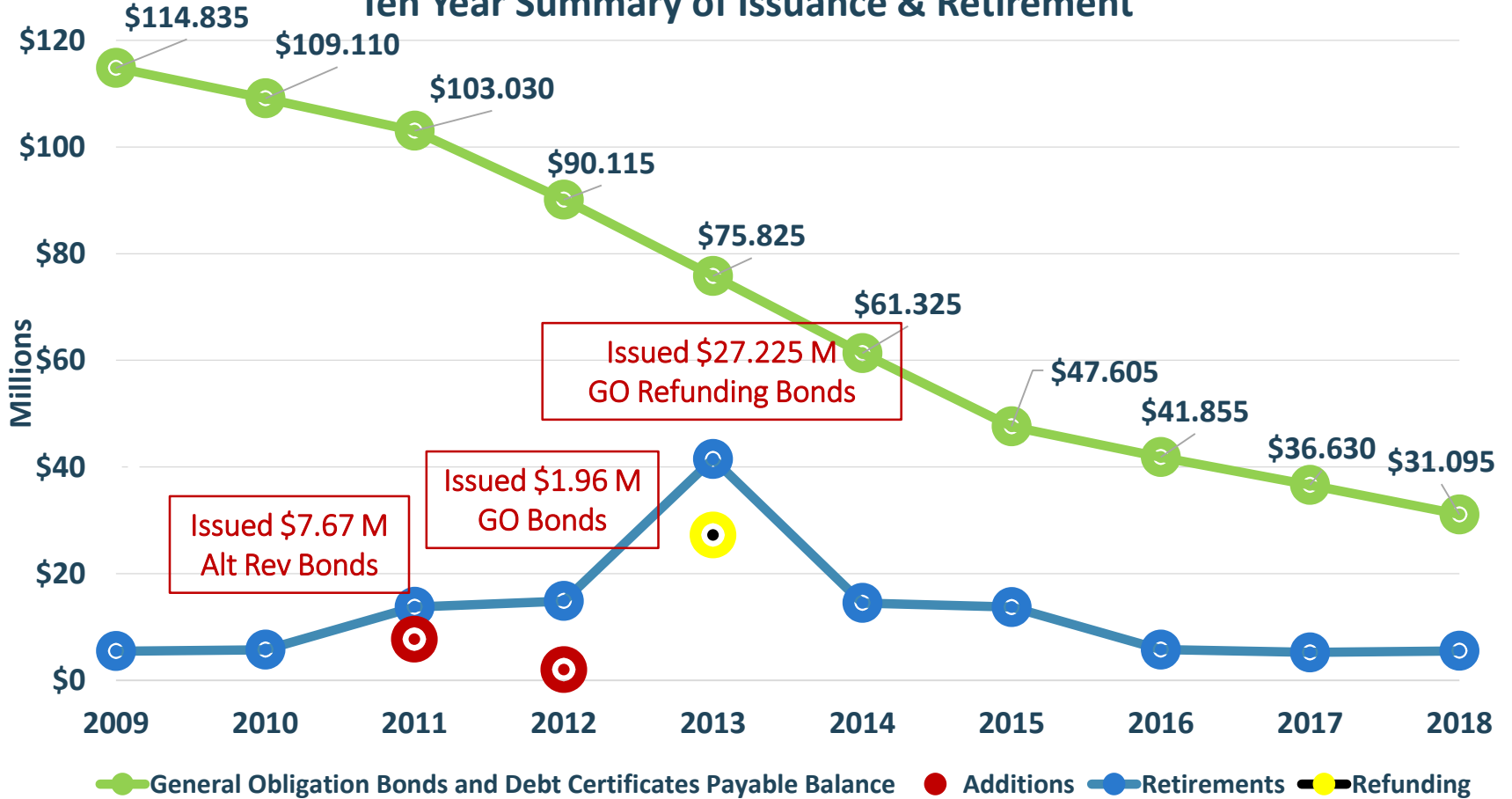
General Obligation Bonds & Debt Certificates Payable

Ten Year History of Outstanding Indebtedness at Year End

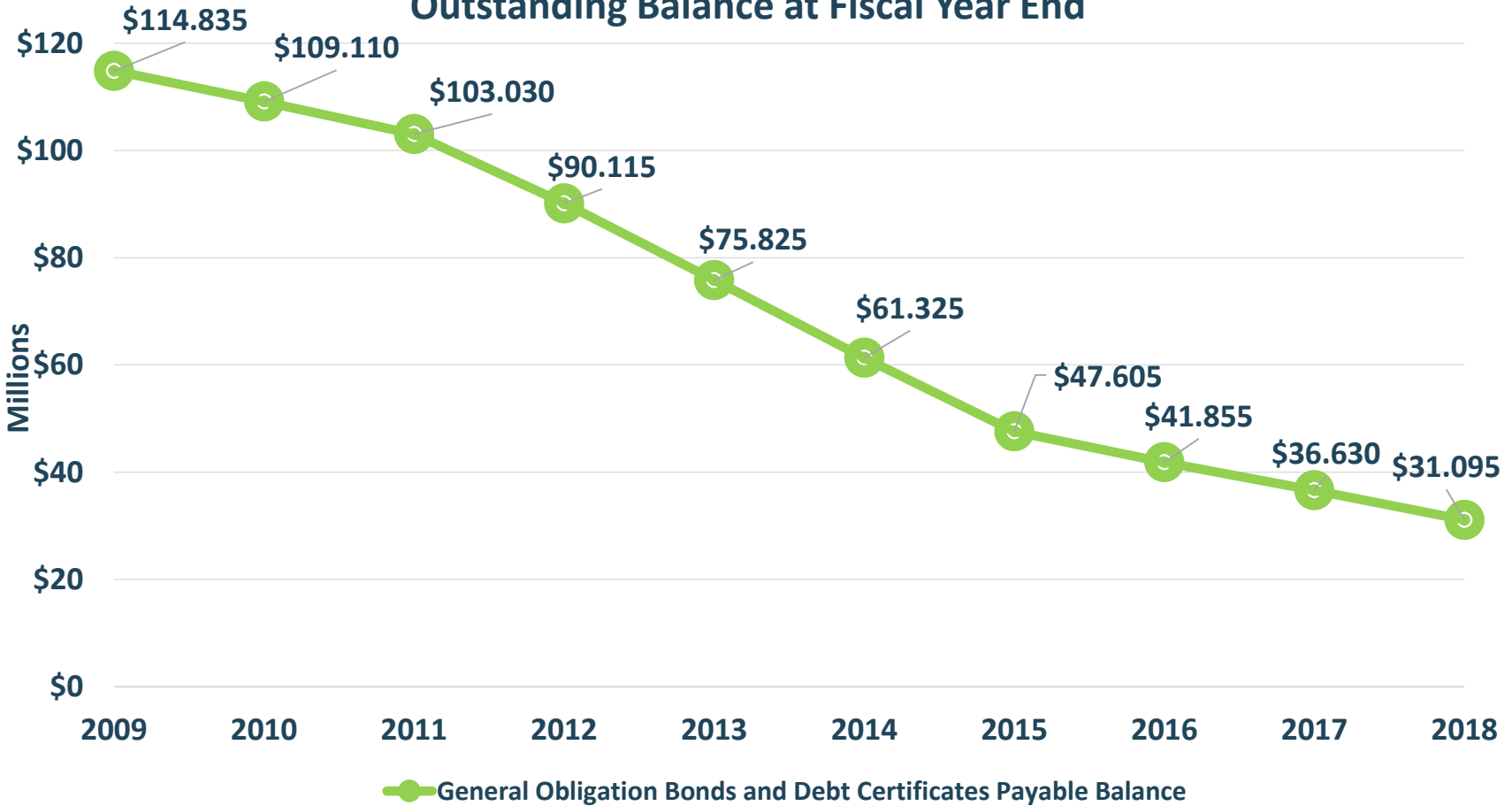


General Obligation Bonds & Debt Certificates Payable

Ten Year Summary of Issuance & Retirement



General Obligation Bonds & Debt Certificates Payable Outstanding Balance at Fiscal Year End



GO Bonds & Debt Certificates Net Retirement

Fiscal Years 2010 Through 2018 (Projected) In \$ Millions

BONDS AND DEBT CERTIFICATES		Beginning	FISCAL YEAR ACTIVITY									Ending
		Balance	2010	2011	2012	2013	2014	2015	2016	2017	2018	Balance
Series 2001 - MFT Alt Revenue Bonds	\$	3.845	(1.875)	(1.970)								0.000
Series 2002 - GO Refunding Bonds		5.010	(0.635)	(0.660)	(0.685)	(3.030)						0.000
Series 2004 - GO Refunding Bonds		26.755	(0.030)	(0.030)	(2.110)	(2.215)	(2.325)	(2.445)	(2.575)	(2.705)	(2.850)	9.470
Series 2005 - Debt Certificates		8.420	(0.525)	(0.525)	(0.525)	(6.320)	(0.525)					0.000
Series 2006 - Debt Certificates		23.795	(0.410)	(0.515)	(0.630)	(20.365)	(0.870)	(1.005)				0.000
Series 2007 - GO Bonds		7.010	(2.250)	(2.335)	(2.425)							0.000
Series 2009A - GO Alt Revenue Bonds		23.600		(7.715)	(7.890)	(7.995)						0.000
Series 2009B - GO Alt Revenue Bonds		16.400					(8.120)	(8.280)				0.000
Series 2010 - GO Alt Revenue Bonds		-		7.670	(0.610)	(0.615)	(0.630)	(0.645)	(0.660)	(0.680)	(0.705)	3.125
Series 2011 - GO Bonds		-			1.960	(0.975)	(0.985)					0.000
Series 2013 - GO Refunding Bonds		-				27.225	(1.045)	(1.345)	(2.515)	(1.840)	(1.980)	18.500
ANNUAL NET RETIREMENTS	\$		(5.725)	(6.080)	(12.915)	(14.290)	(14.500)	(13.720)	(5.750)	(5.225)	(5.535)	
CUMULATIVE NET RETIREMENTS	\$		(5.725)	(11.805)	(24.720)	(39.010)	(53.510)	(67.230)	(72.980)	(78.205)	(83.740)	
YEAR END BALANCE	\$	114.835	109.110	103.030	90.115	75.825	61.325	47.605	41.855	36.630	31.095	31.095

Notes on Special Revenue Funds

- Property Tax revenues are not collected evenly throughout the year. Because the September 1st installment falls into the fourth fiscal quarter, the Property Tax collections through the third fiscal quarter are only approximately 61% of the annual total.
- Allowing for that, *Special Revenue Funds* with a revenue component related to Property Taxes Revenues are not included in the following chart.

Notes on Special Revenue Funds

- The following funds are running year-to-date deficits in excess of \$50,000. There are a number of issues contributing to the deficit, including timing or reduction of reimbursements, other tax revenues, grants, etc.
- The purpose of the following chart is simply for informational purposes only.

Special Revenue Funds

Year-To-Date Deficit of \$50,000 or more

Fund Name - Number	YTD Deficit	Fund Balance
Geo Information Systems - 101	(485,805)	2,234,709
Judicial Technology Sales Tax - 127	(1,440,896)	(204,238)
Court Document Storage - 201	(50,656)	84,855
Title IV-D - 220	(106,019)	92,129
Drug Prosecution – 221	(123,402)	408,666
Victim Services - 222	(56,559)	113,579
Child Advocacy Center – 230	(127,384)	507,961
Stormwater Mgmt - 420	(51,424)	1,173,379

