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**July 31, 2019**

**FINANCE and BUDGET COMMITTEE REPORT**

**Updates from the Auditor's Office**

The semi-annual [Internal Audit Status Report](#) as of May 31<sup>st</sup> was shared electronically with the County Board on July 22<sup>nd</sup>.

The [County Auditor's Quarterly Financial Report](#) for the Second Quarter of Fiscal Year 2019 was shared electronically with the County Board on July 24<sup>th</sup>. A brief overview of the report will be presented this morning. Slides of the presentation are included in the agenda packet for reference.

The [County Auditor's Budget Proposal for Fiscal Year 2020](#) was presented at the Committee of the Whole yesterday. Slides of that presentation are published on the Kane County Auditor's website.

Each of the reports listed above are published on the Kane County Auditor's website, and may be viewed by following the hyperlinks provided.

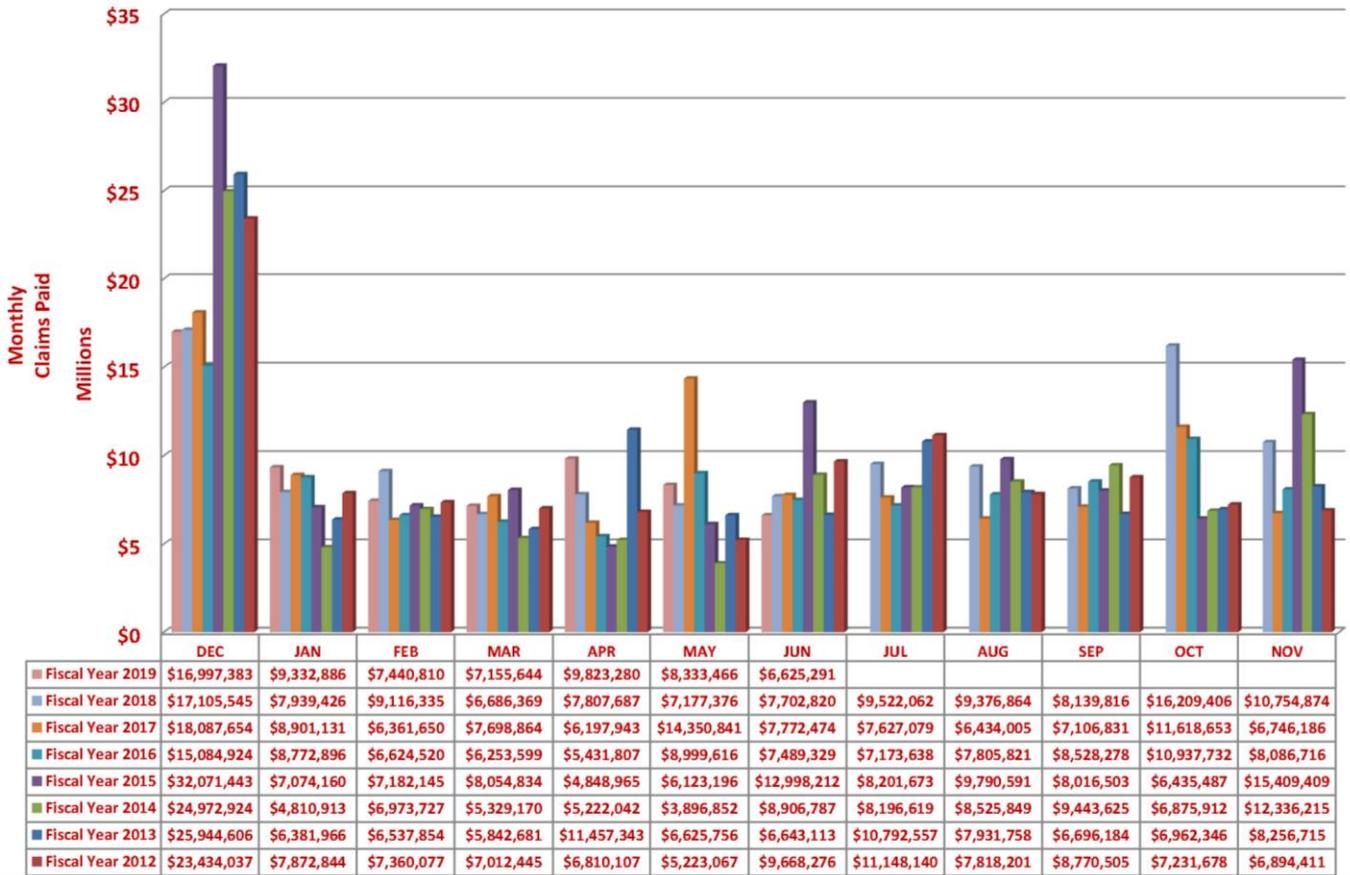
**Accounts Payable Claims Paid Report**

The [Accounts Payable Claims Paid Report for June 2019](#) shows that 1,694 payments (including void and re-issued checks) were processed which resulted in net payments of \$6,625,290.76.

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 2019 to date.

## Comparison of Accounts Payable Claims Paid by Month Fiscal Years 2012 through 2019



### Overview of County Auditor's Quarterly Financial Report

The overview is not intended to replace the full report, but only to provide a more concise perspective. Slides of the Power Point are included in the agenda packet.



**Second Quarter Fiscal 2019 – Quarter Ending May 31, 2019  
Presented to Finance & Budget Committee July 31, 2019**

# 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

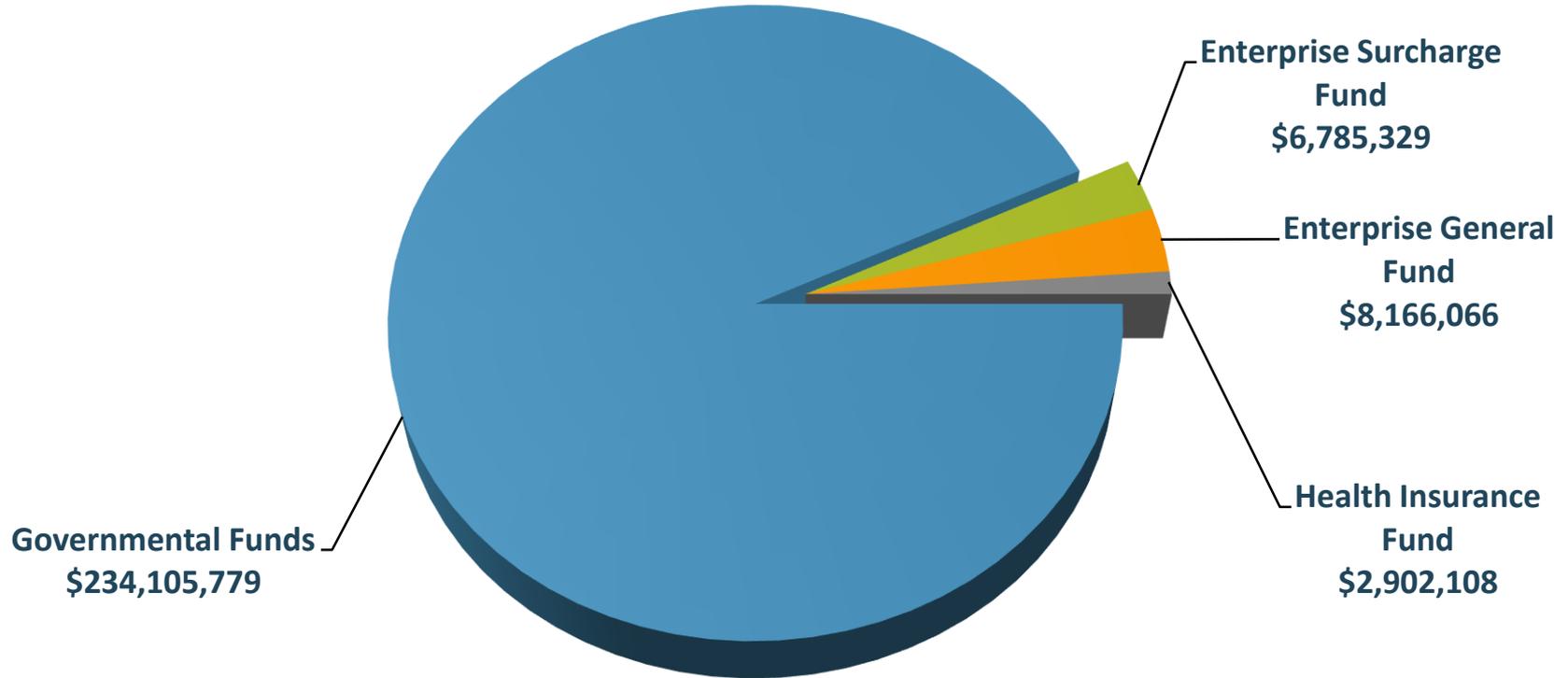
Governmental  
Funds

Proprietary  
Funds

# Countywide Funds (as of May 31, 2019)

COUNTYWIDE FUNDS	ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$ 258,632,823	63,241,082
Expenditures & Encumbrances	286,408,227	182,095,620
Excess/(Deficiency) Revenues over Expenditures	(27,775,404)	(118,854,538)
Other Financing & Net Transfers In/(Out)	27,775,404	27,775,403
Less: Encumbrances Included Above		88,915,129
Net Change in Countywide Funds Balance		(2,164,007)
Countywide Funds Balance, Beginning of Year		254,123,289
Countywide Funds Balance, End of Quarter	\$	251,959,282

# Countywide Funds



# Governmental Funds



## Governmental Funds

General  
Fund

Special Revenue  
Funds

Debt Service  
Funds

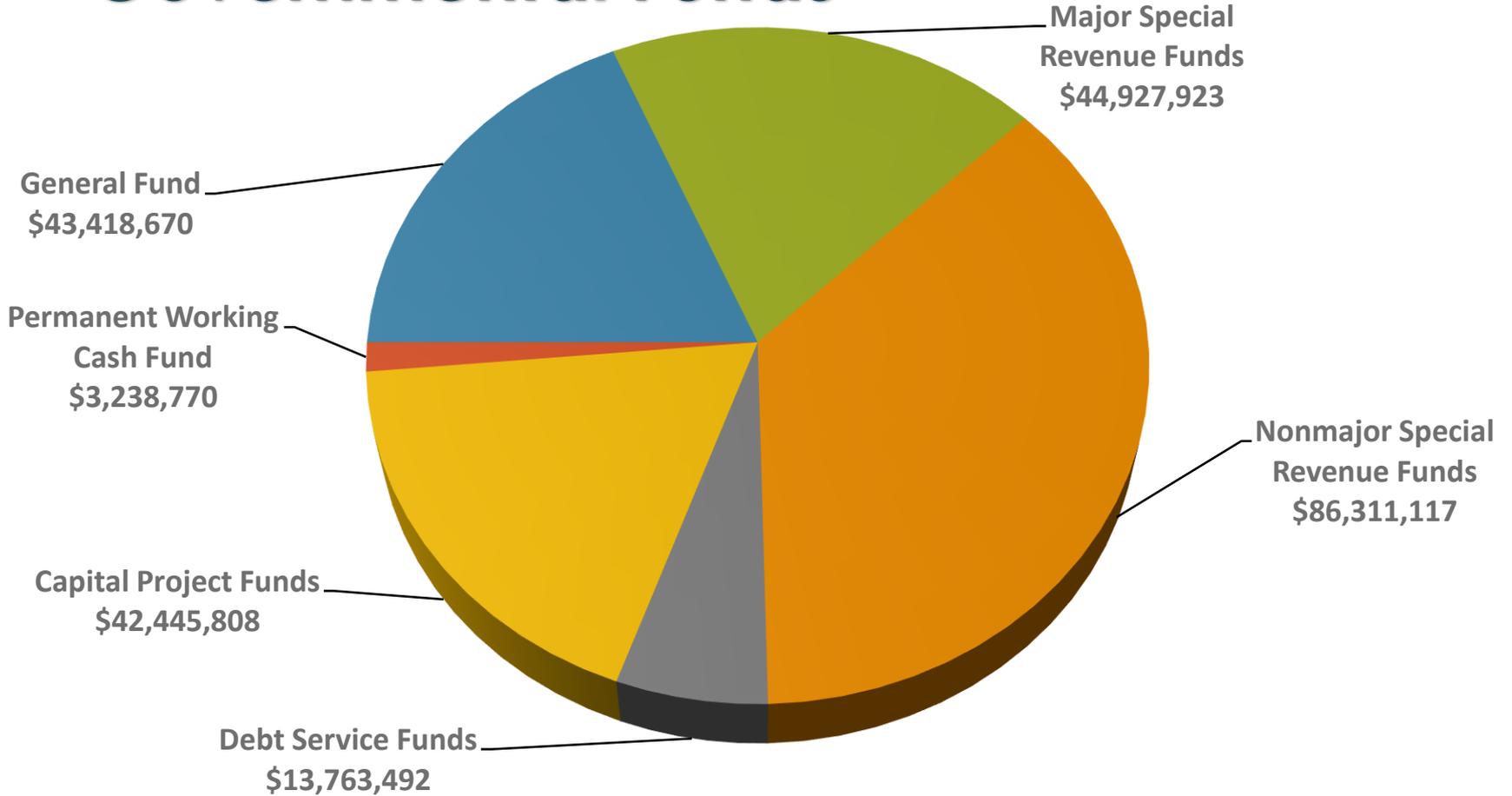
Capital Projects  
Funds

Permanent  
Working Cash  
Fund

# Governmental Funds (as of May 31, 2019)

<b>GOVERNMENTAL FUNDS</b>	<b>ANNUAL BUDGET</b>	<b>YEAR-TO-DATE</b>
<b>Revenues</b>	\$ 229,969,701	<b>55,092,257</b>
<b>Expenditures &amp; Encumbrances</b>	257,643,076	<b>169,771,061</b>
<b>Excess/(Deficiency) Revenues over Expenditures</b>	(27,673,375)	<b>(114,678,805)</b>
<b>Other Financing &amp; Net Transfers In/(Out)</b>	27,673,375	<b>27,673,374</b>
<b>Less: Encumbrances Included Above</b>		<b>86,508,152</b>
<b>Net Change in Governmental Funds Balance</b>		<b>(497,279)</b>
<b>Governmental Funds Balance, Beginning of Year</b>		<b>234,603,058</b>
<b>Governmental Funds Balance, End of Quarter</b>	\$	<b>234,105,779</b>

# Governmental Funds



# Special Revenue Funds

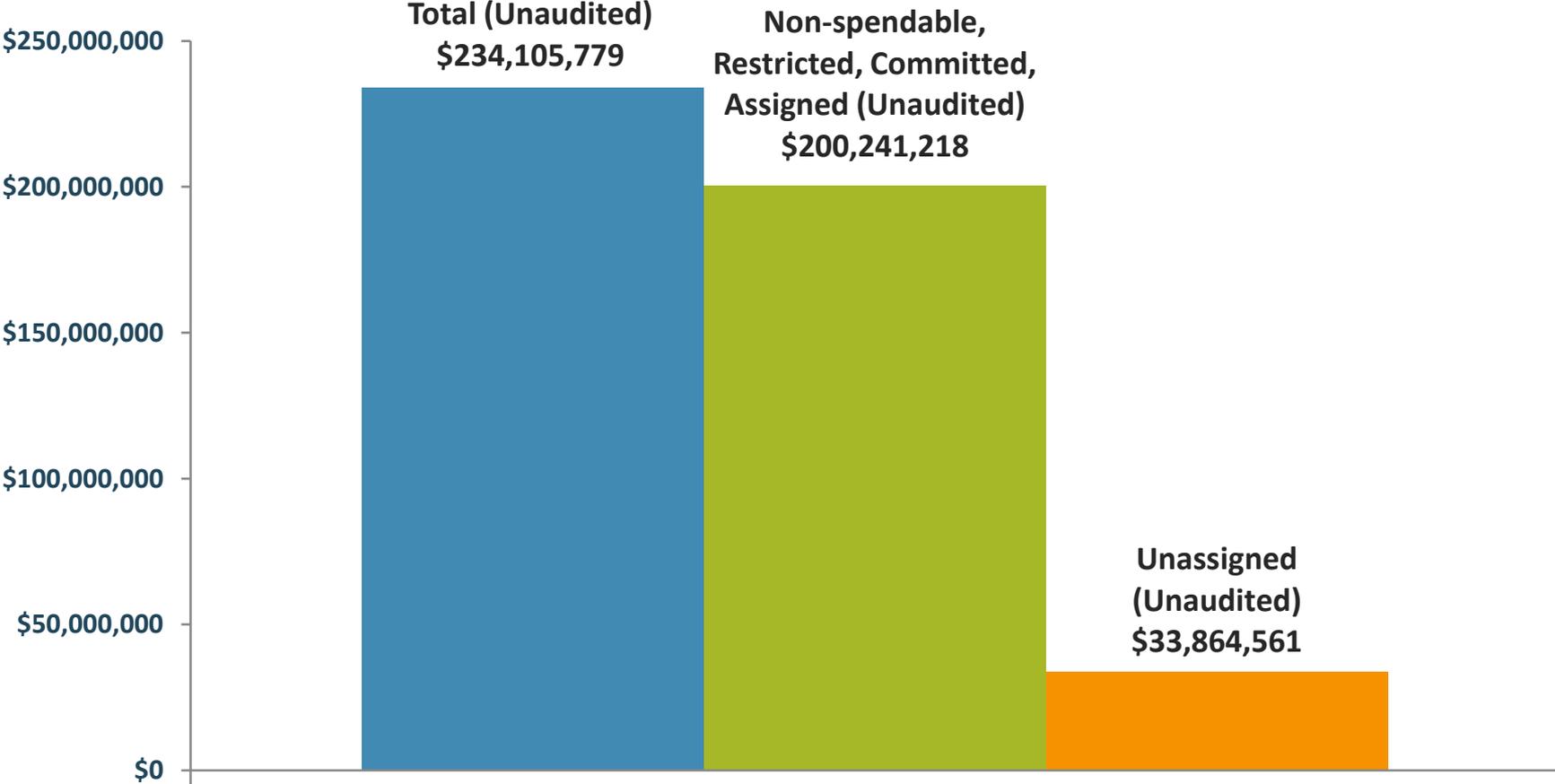


As a direct result of our April 2017 internal audit of Agency Funds, there are eighteen funds which are now properly reclassified as Special Revenue Funds in accordance with GASB.

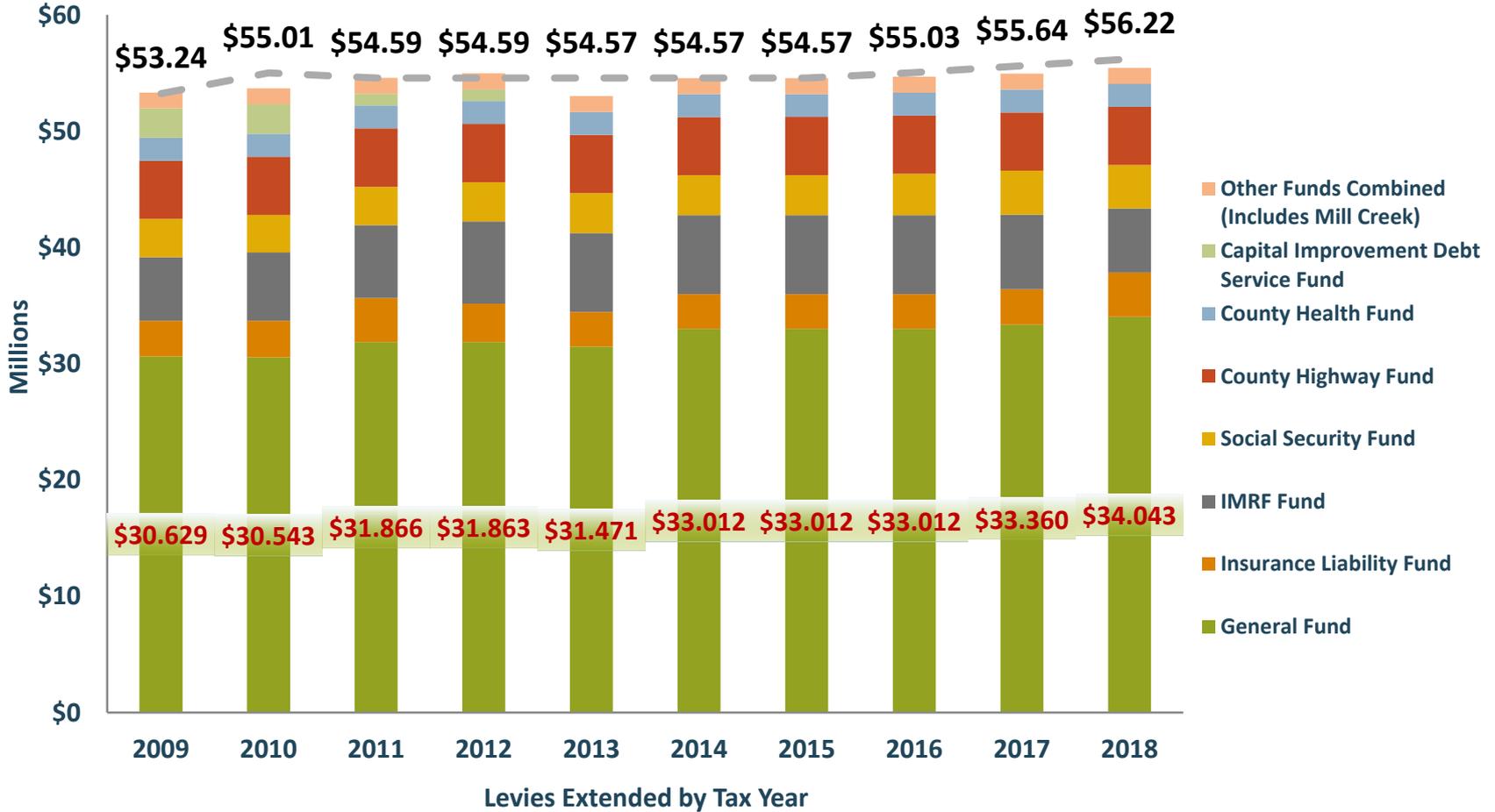
More importantly, those funds are now a part of the financial reporting/budgeting process, and their activities have become more transparent.

Altogether they represent almost \$1.5M of the Special Revenue Funds balance as of May 31, 2019. For the first half of the year these accounts now have almost \$300K in revenues and over \$350K in expenditures which had been “under-reported” prior to the implementation of the audit recommendations.

# Governmental Funds (as of February 28, 2019)



# Governmental Funds



# General Fund



## General Fund

General Fund

Special Reserve

Emergency Reserve

PP Tax Freeze

SAO Domestic Violence

Environmental Prosecution

Economic Development

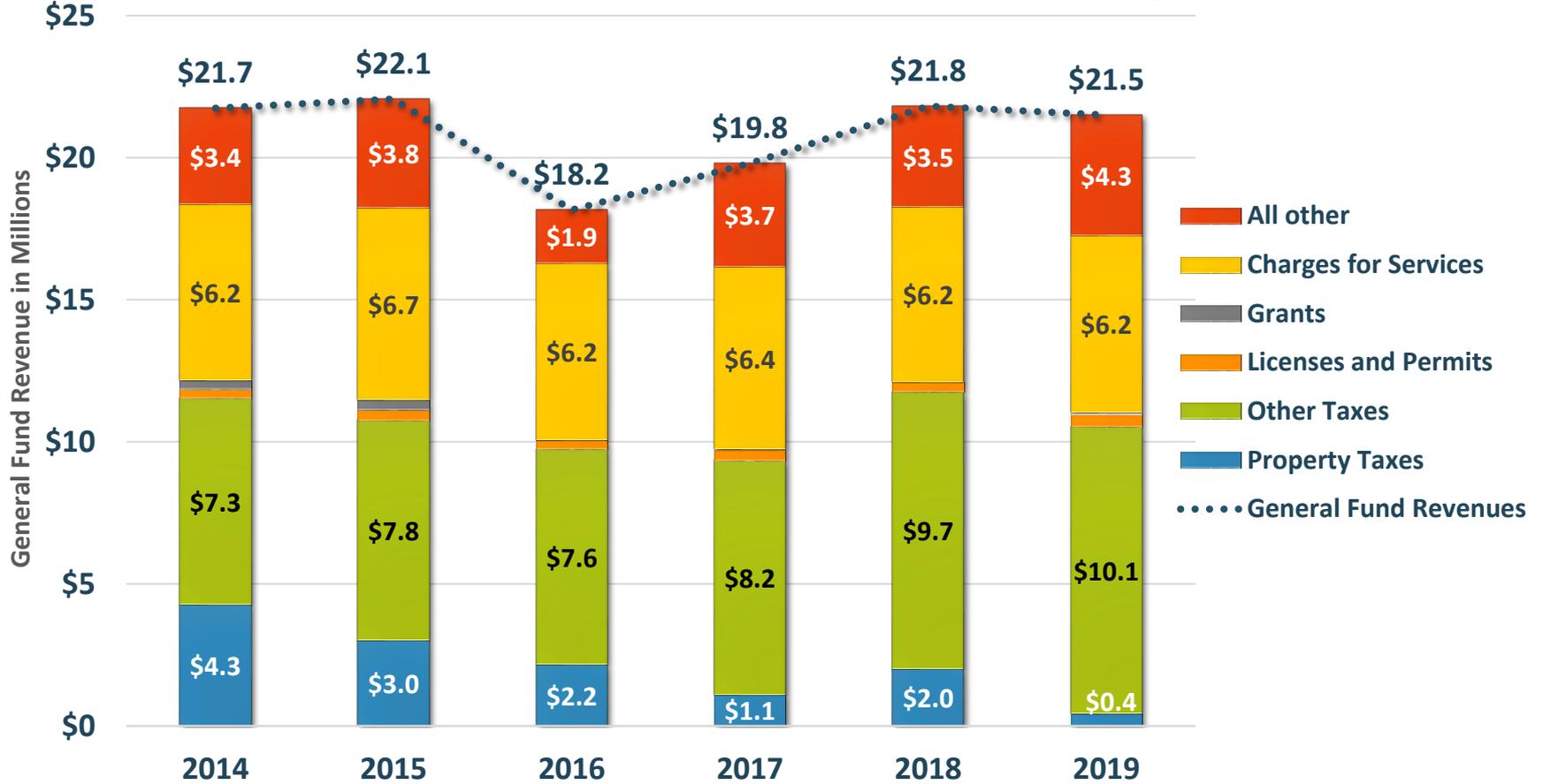
Cost Share Drainage

Public Building Commission

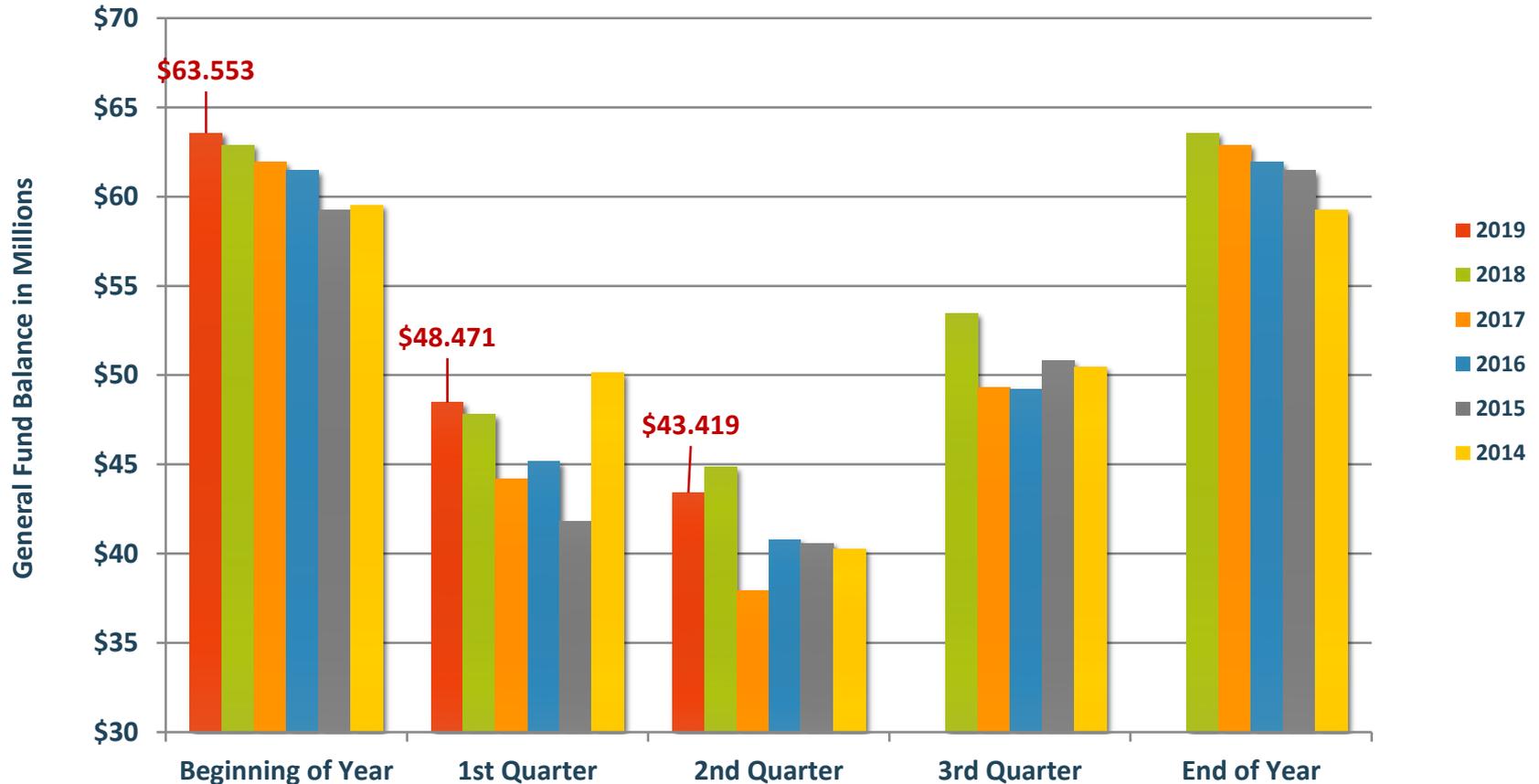
# General Fund (as of May 31, 2019)

GENERAL FUND	ANNUAL BUDGET	YEAR-TO-DATE
Revenues	\$ 87,457,677	21,588,335
Expenditures & Encumbrances	83,316,910	37,858,252
Excess/(Deficiency) Revenues over Expenditures	4,140,767	(16,269,917)
Other Financing & Net Transfers In/(Out)	(4,140,767)	(4,087,984)
Less: Encumbrances Included Above		223,696
Net Change in General Fund Balance		(20,134,204)
General Fund Balance, Beginning of Year		63,552,874
General Fund Balance, End of Quarter	\$	43,418,670

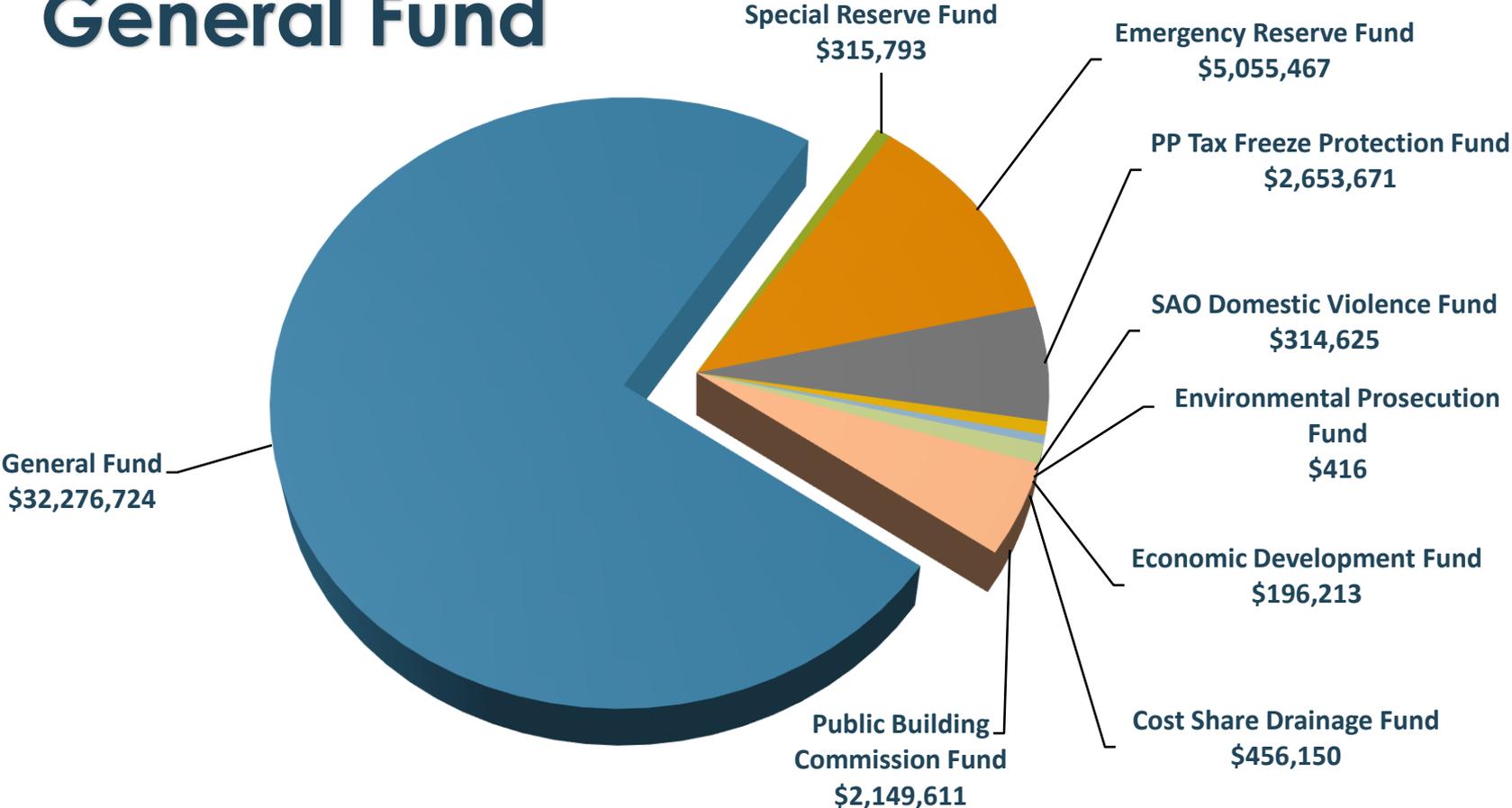
# General Fund Revenues – Through Second Quarter



# General Fund Balance – Quarterly Comparison 5 Year History



# General Fund



# General Obligation Bonds



## Outstanding General Obligation 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.

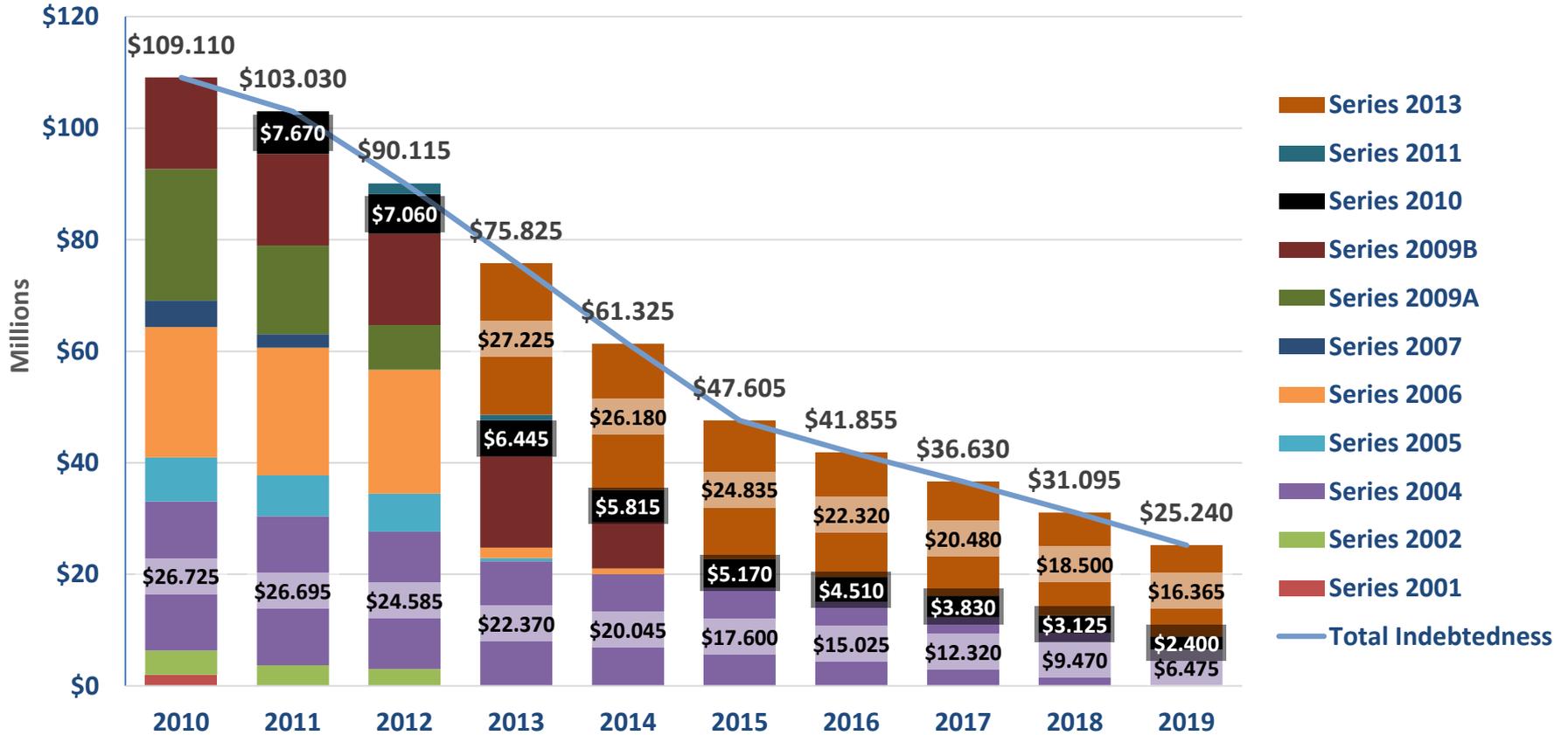
The remaining principal balance of approximately \$2,320,000 in Series 2002 G.O. Bonds was fully refunded.

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.

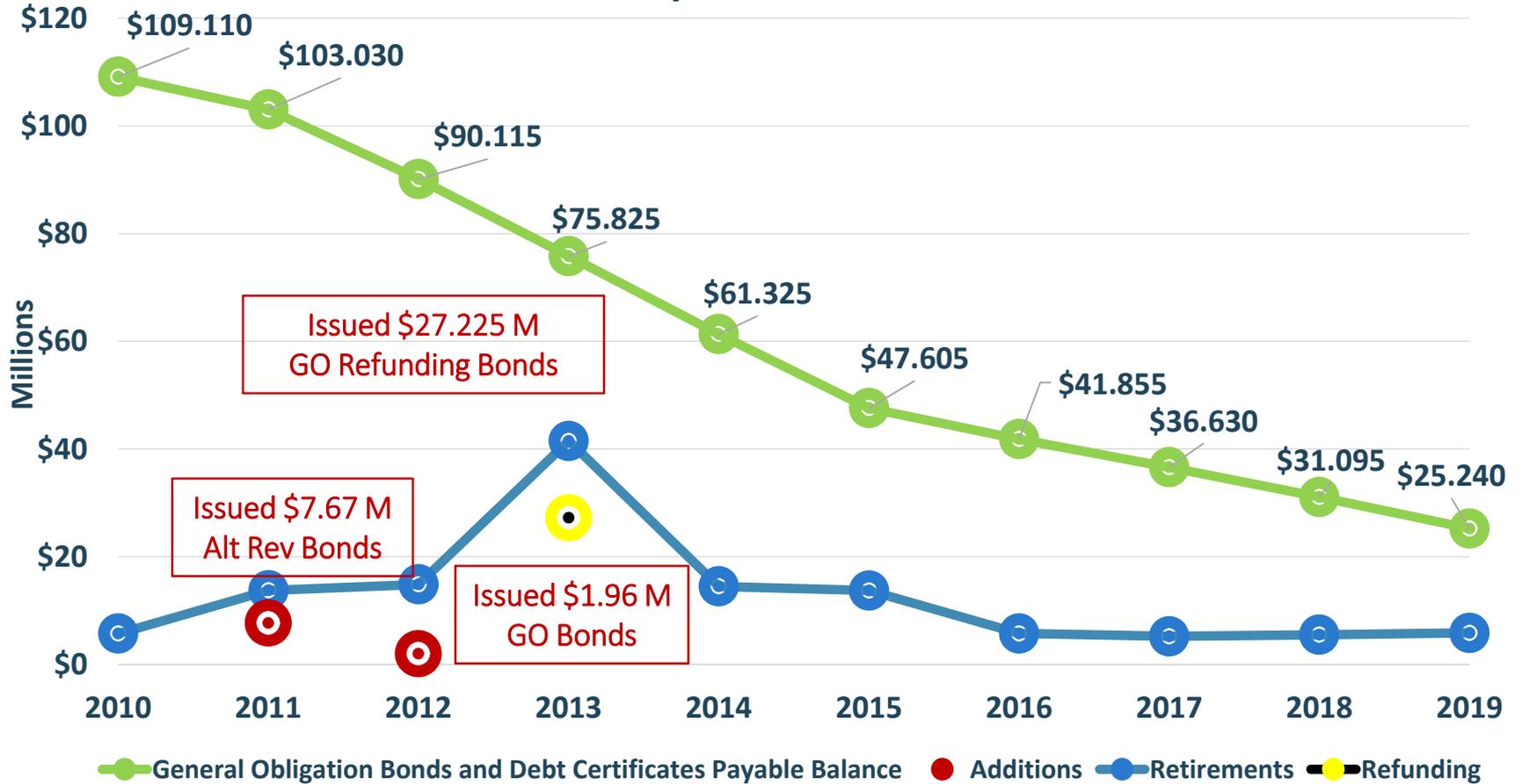
Interest between 2.00% and 3.00% is paid on a semi-annual basis. This series is scheduled to be fully retired in 2024.

# General Obligation Bonds & Debt Certificates Payable

## Ten Year History of Outstanding Indebtedness at Year End

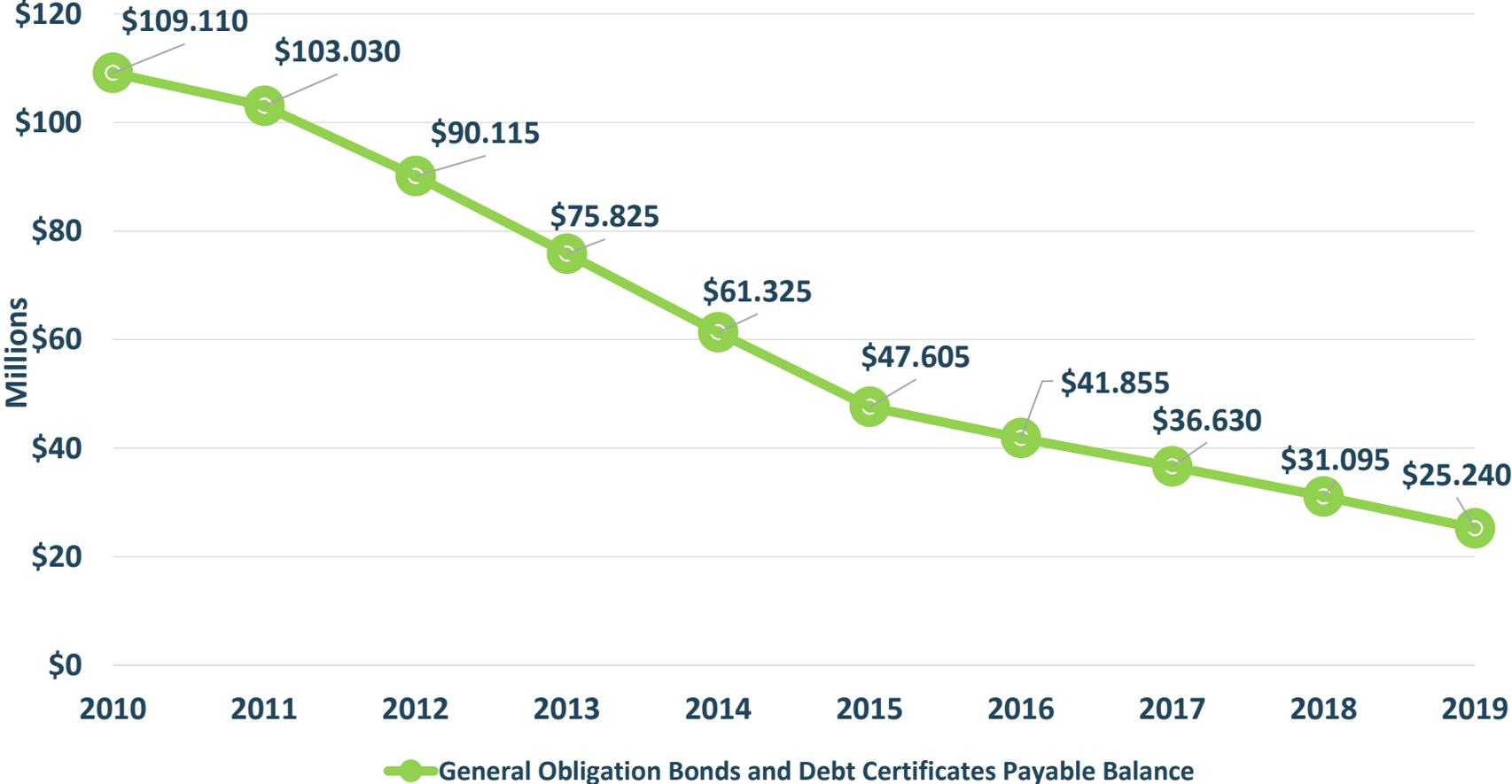


## General Obligation Bonds & Debt Certificates Payable Ten Year Summary of Issuance & Retirement



# General Obligation Bonds & Debt Certificates Payable

## Ten Year Summary of Issuance & Retirement



# Toll Bridge Revenue Bonds



## Outstanding Toll Bridge Revenue Bonds

Series 2018  
Toll Bridge  
Revenue

# Bonds Outstanding – Issued Fiscal Year 2018

In December 2018 the County issued \$27,060,000 of Toll Bridge Revenue Bonds – Series 2018 of funding the Long Meadow Parkway Bridge.

The 2018 bonds are payable from the net toll bridge revenues.

Payments of principal and interest are due semi-annually on December 15<sup>th</sup> and June 15<sup>th</sup>. However, the semi-annual payments prior to December 15, 2022 will be interest only.

The bond interest rates range between 4% and 5%.

This series is scheduled to be fully retired December 15, 2048.

# Toll Bridge Revenue Bonds

## Projected Outstanding Indebtedness at Year End

### Displayed Beginning with Current Fiscal Year

### Followed by 5 Year Increments

