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**September 26, 2018**

**FINANCE and BUDGET COMMITTEE REPORT**

**Updates from the Auditor's Office**

- The [County Auditor's Quarterly Financial Report for the Third Quarter of Fiscal Year 2018](#) was circulated electronically to all County Board members, elected Officials, the Finance Director and Assistant Finance Director on September 20<sup>th</sup>. The report is also available on the County Auditor's page of the County Website and can be accessed by following the hyperlink above.

A brief overview of that report will be the topic of a power point presentation. Slides of that presentation are attached for your reference.

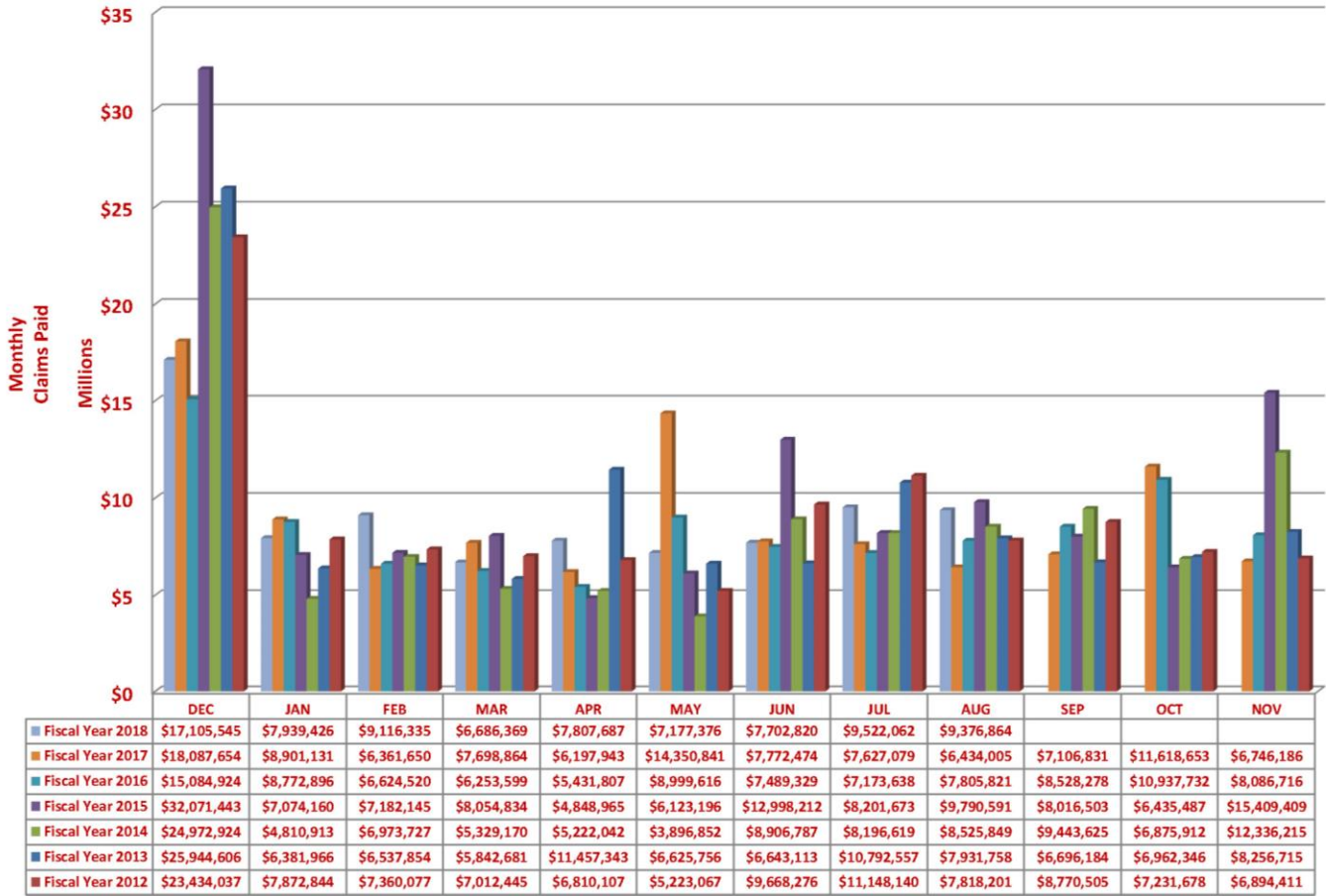
**Accounts Payable Claims Paid Report**

The [Accounts Payable Claims Paid Report for August 2018](#) shows that 1,677 invoices were processed which resulted in payments of \$9,376,864.19.

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





# Auditor's Quarterly Financial Report Overview

THIRD QUARTER FISCAL YEAR 2018  
FISCAL QUARTER ENDED AUGUST 31, 2018

Presented to the Finance and Budget Committee  
September 26, 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

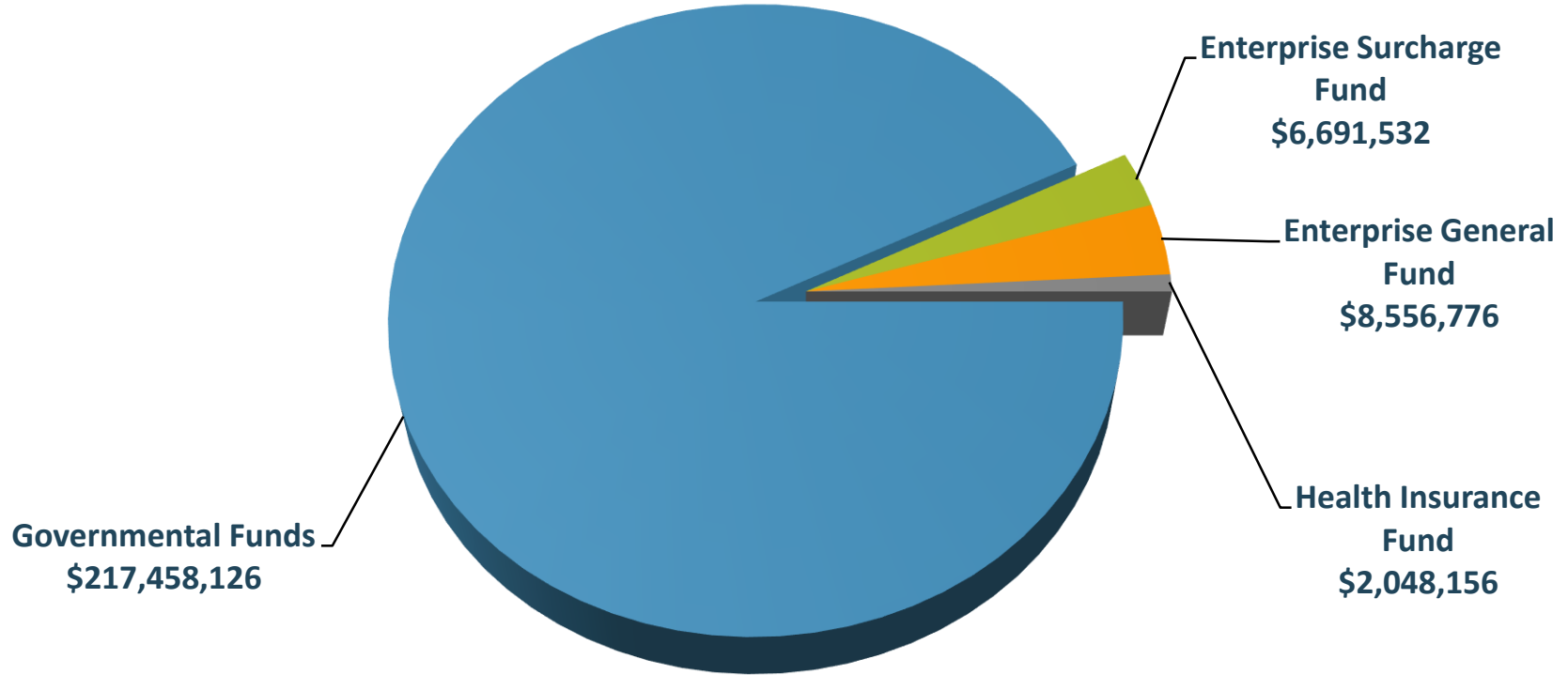
Governmental  
Funds

Proprietary  
Funds

# Countywide Funds (as of August 31, 2018)

| COUNTYWIDE FUNDS                               | ANNUAL BUDGET  | YEAR-TO-DATE |
|--|----------------|--------------|
| Revenues                                       | \$ 248,077,846 | 117,948,049  |
| Expenditures & Encumbrances                    | 278,077,846    | 176,538,373  |
| Excess/(Deficiency) Revenues over Expenditures | (30,000,000)   | (58,590,324) |
| Other Financing & Net Transfers In/(Out)       | 30,000,000     | 0            |
| Less: Encumbrances Included Above              |                | 45,495,165   |
| Net Change in Countywide Funds Balance         |                | (13,095,159) |
| Countywide Funds Balance, Beginning of Year    |                | 247,849,748  |
| Countywide Funds Balance, End of Quarter       | \$             | 234,754,589  |

# Countywide Funds



# Governmental Funds



## Governmental Funds

General  
Fund

Special Revenue  
Funds

Debt Service  
Funds

Capital Projects  
Funds

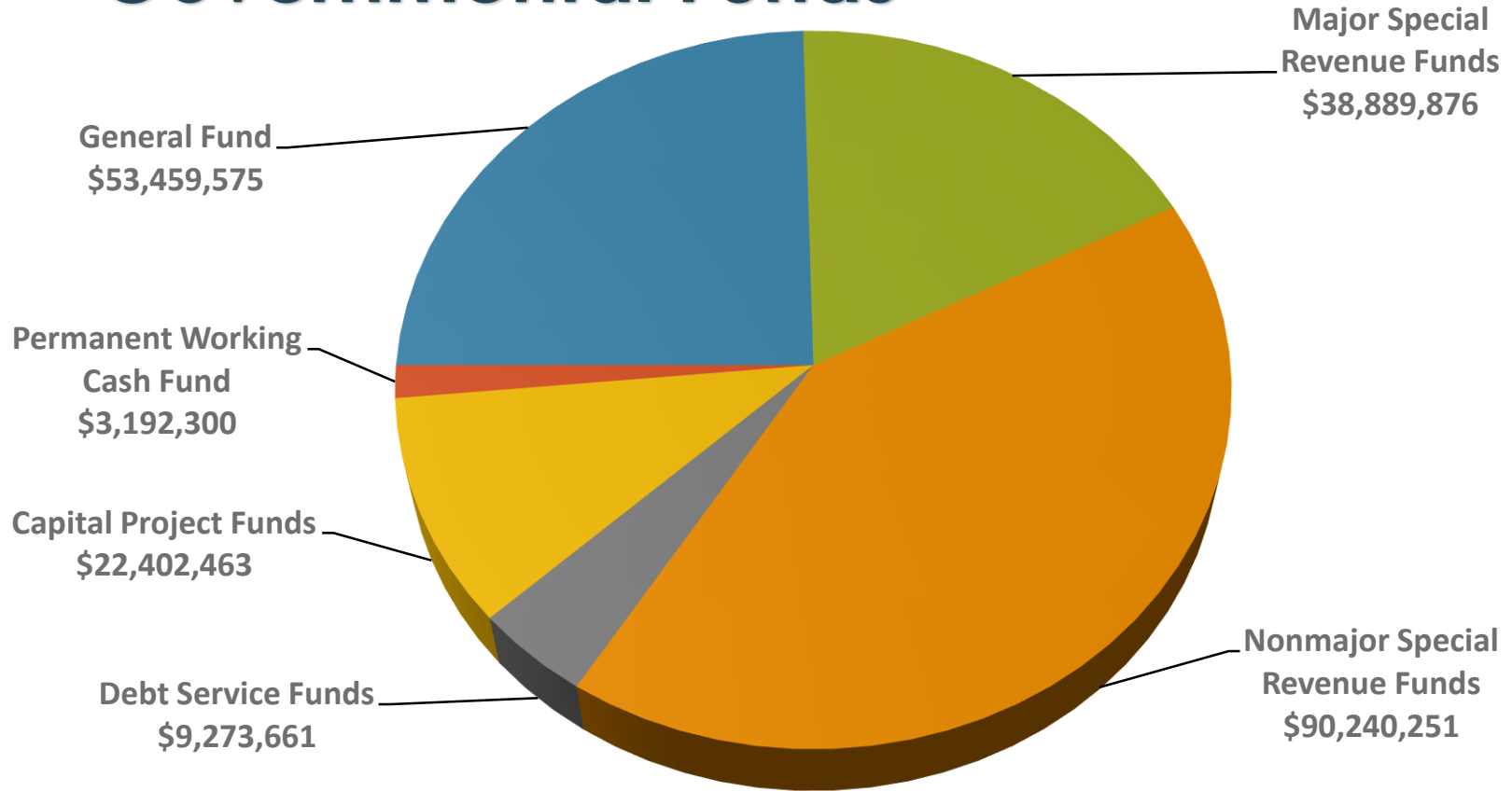
Permanent  
Working Cash  
Fund



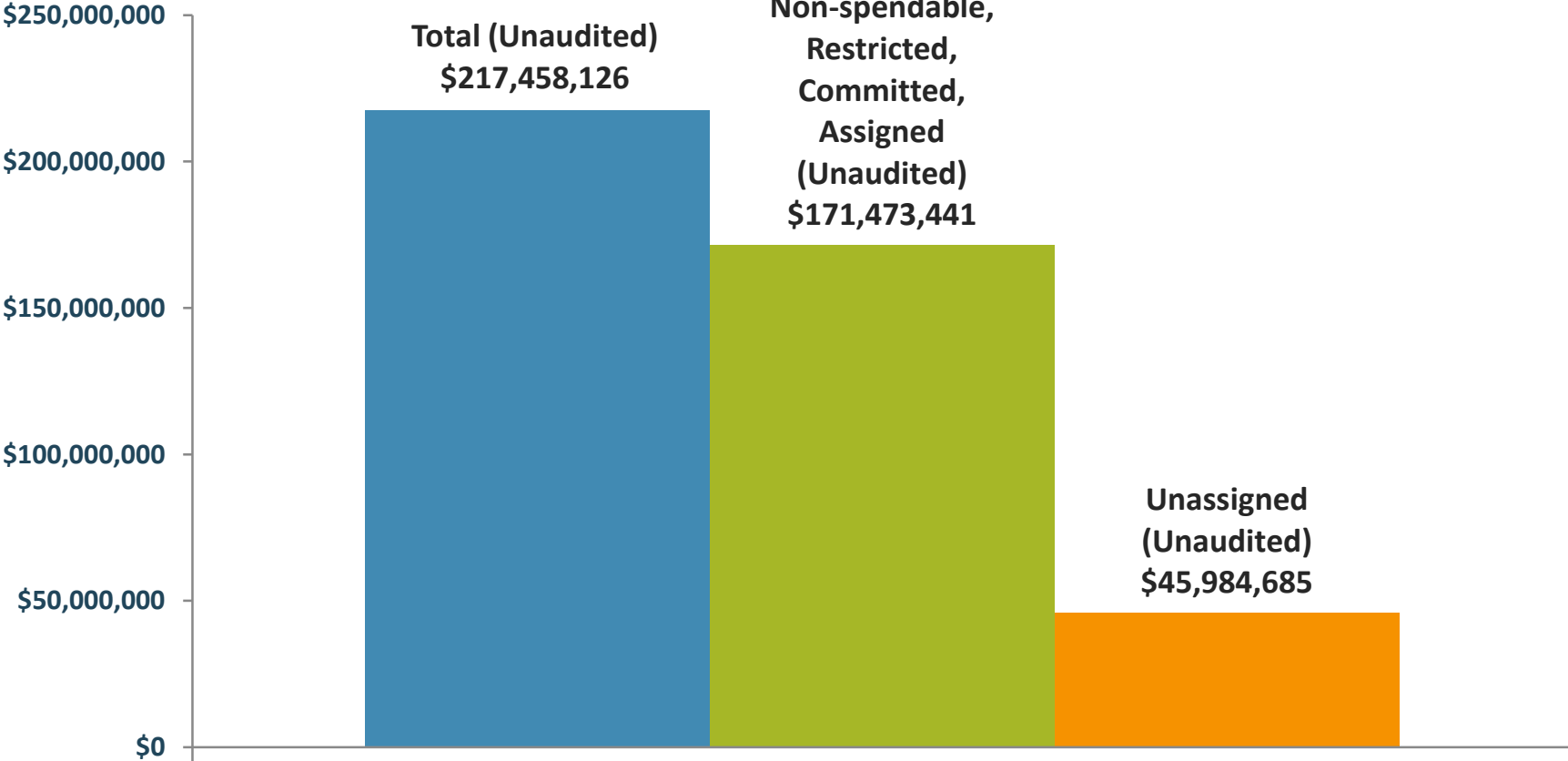
# Governmental Funds (as of August 31, 2018)

| <b>GOVERNMENTAL FUNDS</b>                             | <b>ANNUAL BUDGET</b> | <b>YEAR-TO-DATE</b> |
|---|----------------------|---------------------|
| <b>Revenues</b>                                       | \$ 224,808,869       | <b>106,257,235</b>  |
| <b>Expenditures &amp; Encumbrances</b>                | 254,763,409          | <b>159,096,871</b>  |
| <b>Excess/(Deficiency) Revenues over Expenditures</b> | (29,954,540)         | <b>(52,839,636)</b> |
| <b>Other Financing &amp; Net Transfers In/(Out)</b>   | 29,954,540           | <b>(45,460)</b>     |
| <b>Less: Encumbrances Included Above</b>              |                      | <b>42,695,668</b>   |
| <b>Net Change in Governmental Funds Balance</b>       |                      | <b>(10,189,428)</b> |
| <b>Governmental Funds Balance, Beginning of Year</b>  |                      | <b>227,647,533</b>  |
| <b>Governmental Funds Balance, End of Quarter</b>     | \$                   | <b>217,458,126</b>  |

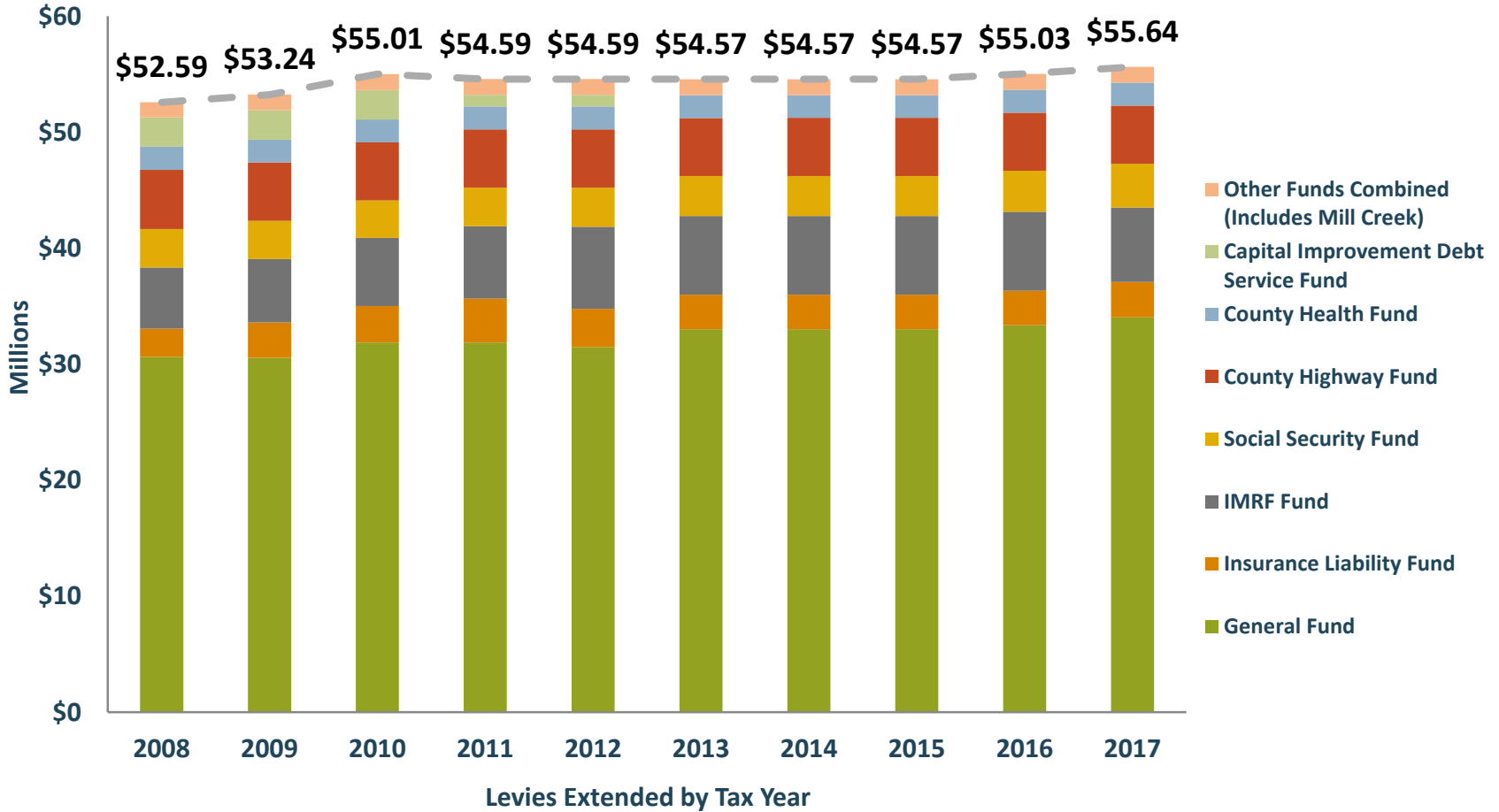
# Governmental Funds



# Governmental Funds (as of August 31, 2018)



# Governmental Funds



# General Fund



## General Fund

General Fund

Special Reserve

Emergency Reserve

PP Tax Freeze

SAO Domestic Violence

Environmental Prosecution

Economic Development

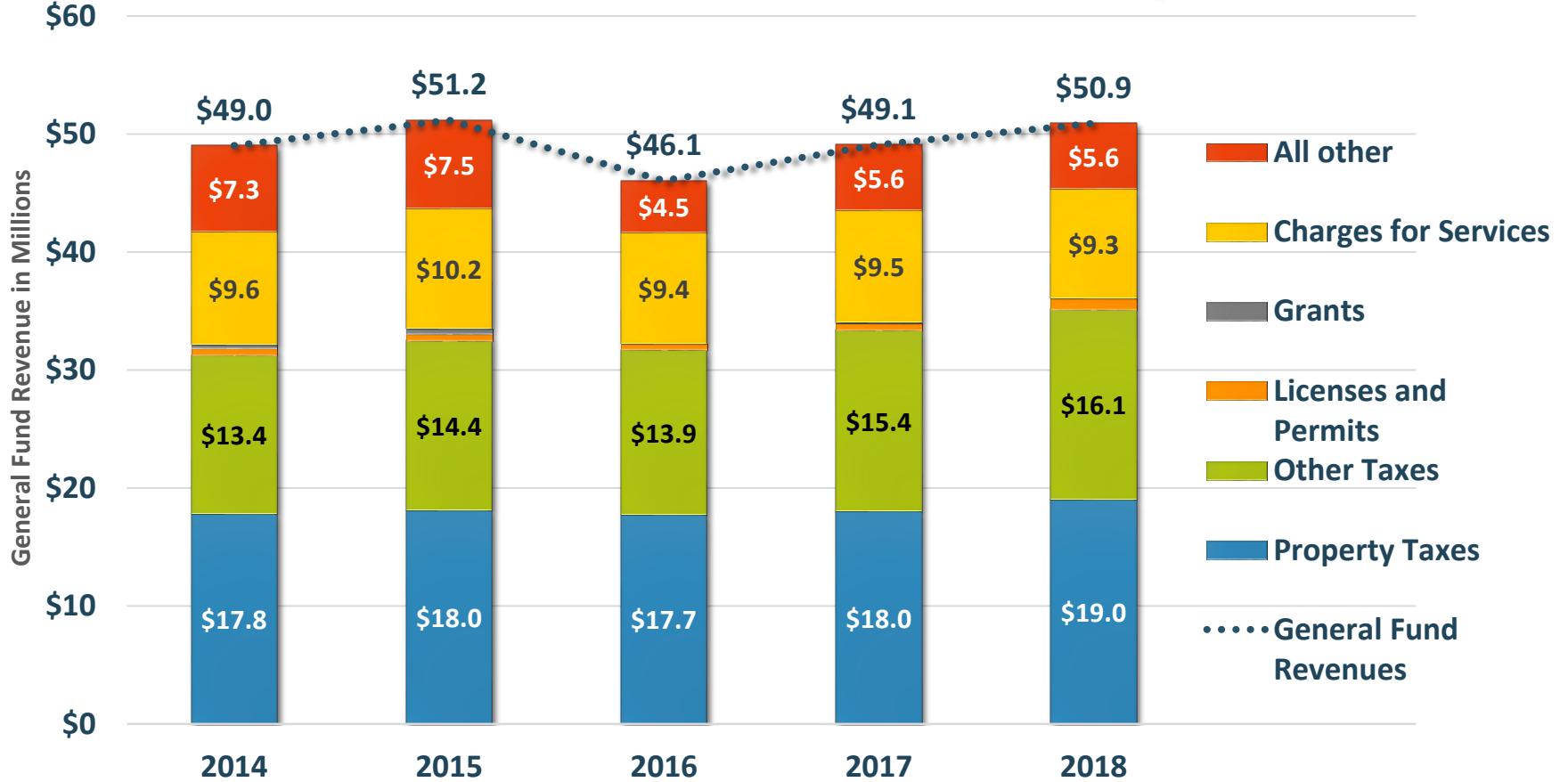
Cost Share Drainage

Public Building Commission

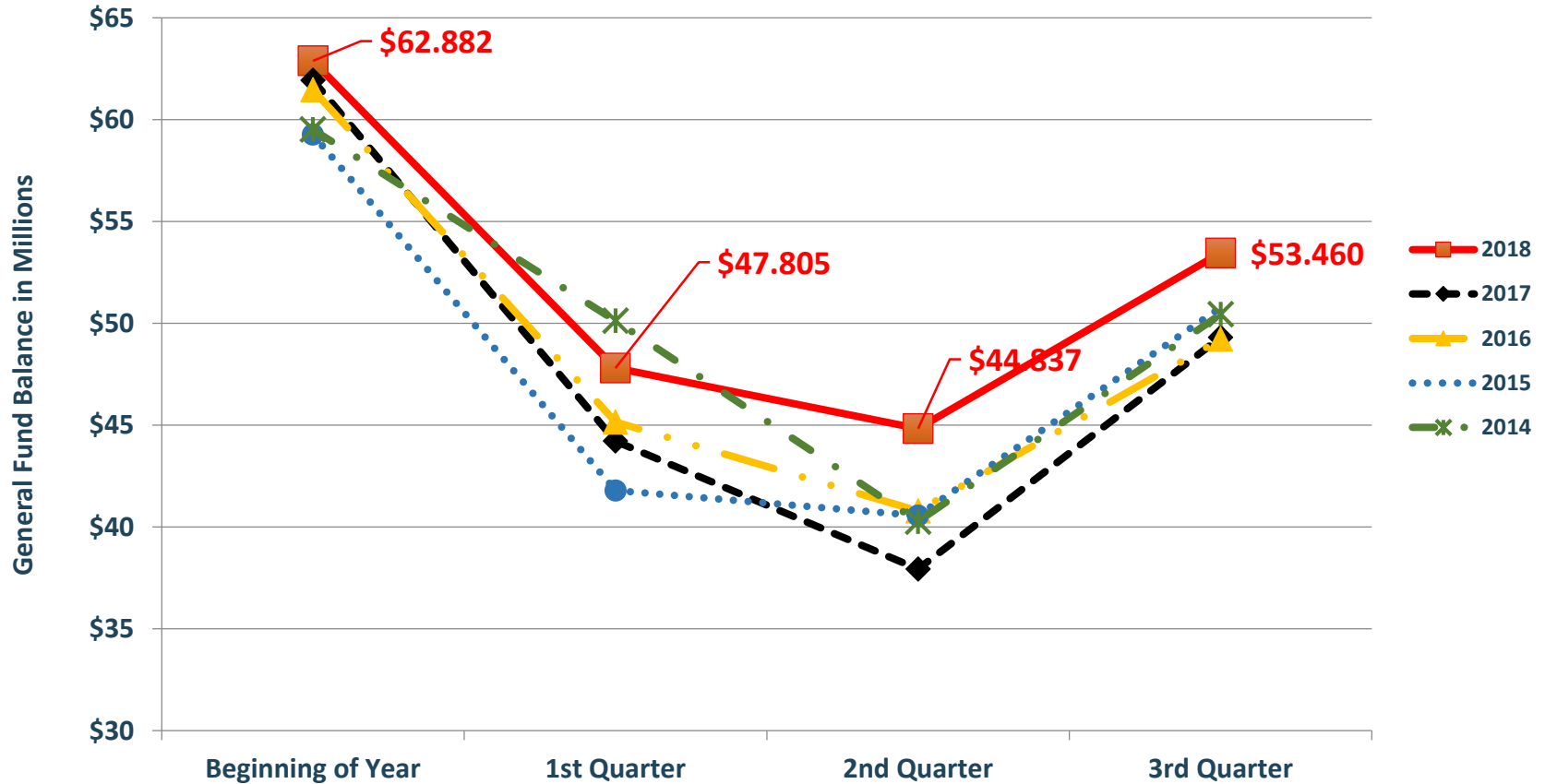
# General Fund (as of August 31, 2018)

| GENERAL FUND                                   | ANNUAL BUDGET | YEAR-TO-DATE |
|--|---------------|--------------|
| Revenues                                       | \$ 82,966,879 | 50,897,793   |
| Expenditures & Encumbrances                    | 79,134,931    | 57,061,529   |
| Excess/(Deficiency) Revenues over Expenditures | 3,831,948     | (6,163,736)  |
| Other Financing & Net Transfers In/(Out)       | (3831,948)    | (3,596,060)  |
| Less: Encumbrances Included Above              |               | 336,871      |
| Net Change in General Fund Balance             |               | (9,422,924)  |
| General Fund Balance, Beginning of Year        |               | 62,882,500   |
| General Fund Balance, End of Quarter           | \$            | 53,459,575   |

# General Fund Revenues – Through Third Quarter

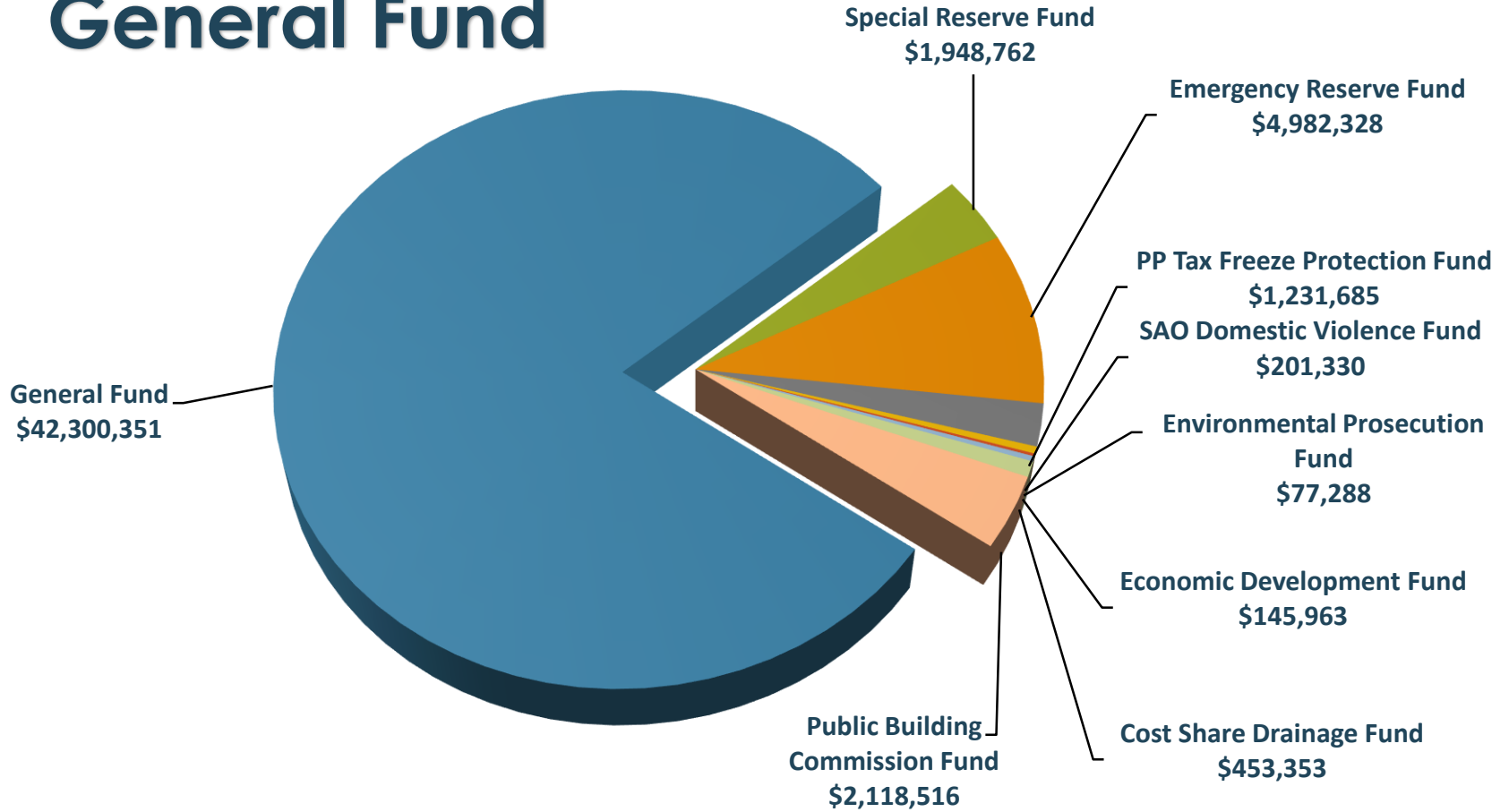


# General Fund Balance – Comparisons through Third Quarter





# 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.

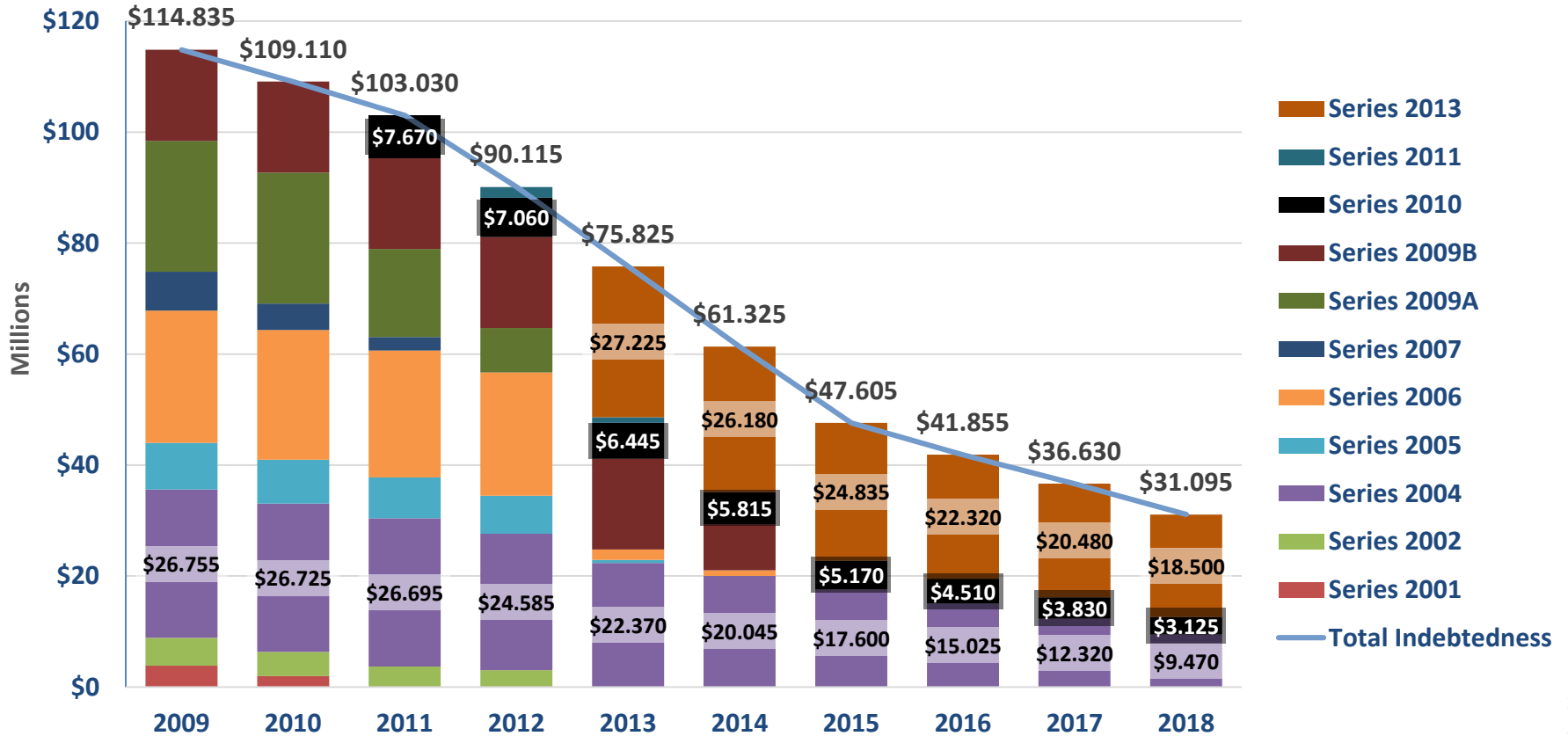
The remaining principal balance of approximately \$2,320,000 in Series 2002 G.O. Bonds was fully refunded.

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.

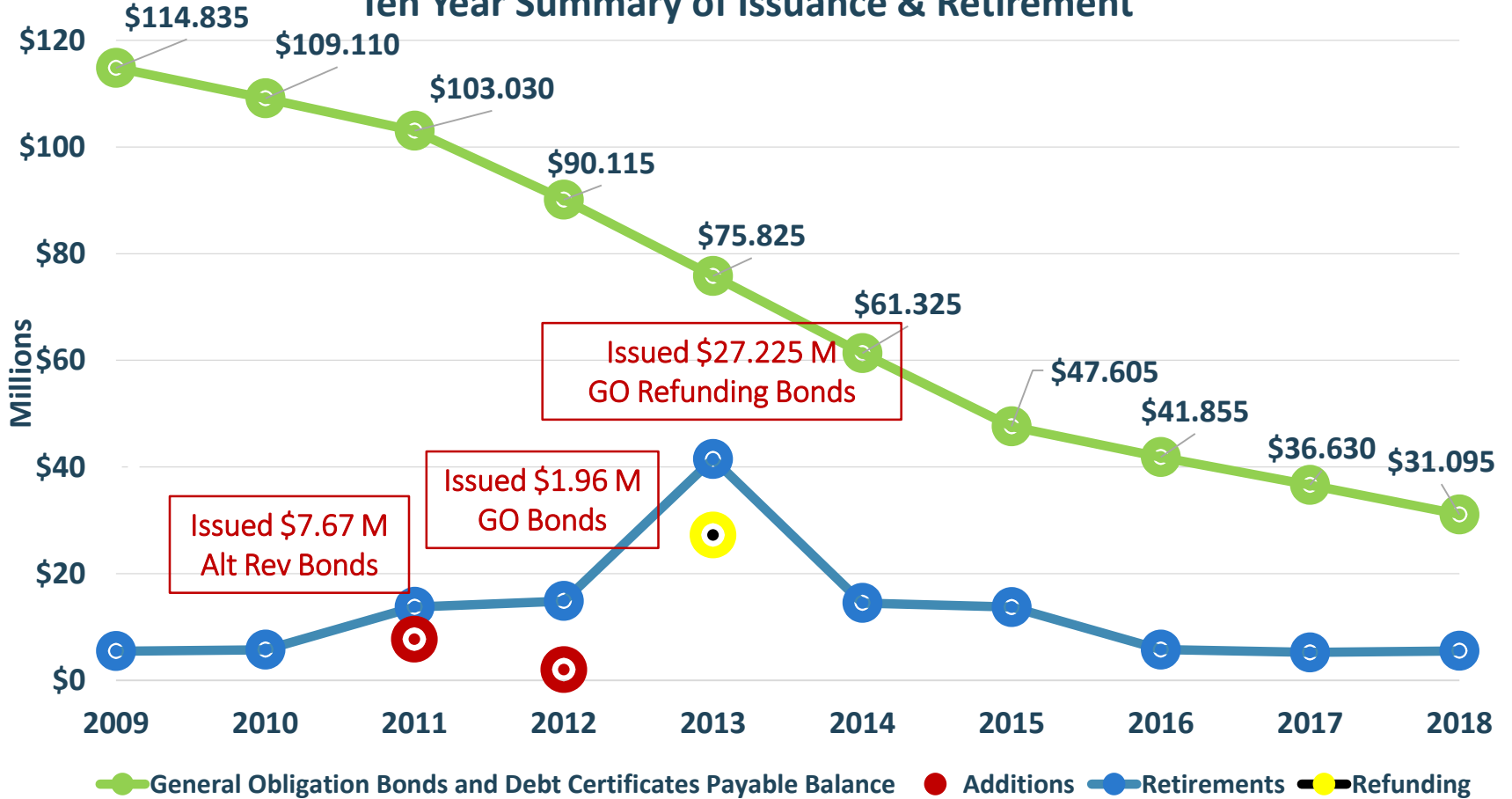
# General Obligation Bonds & Debt Certificates Payable

## Ten Year History of Outstanding Indebtedness at Year End

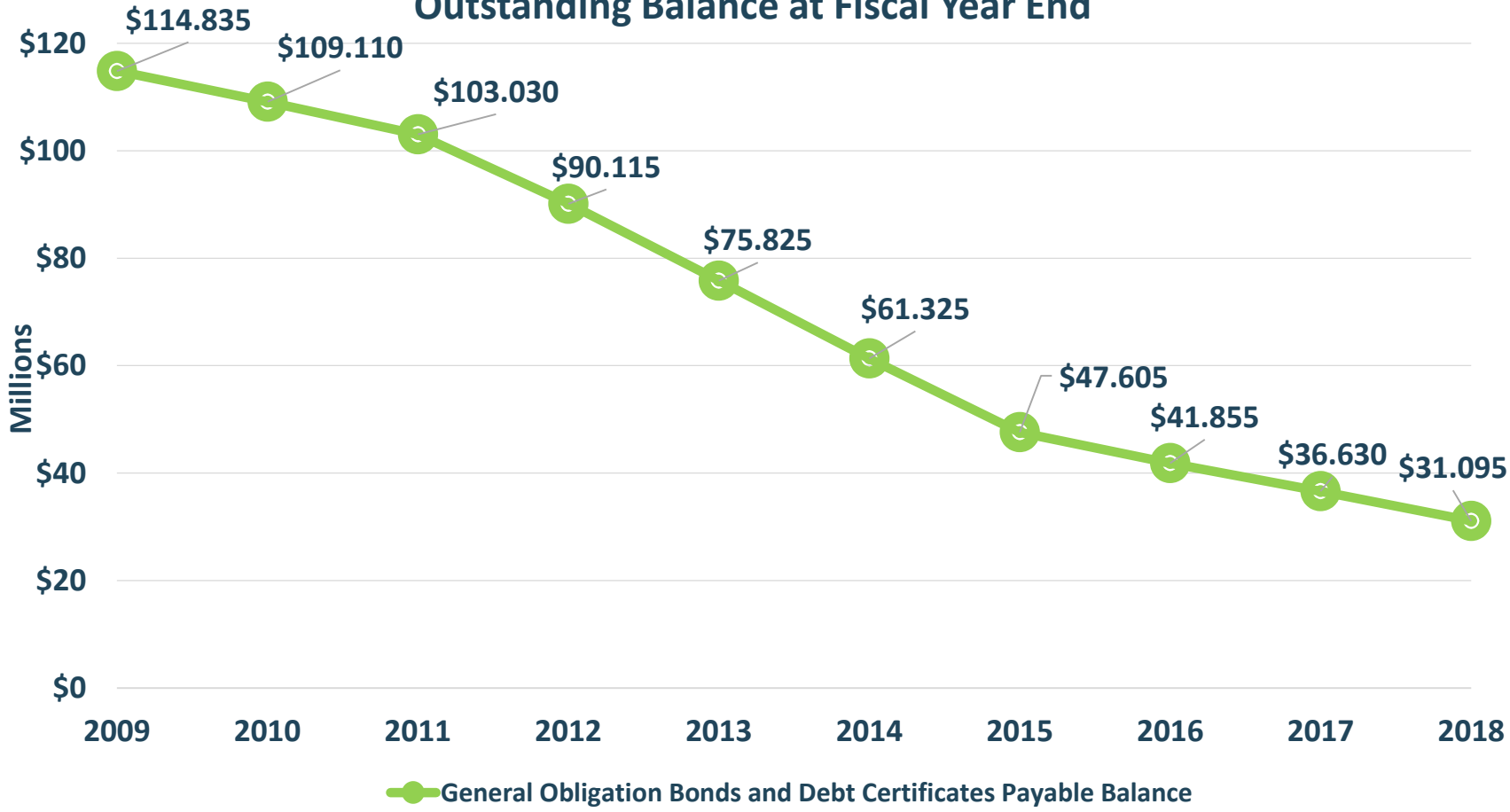


# General Obligation Bonds & Debt Certificates Payable

## 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  |