



Kane County Finance Overview

January 25, 2011

Committee of the Whole



Agenda

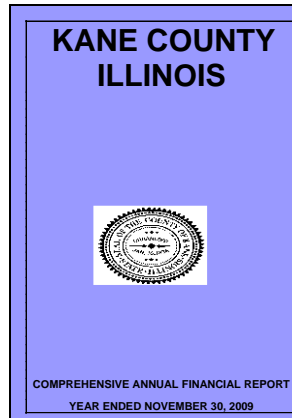
- Upcoming Finance Presentations
- Comprehensive Annual Financial Report (CAFR) vs. Budget
- Governmental Accounting
- Fund Types
- FY2011 Budget Layout
- Committee Report Layout
- Budget Process
- Questions



Upcoming Finance Presentations

- Capital Funds (January 31st)
- Bond Ratings
- General Fund
- Special Revenue Funds
- FY2010 Audit Results

Comprehensive Annual Financial Report (CAFR) vs. Budget



- CAFR
 - Annual audit by independent CPAs required by State Statute
 - Audit must be completed six months after close of fiscal year (May 31)
 - Prepared by outside auditors and Finance Department
 - Format follows Government Accounting Standards Board (GASB) guidelines
 - Reflects what *has* occurred in the County's financial position during the previous fiscal year
 - Final copy available in June

- Budget
 - Budget to be passed by Nov. 30 per State Statute
 - Prepared by Finance Department
 - Very little direction from State Statute regarding content and format of budget
 - Plans what *will* occur in the County's financial position over the next fiscal year
 - Draft copy available in Sept/Oct
 - Final copy available in late Nov/early Dec


Governmental Accounting

- Refers to various accounting systems used by various public sector entities (federal, state, local government)
- County's accounting standards set forth by Governmental Accounting Standards Board (GASB)
- Difference between private sector accounting and governmental accounting
 - Government has different goals, as opposed to private sector entities' one main goal of gaining profit
 - Government entities have the responsibility of fiscal accountability and must demonstrate compliance in the use of citizens' resources
 - Government entities must comply with budget
 - Private sector uses the budget as a tool in financial planning and budget is not mandatory to comply with



Governmental Accounting

- Government accounting uses system of fund accounting
 - Self-balancing set of accounts
 - Resources segregated for specific activities or objectives
 - Special regulations
 - Legal Restrictions/limitations
 - Accountability
- Fund types
 - General Fund
 - Special Revenue Funds
 - Capital Projects, Debt Service, Enterprise & Agency Funds




Fund Types – General Fund

- Accounts for cost of *general* County government
- Used for any purpose determined by the Board
- Revenue primarily from:
 - General property tax
 - Other local and state shared taxes (sales, income, etc.)
 - Permits, Fees, Fines
 - State reimbursements
- County has only one General Fund

Fund Types - Special Revenue Funds

- Account for proceeds of *specific* revenue sources that are *legally restricted* to expenditures for specific purposes
- Revenue primarily from:
 - Property taxes
 - Other local and state shared taxes (motor fuel tax)
 - Fees
 - Federal and state grant funding
- County has over 60 Special Revenue Funds
 - Includes Highway and Health Departments, Riverboat, automation and grant funds



Fund Types – Capital Projects Funds

- Account for financial resources used for all major County construction projects
- Revenue primarily from:
 - Bond/debt proceeds
 - General Fund transfers
 - Fees (impact fees)
- County has 19 Capital Projects Funds



Fund Types – Debt Service Funds

- Account for the accumulation of resources for and the payments of general obligation bond principal, interest, and related expenses
- Revenue primarily from:
 - Fund transfers from other County funds
 - Property tax
- County has 5 Debt Service Funds

Fund Types – Enterprise and Agency Funds

- Enterprise Funds account for operations financed and operated in a manner similar to private sector
 - County set up 2 Enterprise Funds for operation of Settler's Hill and Woodland landfills
 - Revenue derived from landfill fees
 - Landfills now closed and County utilizes its interest collected and cash on hand to pay for current allowed expenses
- County has 49 Agency Funds, which are used to account for assets held solely in a custodial capacity



FY2011 Budget Layout

- “How to Read the Budget” Summary on pages iii-vii
 - General Table of Contents on pages 1-2
 - Detailed Table of Contents on the first page following every tab
- Executive summary, organization information & financial policies, and financial summary information in the beginning of book separated by topic (grey tabs)
- General Fund detail separated by functional area (white tabs)
- Special Revenue and other funds detail separated by fund type (grey tabs following General Fund)
- Glossary at the end of the book (grey tab)



FY2011 Budget Layout

- Detail information presented for each department/sub-department (pages 87-454)
 - Department description
 - 2010 Project Recap
 - Key Performance Measures (2009 & 2010)
 - 2011 Goals & Objectives
 - Expenditure by classification bar graph (2009-2011)
 - Position Summary (2009-2011)
 - Detail budget by account number (2009-2011)



Committee Report Layout

- Reports summarized by department and fund



Committee Report Layout

- Reports further summarized by account classification
- Detailed reports by line item available on website



Budget Process



Budget Process

- Does the Board want the FY2012 Budget Process similar to FY2011?
 - FY2012 Changes
 - Finance Committee budget recommendation brought back to the full Board for approval at Committee of the Whole
 - If needed, any outstanding budget issues brought back to Finance Committee and/or Committee of the Whole for resolution (at end of budget process)



QUESTIONS?

**Please contact me at any time with questions
or concerns**