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FOR IMMEDIATE RELEASE

FROM THE OFFICE OF THE COUNTY AUDITOR

ECONOMY IMPACTS COUNTY FINANCES

Economic conditions had a mixed effect on DuPage County finances during 2002, according to County Auditor Jim Rasins. On the positive side, lower interest rates resulted in a record year for documents handled, and fees collected, by the County Recorder.

“The fees deposited by the Recorder during 2002 rose by \$1.8 million over 2001 amounts, representing a 21% increase. This is due almost entirely to the increased mortgage refinancing activity during the year,” Rasins said.

An additional \$1.1 million in fee revenue increases were also posted by the Circuit Court Clerk and a newly implemented D.U.I. evaluation program.

The Auditor noted that the economy also contributed to a 4.7% drop in sales taxes received in the Corporate Fund. During 2002, the Fund collected \$39.2 million in sales tax revenue, as compared to \$41.1 million during the previous year.

These factors contributed to a change in a trend that has stood for at least 10 years.

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ECONOMY IMPACTS COUNTY FINANCES - 2 - **March 26, 2003**

“Sales taxes were traditionally the single largest source of money used to finance operations in the Corporate Fund. But, in 2002, the amounts received from fees and earnings took over the top spot,” the Auditor observed.

Rasins recently released his 130-plus page Quarterly Financial Report covering the 2002 fiscal year. The Report noted that total Corporate Fund revenue reached the \$127.9 million mark. This represented a \$5.2 million jump over 2001 revenue.

Rasins disclosed that a large portion of the total revenue increase was attributed to \$4.9 million received by the Fund as a one-time reimbursement for prior years’ expenditures made for stormwater-related projects. This amount was provided by the County’s Local Gas Tax Fund and Stormwater Fund.

On the outflow side, the Corporate Fund tallied \$130.7 million in expenditures during 2002, representing an increase of \$1.2 million over the prior year. Personnel costs related to employee wages and benefits comprised the single largest spending category at \$88.9 million, reflecting a \$4.8 million jump from the 2001 level.

Contributing to the increase was a \$1.5 million rise in the wages cost posted by the County Sheriff. Costs related to employee health insurance benefits paid from the Fund also followed a nationwide trend, and reflected an \$835,000 increase.

The Auditor also noted that the Corporate Fund provided operating subsidies totaling \$2.65 million to the Social Security Fund and the Liability Insurance Fund. These amounts were included in the \$27.9 million in contractual-related expenditures from the Corporate Fund.

ECONOMY IMPACTS COUNTY FINANCES - 3 - **March 26, 2003**

Financial activities during 2002 resulted in a decrease in the cash and investment reserves available in the Corporate Fund. At the end of 2002, these reserves amounted to \$23.5 million, down from the \$25.6 million reported at the end of 2001. Rasins noted that the cash drop, combined with lower interest rates, led to a decrease in the amount earned during the year on invested funds.

The Auditor's report included the results of County financial operations in 68 special revenue funds, which record amounts available and used for specific purposes. These funds received a total of \$209.8 million in revenue during the year, while spending \$223.3 million. Rasins explained that some of the 2002 spending increase reflected amounts received from the issuance of bonds during 2001.

In an effort to keep the public informed about DuPage County finances, Rasins has made the Report available on the County Auditor internet website at www.dupageco.org/auditor/. Copies of the Report can also be examined at public and college libraries throughout the County, and are available from the Office of the County Auditor in Wheaton.