

Appropriations

TAXES

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Agency

GUIDE TO USING AND UNDERSTANDING
THE

*DU PAGE COUNTY
QUARTERLY FINANCIAL REPORT*

BOB GROGAN, CPA
DuPage County Auditor

funds

Fees

encumbrance

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revenue

Do any of the following comments describe how you feel when it comes to understanding how local government finances its operations?

- *“Sure I’m interested in where my tax dollars are spent. But, I’m no financial expert.”*
- *“Financial information is so hard to understand – especially government finances.”*
- *“I just can’t figure out the meaning of government financial terms.”*
- *“I don’t know who to call with questions that I have.”*

If you can identify with these, help is here. And, you can take the next step to understanding DuPage County finances by reading the *DuPage County Quarterly Financial Report* issued by the Office of the DuPage County Auditor.

County Auditor Bob Grogan issues the *DuPage County Quarterly Financial Report* every three months during the year. Copies of the *Report* are available on the Internet and at each public and college library in the County, and can be obtained from the Office of the County Auditor in Wheaton.

In order to assist readers in using and understanding the *Report*, the County Auditor has responded to the following questions:

Q – “There are times when I don’t understand my own checkbook. The Quarterly Financial Report, looks like it could be confusing. I know that the County Auditor is a C.P.A., but do I need to be a C.P.A. to understand the Report?”

Definitely not. Yes, government finances can be complicated and confusing. But just remember, government is spending public money – *your money*. In the *Quarterly Financial Report*, the Office of the DuPage County Auditor has tried to simplify the sometimes puzzling subject of DuPage County finances. As County Auditor, it is my hope that just about anyone interested can see where the County gets the money that it spends, and where the County spends the money that it gets. Hopefully, after taking a few minutes to review the *Report*, individuals with no formal financial training can begin to understand County financial operations.

Q – “Okay, I’m willing to take the plunge and at least look at the inside of the Report. What will the Report tell me?”

The *Report* can help you monitor the financial activities of DuPage County government. It contains the DuPage County government spending plan, the source of the monies to be

used, and where the monies are actually spent. It also shows receipt and disbursement activity in various “agency funds” maintained by the County Treasurer. In order to get a better picture of DuPage County finances, the *Report* can be compared with prior years’ *Reports* to identify increases and decreases in amounts received and spent.

Q – “I noticed that the word ‘fund’ appears on every page. I thought I knew what fund meant. But, how does the term apply to this Report?”

Without getting too technical, a fund includes cash and revenue amounts, which can be used only for specific purposes. The money and future revenue amounts in each fund in the *Report* can only be used for limited functions. For example, the revenue in the Local Gasoline Tax Fund can only be used for the costs related to maintaining and constructing roads in the County. Similarly, the money in the Convalescent Center Operating Fund can be used only for the operations of the Convalescent Center. Money in the Corporate Fund has the least amount of restrictions, and is used to finance the general operations of most County functions.

Q – “The term ‘appropriation’ is used throughout the Report. What is an appropriation?”

An appropriation is the spending budget that has been adopted by the County Board. It is the maximum amount that the County Board has authorized to be used for certain purposes during the year. The appropriation amounts

shown in this *Report* are grouped by general category (personnel, commodity, contractual, capital outlay, and debt service). These amounts represent the appropriations as of the date covered by the *Report*. Information in a more detailed format is available for inspection at the Office of the County Auditor in Wheaton.

Q – “The Report shows monies received (revenues), amounts spent (expenditures), and something called ‘encumbrances.’ What are encumbrances?”

Encumbrances represent the amounts of contracts or obligations that the County has entered into, that must be paid in the future. Encumbrances are used to set aside or earmark a portion of an appropriation for a specific future obligation.

Q – “The Report includes information about ‘agency funds.’ What are agency funds?”

Agency funds include money that is temporarily held by the County Treasurer for third parties. These amounts cannot be used by DuPage County to finance government operations.

Q – “Where can I get additional information about the Report or about DuPage County finances?”

Additional information can be obtained from the Office of the County Auditor located at the County complex in Wheaton, or by calling (630) 407-6075, or on the internet at www.dupageco.org/auditor.

This *Guide* is provided as a public service by the

**OFFICE OF THE
DU PAGE COUNTY AUDITOR**

**Bob Grogan, CPA
County Auditor**

***Providing Accountability
for DuPage County Taxpayers***

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