



OFFICE OF THE COUNTY AUDITOR DUPAGE COUNTY, ILLINOIS

James W. Rasins, C.P.A., C.F.E.
County Auditor

Peter W. Balgemann, C.G.A.P.
Chief Deputy Auditor

421 N. County Farm Road
Wheaton, Illinois 60187
(630) 682-7190
FAX: (630) 682-7442
www.dupageco.org/auditor

JULY 15, 2003

FOR IMMEDIATE RELEASE

FROM THE OFFICE OF THE COUNTY AUDITOR

COUNTY SPENDING TOPS REVENUES

A report on DuPage County finances issued by County Auditor Jim Rasins disclosed that County Corporate Fund spending outpaced revenues by \$10.8 million during the first half of the 2003 fiscal year. This figure is significantly higher than the \$6.7 million gap noted in the same period in 2002.

The Auditor's 120-plus page Quarterly Financial Report indicated that during the first six months of fiscal 2003, the County's main operating fund posted \$73.9 million in spending, compared to \$63.1 million of revenue received.

"The gap between the (Corporate) Fund's revenues and expenditures would have been larger, had the Fund not received \$9.3 million in non-recurring reimbursements from the Local Gasoline Tax Fund, and \$3.2 million generated through the sale of the Intermediate Processing Facility," the Auditor said.

Rasins noted that overall sales tax revenues collected by the County dropped by \$1.3 million, or 7%, from the previous year. The Auditor explained that the impact of this decrease on the Corporate Fund was compounded by an additional \$500,000 of sales taxes directed to the payment of drainage-related bond amounts.

“The amount of sales tax actually available for use in the Corporate Fund was down \$1.8 million from last year,” he added.

On a positive note, the revenue received from the County Recorder rose by \$1.5 million, over the 2002 earnings level. Mortgage refinancing activity, resulting from historically low interest rates, has significantly increased the number of documents handled by the Recorder.

The Clerk of the Circuit Court also deposited an additional \$2.1 million into the Corporate Fund, as compared to the 2002 amount. This resulted from an increase in the amounts received from various earnings and bond forfeitures.

Auditor Rasins noted that most of the \$10.4 million jump in Corporate Fund expenditures over last year was impacted by an \$8.8 million increase in contractual-related spending.

“The County made \$3.7 million in payments to municipalities and townships within the County during 2003, as a result of the dissolution of the County’s Solid Waste Fund,” the Auditor noted.

Rasins also pointed out that the Corporate Fund disbursed nearly \$6.8 million to other County operating funds requiring financial assistance. This included \$3.4 million paid to the County employee pension fund, and just under \$2.0 million paid to the fund that finances the County Convalescent Center. In addition, the Corporate Fund loaned an additional \$950,000 to the Convalescent Center during the year.

Corporate Fund finances were also impacted by the Voluntary Buyout Program offered to County employees during the year. The Program provided a financial incentive of up to 40 weeks of pay, upon an individual’s voluntary resignation from

County employment. The actual amount of incentive earned by each employee depended upon the number of years each was employed by the County.

Through the first half of 2003, the Corporate Fund made buyout payments amounting to \$2.5 million. Additional Fund expenditures made to the individuals participating in the buyout program for employment-related benefits totaled \$4.0 million.

Rasins explained that the latter amount would have eventually been paid when the affected individuals had chosen to leave the employment of the County in the future. The individuals' participation in the buyout program merely moved the \$4.0 million payment forward to 2003. County administrative personnel have indicated that the Buyout Program is expected to provide a significant long-term savings to County taxpayers through reduced salaries and job vacancies.

The Auditor noted that the revenues and expenditures posted in the Local Gasoline Tax Fund each doubled the amounts recorded during 2002. The Fund received \$13.9 million from motor fuel tax bond proceeds during the first half of 2003. This represented reimbursements for Fund expenditures made in prior years for highway construction projects that are now being financed with bond proceeds.

On the expenditure side, over \$15.4 million was paid by the Local Gas Tax Fund to both the Corporate Fund and Stormwater Fund. These amounts reimbursed those funds for amounts previously expended for what were deemed to be transportation-related purposes.

Rasins report noted that the County continued to spend down the proceeds received from several bonds issued in prior years to fund capital improvement projects. Expenditures from the fund established to construct the addition to the County

Courthouse increased 70% over 2002 amounts. In the first six months of 2003, \$8.5 million was spent in preparation for the facility's opening in fall 2003. Through the first half of 2003, a total of \$29.7 million in Courthouse bond proceeds had been expended on the project.

During 2001, bonds to be repaid with motor fuel taxes were issued by the County to finance improvements to the County's highway transportation network. Expenditures from the bond proceeds during 2003 included \$1.8 million to relocate power lines on Ferry Road in Naperville, and \$1.5 million for reconstruction of Hobson Road in Naperville.

"During 2003, total payments from the bond proceeds were \$24.2 million – three times the amount spent a year ago," Rasins said.

The Auditor attributed the increase to a \$13.9 million reimbursement paid to the Local Gas Tax Fund. Since the 2001 issuance of the bonds, a total of \$74.1 million of bond proceeds has been spent on various highway construction projects.

In an effort to provide the public with easy access to information about County finances, Rasins has made his entire Quarterly Financial Report available on the County Auditor internet website at www.dupageco.org/auditor/.

Copies of the Report are available from the Office of the County Auditor in Wheaton, and can also be examined at public and college libraries throughout the County. Rasins has also published a guide to understanding the Report, which appears on the internet and accompanies library copies of the Report.