

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

**MARIOLA OSCARSON**  
**DEPUTY AUDITOR**

**MARGARET TODD-CAVE**  
**STAFF AUDITOR**



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**March 28, 2018**

**FINANCE and BUDGET COMMITTEE REPORT**

**Updates from the Auditor's Office**

- The external auditors have completed their fieldwork, and although there may still be some final adjustments, accounting for fiscal year 2017 is substantially complete. With that in mind, the Auditor's Quarterly Financial Report for the final quarter of fiscal year 2017 has been completed as an interim draft version and was circulated to the County Board on March 21<sup>st</sup>.
  - The [Auditor's Quarterly Financial Report](#) is also available on the county auditor's website. A summary overview of that report will be shared today as a short power point presentation. Slides of the report are included for reference.
- The fieldwork for the internal audit of the Detainee Phone System has been completed, a draft copy of the report including audit findings and recommendations has been sent to Sheriff Kramer and key staff member of the Sheriff's Office for their review and response. The final report should be available for distribution to the board before the next meeting of this committee.
- I am pleased to announce that Jennifer Cella will be joining the office as our new Administrative Assistant. Jennifer will begin her duties on April 2<sup>nd</sup>.

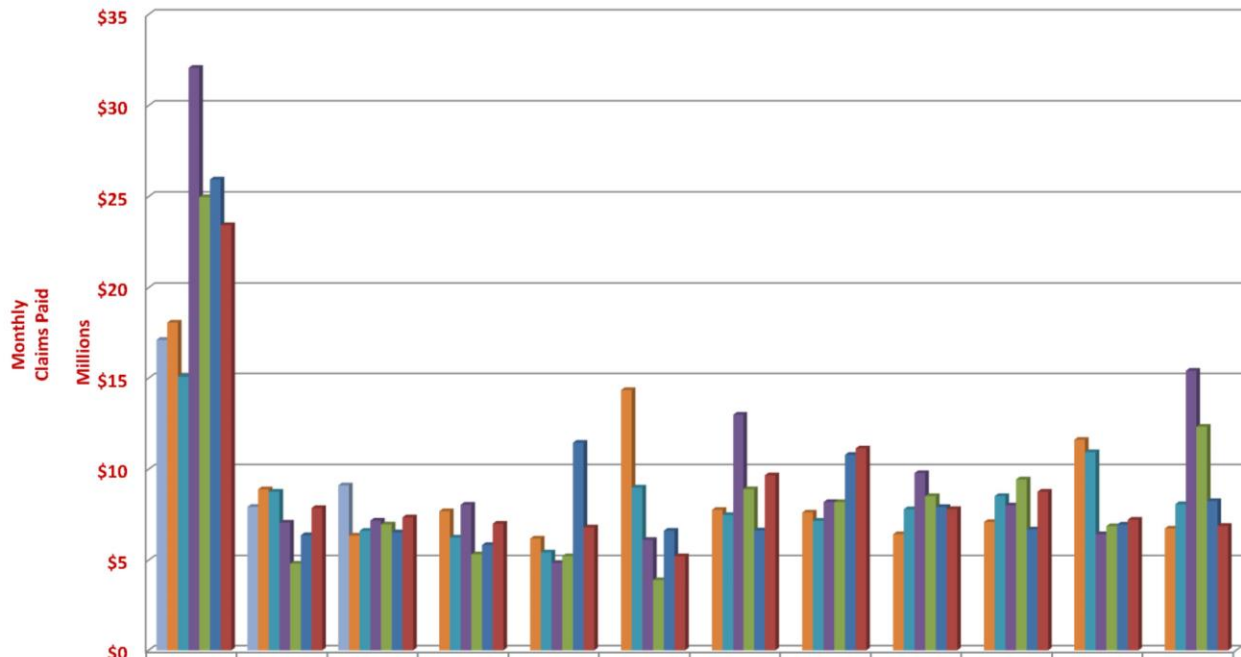
**Accounts Payable Claims Paid Report**

The [Accounts Payable Claims Paid Report for February 2018](#) shows that 1,896 invoices were processed which resulted in payments of \$9,116,335.35.

The supporting detail is available on the **Kane County OpenGov** platform. 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 2018 to date.

### Comparison of Accounts Payable Claims Paid by Month Fiscal Years 2012 through 2018



	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
Fiscal Year 2018	\$17,105,545	\$7,939,426	\$9,116,335									
Fiscal Year 2017	\$18,087,654	\$8,901,131	\$6,361,650	\$7,698,864	\$6,197,943	\$14,350,841	\$7,772,474	\$7,627,079	\$6,434,005	\$7,106,831	\$11,618,653	\$6,746,186
Fiscal Year 2016	\$15,084,924	\$8,772,896	\$6,624,520	\$6,253,599	\$5,431,807	\$8,999,616	\$7,489,329	\$7,173,638	\$7,805,821	\$8,528,278	\$10,937,732	\$8,086,716
Fiscal Year 2015	\$32,071,443	\$7,074,160	\$7,182,145	\$8,054,834	\$4,848,965	\$6,123,196	\$12,998,212	\$8,201,673	\$9,790,591	\$8,016,503	\$6,435,487	\$15,409,409
Fiscal Year 2014	\$24,972,924	\$4,810,913	\$6,973,727	\$5,329,170	\$5,222,042	\$3,896,852	\$8,906,787	\$8,196,619	\$8,525,849	\$9,443,625	\$6,875,912	\$12,336,215
Fiscal Year 2013	\$25,944,606	\$6,381,966	\$6,537,854	\$5,842,681	\$11,457,343	\$6,625,756	\$6,643,113	\$10,792,557	\$7,931,758	\$6,696,184	\$6,962,346	\$8,256,715
Fiscal Year 2012	\$23,434,037	\$7,872,844	\$7,360,077	\$7,012,445	\$6,810,107	\$5,223,067	\$9,668,276	\$11,148,140	\$7,818,201	\$8,770,505	\$7,231,678	\$6,894,411



## Auditor's Quarterly Financial Report Overview

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

Presented to the Finance and Budget Committee  
March 28, 2018



# 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

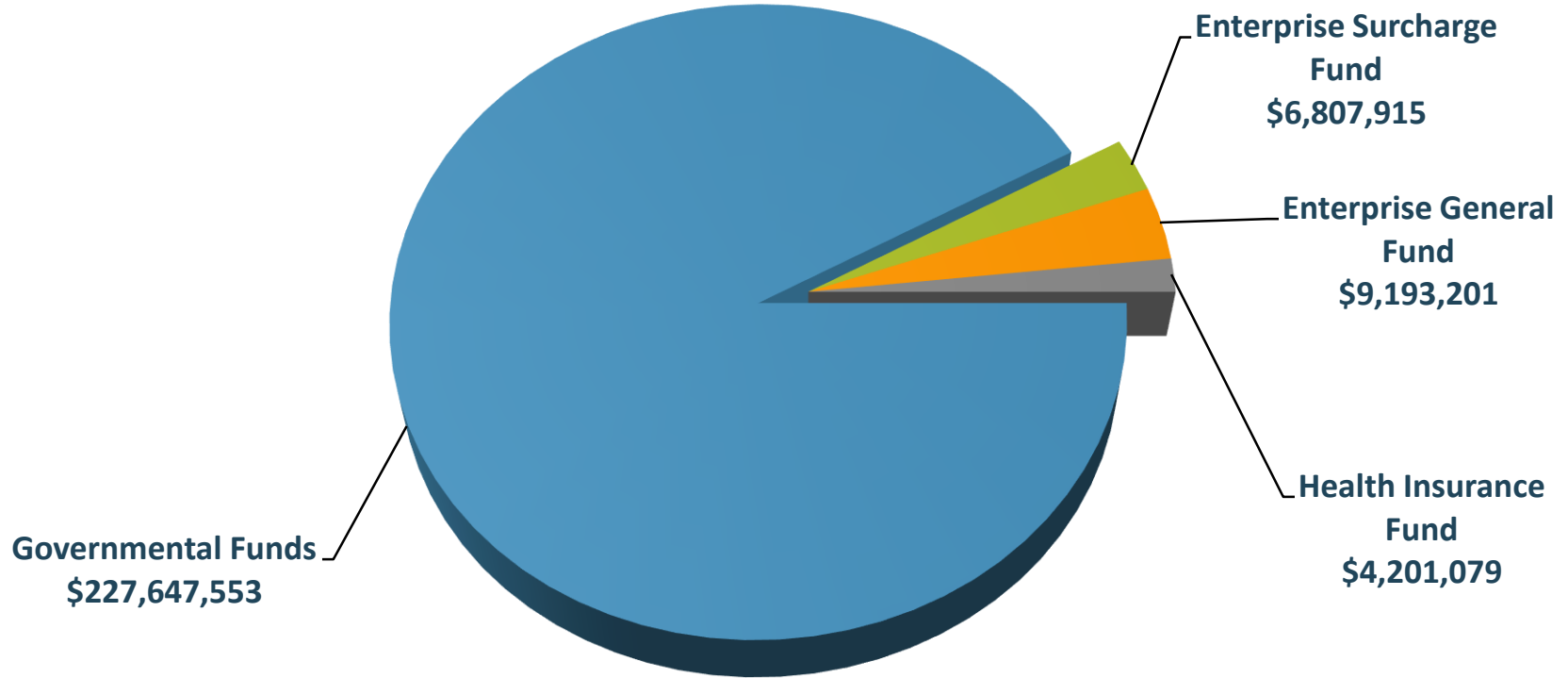
Governmental  
Funds

Proprietary  
Funds

# Countywide Funds (as of November 30, 2017)

COUNTYWIDE FUNDS	ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$ 236,616,691	192,185,702
Expenditures & Encumbrances	266,616,691	178,988,993
Excess/(Deficiency) Revenues over Expenditures	(30,000,000)	13,196,708
Other Financing & Net Transfers In/(Out)	30,000,000	0
Less: Encumbrances Included Above		(95,833)
Net Change in Countywide Funds Balance		13,100,876
Countywide Funds Balance, Beginning of Year		234,748,872
Countywide Funds Balance, End of Year	\$	247,849,748

# Countywide Funds



# Governmental Funds



## Governmental Funds

General  
Fund

Special Revenue  
Funds

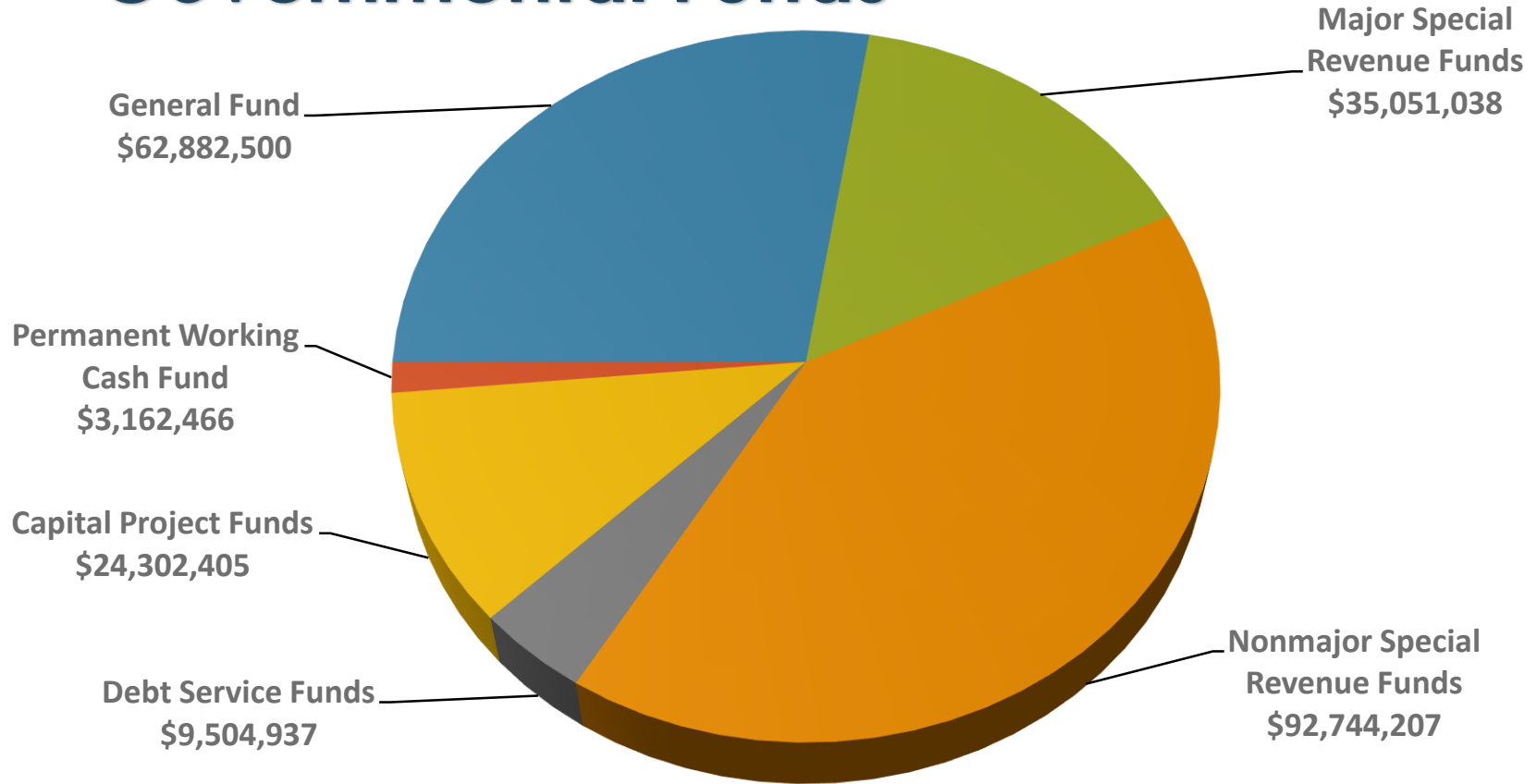
Permanent  
Working Cash  
Fund



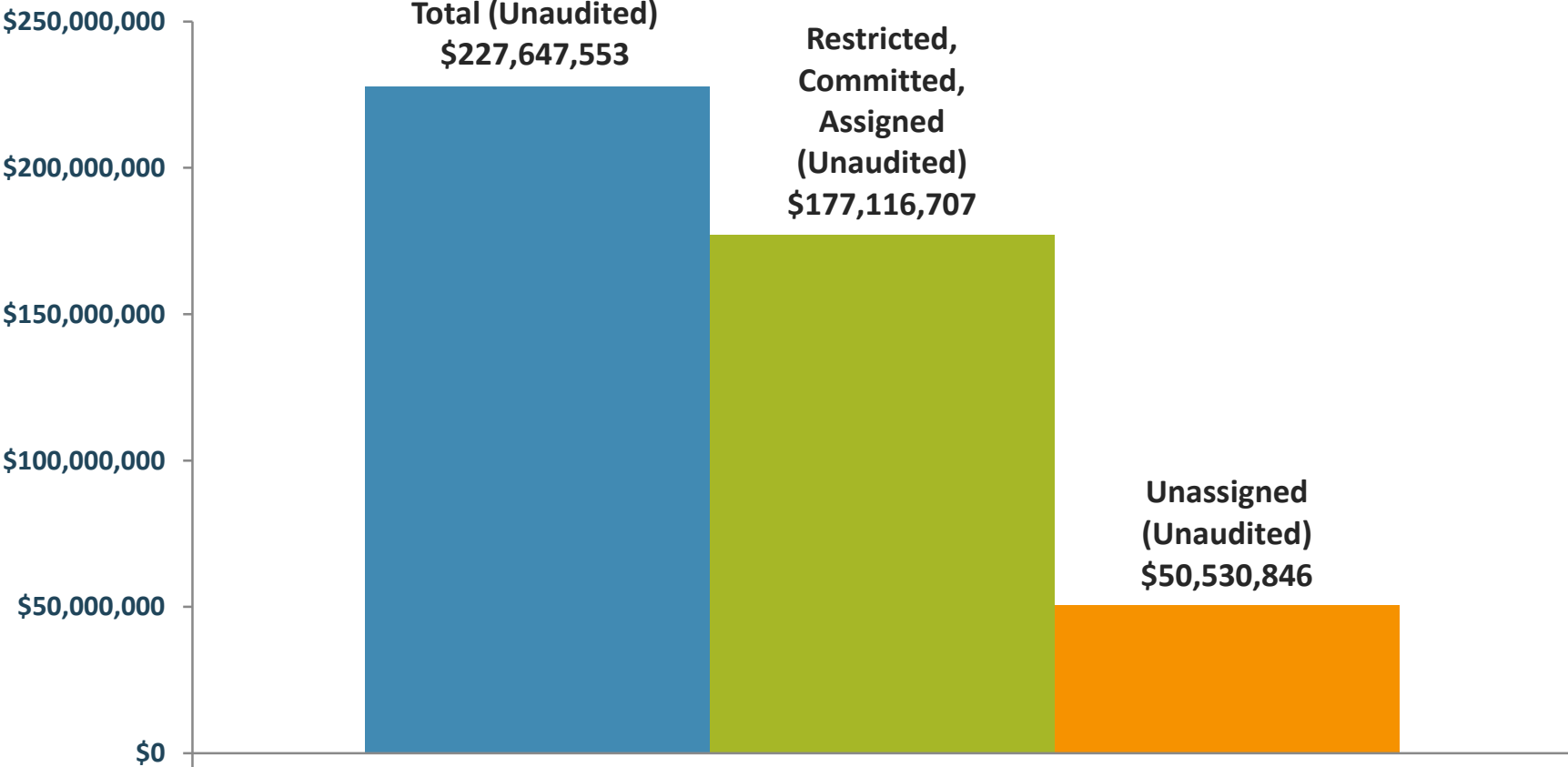
# Governmental Funds (as of November 30, 2017)

<b>GOVERNMENTAL FUNDS</b>	<b>ANNUAL BUDGET</b>	<b>YEAR-TO-DATE</b>
<b>Revenues</b>	\$ 213,097,046	<b>176,232,991</b>
<b>Expenditures &amp; Encumbrances</b>	242,621,792	<b>162,938,067</b>
<b>Excess/(Deficiency) Revenues over Expenditures</b>	(29,524,746)	<b>13,294,924</b>
<b>Other Financing &amp; Net Transfers In/(Out)</b>	29,524,746	<b>(389,352)</b>
<b>Less: Encumbrances Included Above</b>		<b>(95,833)</b>
<b>Net Change in Governmental Funds Balance</b>		<b>12,809,739</b>
<b>Governmental Funds Balance, Beginning of Year</b>		<b>214,837,814</b>
<b>Governmental Funds Balance, End of Year</b>	\$	<b>227,647,553</b>

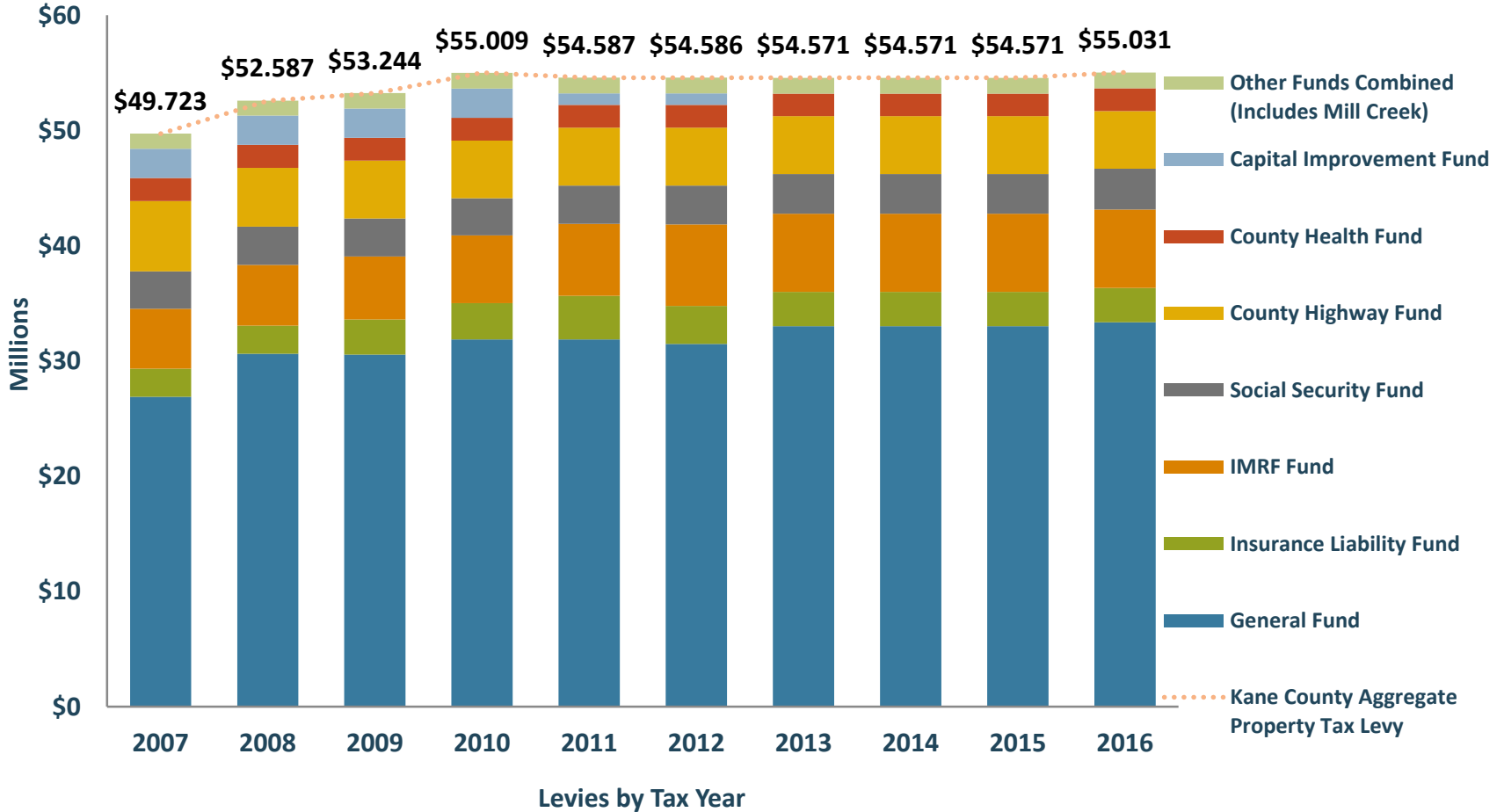
# Governmental Funds



# Governmental Funds (as of November 30, 2017)



# Governmental Funds



# General Fund



## General Fund

General Fund

Special Reserve

Emergency Reserve

PP Tax Freeze

SAO Domestic Violence

Environmental Prosecution

Economic Development

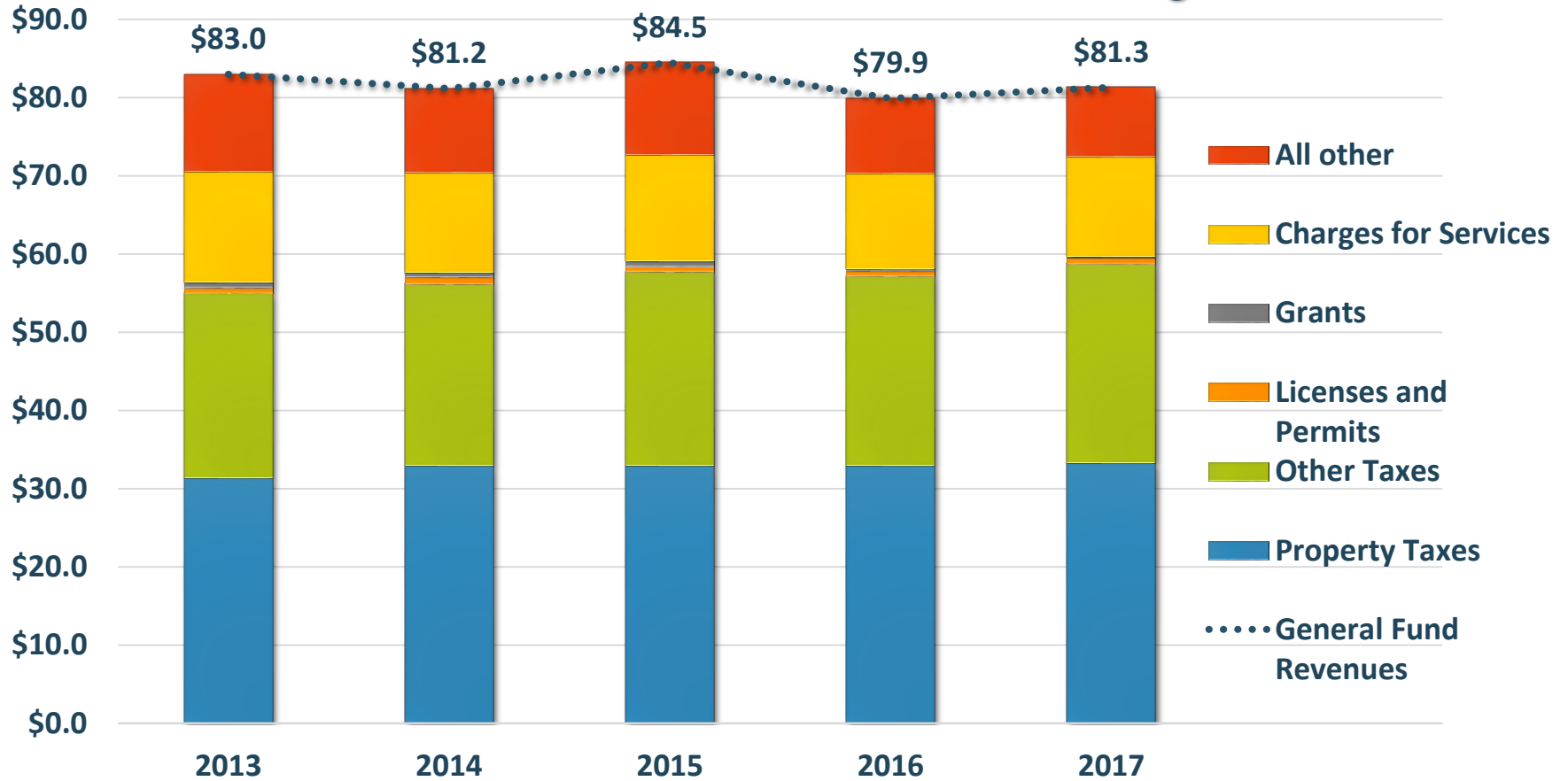
Cost Share Drainage

Public Building Commission

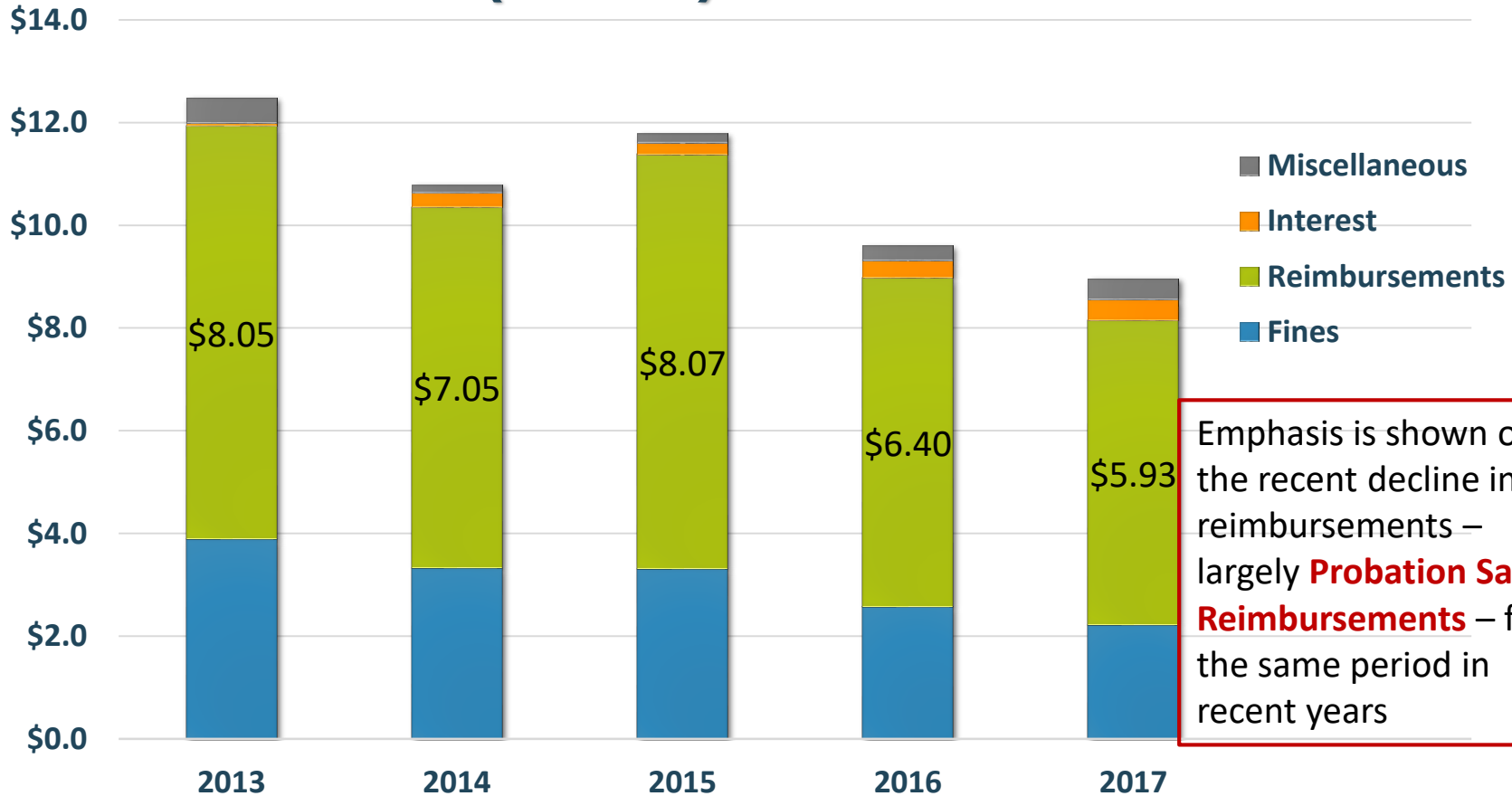
# General Fund (as of November 30, 2017)

GENERAL FUND	ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$ 87,725,009	81,328,498
Expenditures & Encumbrances	83,875,986	76,458,170
Excess/(Deficiency) Revenues over Expenditures	3,849,023	4,870,328
Other Financing & Net Transfers In/(Out)	(3,849,023)	(3,926,132)
Less: Encumbrances Included Above		0
Net Change in General Fund Balance		944,196
General Fund Balance, Beginning of Year		61,938,304
General Fund Balance, End of Quarter	\$	62,882,500

# General Fund Revenues — Through Fourth Quarter



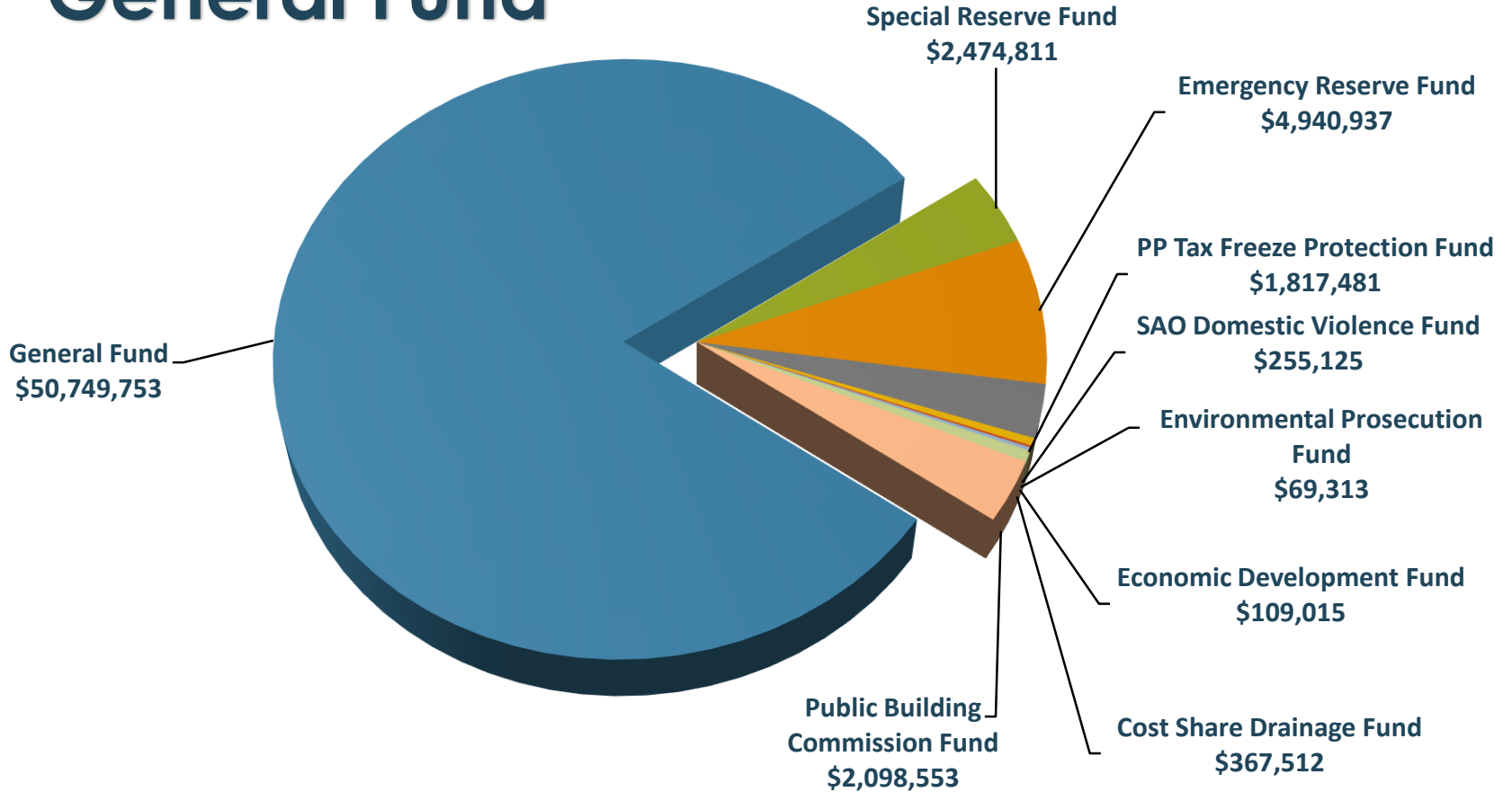
# Gen Fund (All other) Revenues - Fourth Quarter



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.

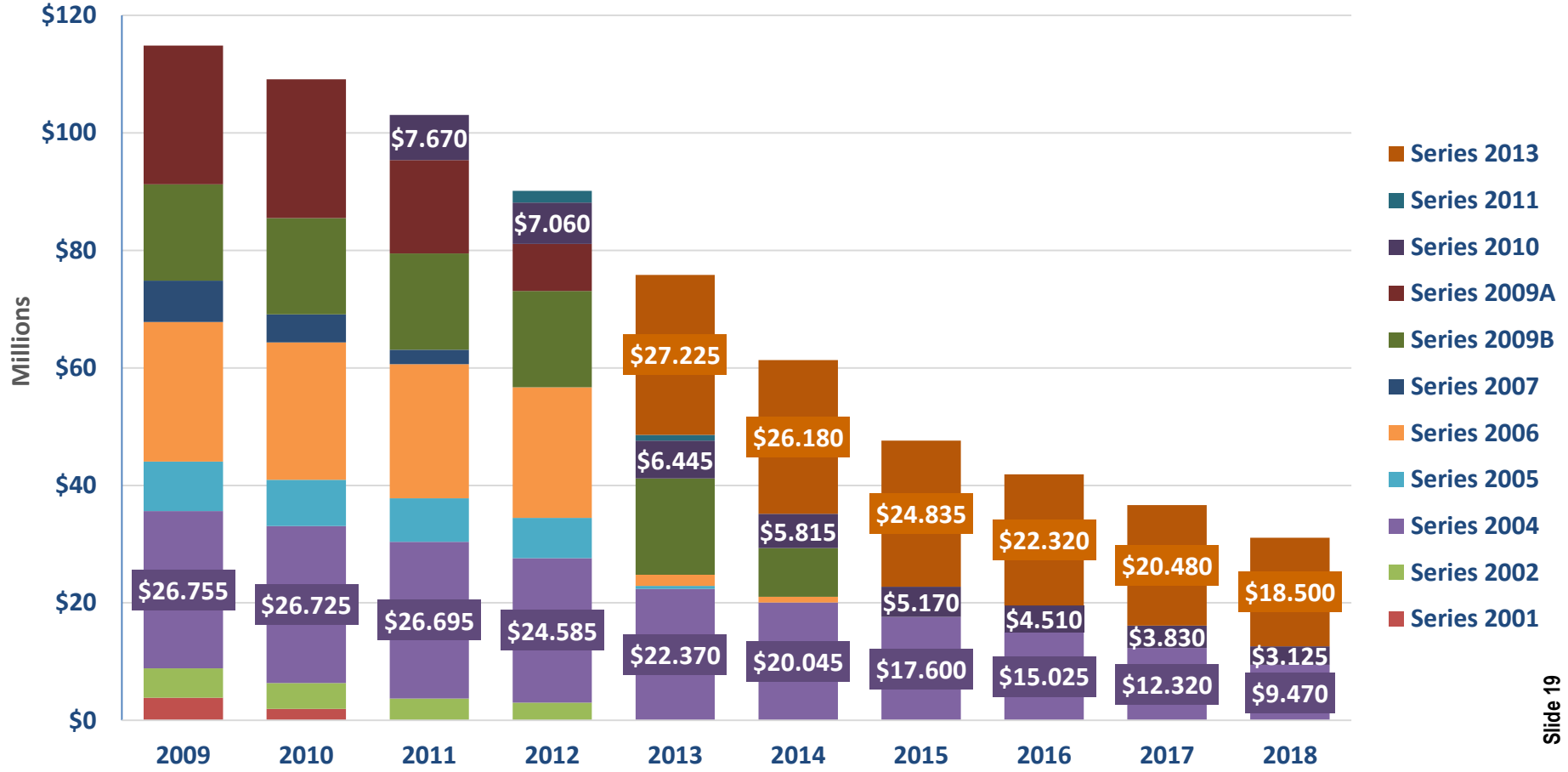
The remaining principal balance of approximately \$2,320,000 in Series 2002 G.O. Bonds was fully refunded.

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.

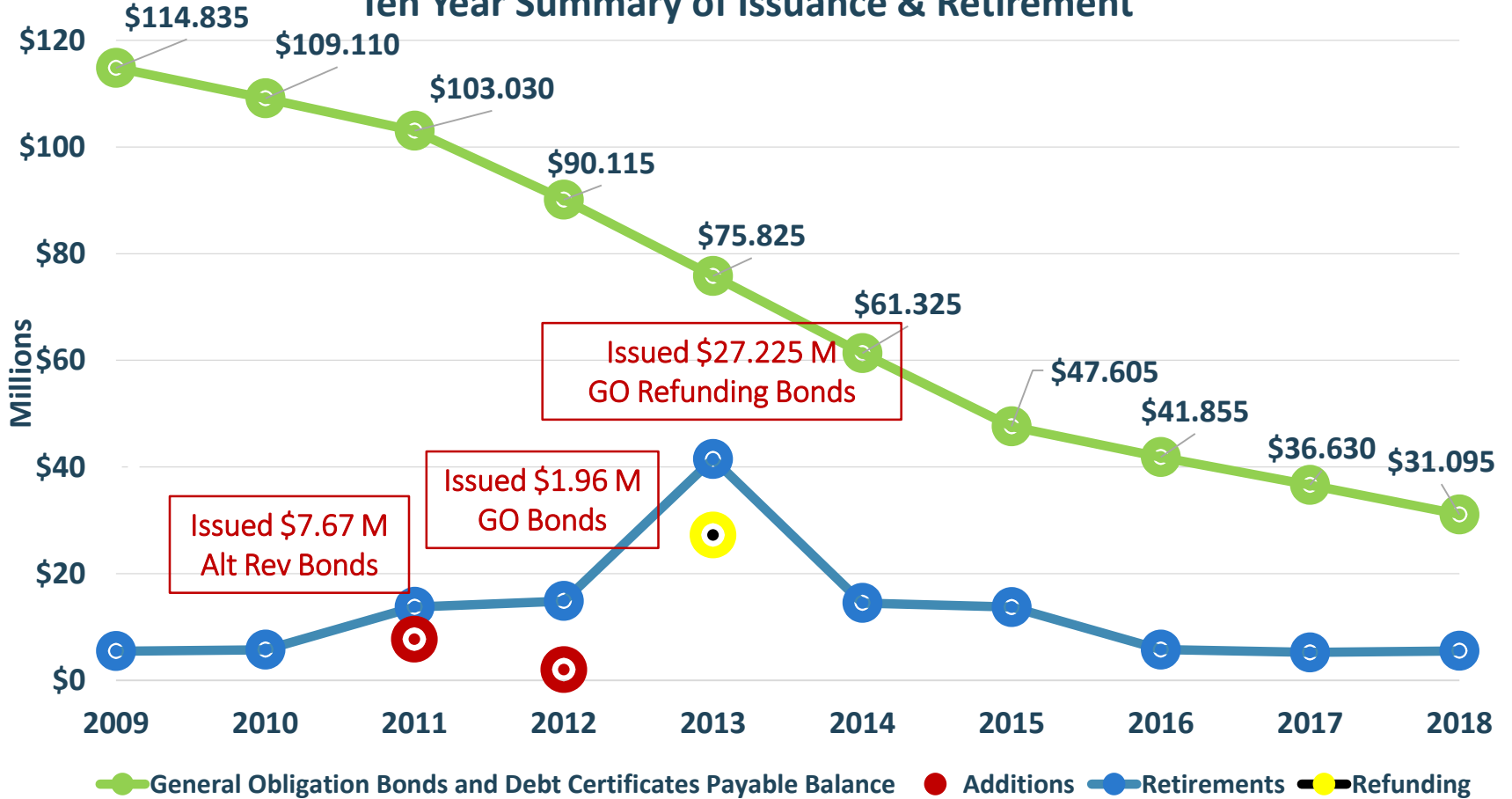
# General Obligation Bonds & Debt Certificates Payable

## Ten Year History of Outstanding Indebtedness at Year End

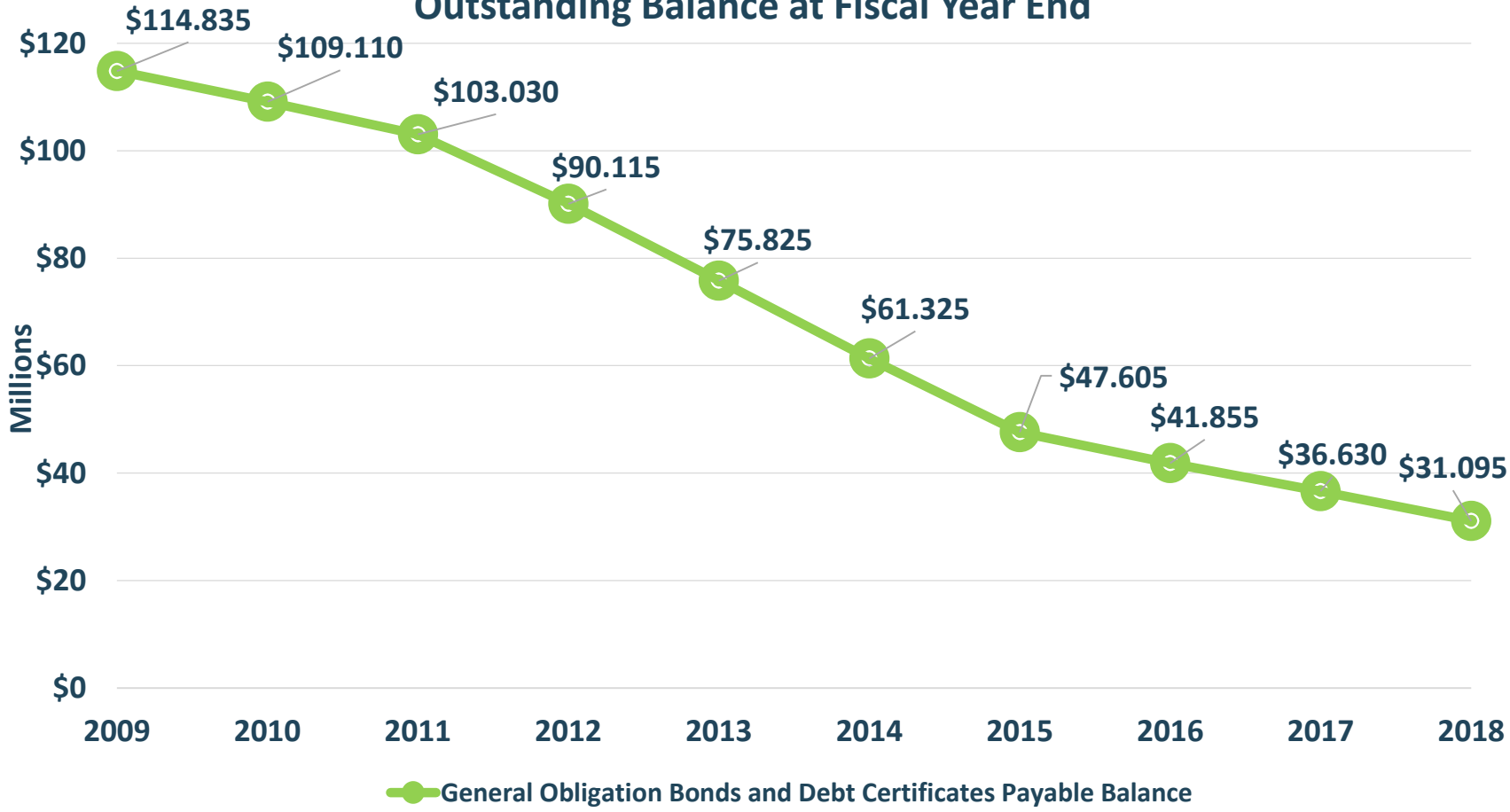


# General Obligation Bonds & Debt Certificates Payable

## 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 In \$ Millions (Existing Bonds Only)

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
<b>ANNUAL NET RETIREMENTS</b>	\$		(5.725)	(6.080)	(12.915)	(14.290)	(14.500)	(13.720)	(5.750)	(5.225)	(5.535)	
<b>CUMULATIVE NET RETIREMENTS</b>	\$		(5.725)	(11.805)	(24.720)	(39.010)	(53.510)	(67.230)	(72.980)	(78.205)	(83.740)	
<b>YEAR END BALANCE</b>	\$	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

- The Grand Victoria Casino Elgin Fund has suffered declining revenues over the past several years. It is administered by a special committee, and the operating deficit is being carefully managed.
- Aside from the riverboat fund, the following active funds incurred fiscal year 2017 operating 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 – Fiscal Year 2017

## Operating Deficit of \$50,000 or more

Fund Name - Number	YTD Deficit	Fund Balance
Geo Information Systems - 101	(173,467)	2,212,538
FICA/Social Security – 111	(175,685)	3,160,735
Public Safety Sales Tax – 125	(304,045)	1,565,006
Judicial Technology Sales Tax - 127	(1,205,393)	27,425
Drug Prosecution – 221	(145,665)	386,403
Victim Services - 222	(59,278)	110,869
Child Advocacy Center – 230	(216,332)	419,012
Kane Comm – 269	(174,112)	613,864

