



COUNTY OF WINNEBAGO

Office of the County Auditor

County Administration Building
404 Elm Street, Room 201
Rockford, Illinois 61101

WILLIAM D. CROWLEY
County Auditor
Phone (815) 319-4206
bcrowley@wincoil.us

February 7, 2019

To: Marilyn Hite Ross, Winnebago County State's Attorney

From: William D. Crowley, Winnebago County Auditor

RE: Winnebago County Recorder Automation Fund

My office has issued an internal audit of Winnebago County Recorder's Office. In our report dated October 23rd, 2018, we noted that the County Recorder's Office is receiving annual revenue of approximately \$200,000 - \$250,000 from the sale of compiled electronic data and prints. This revenue is currently being deposited into the Recorder's Automation Fund.

55 ILCS 5/5-1106.1 addresses the issue of revenue from the sale of electronic data in bulk or compiled form and states that "the fee must be paid to the county treasurer and deposited into a fund designated as the County Automation Fund; except that in counties with a population exceeding 3,000,000, the fee shall be paid into a fund designated as the Recorder's Automation Fund."

I believe this statutory language indicates that in Winnebago County the proceeds from the sale of electronic data and prints received by the County Recorder should be deposited into a fund titled County Automation. Acceptable uses for this fund would then include countywide automation projects rather than being restricted solely to Recorder's Office automation related expenses which is the case with the Recorder's Automation Fund.

You asked me to provide a series of proposed steps to be considered to address this issue. My recommendations are as follows:

- Create a new accounting fund titled "County Automation Fund".
- Deposit all future proceeds relating to sale of compiled electronic data and prints into the newly created fund. Continue to deposit the appropriate recording fee into the Recorder's Automation Fund.
- Transfer 50% of the September 30th, 2018 fund balance in the Recorder's Automation Fund into the newly created County Automation Fund. The September 30th, 2018 fund balance in the Recorder's Automation Fund was \$1,039,361 and is currently under audit. This transfer will require a budget amendment to be approved by the County Board.
- Administration may choose to specifically identify individual accounting activity to reclass from October 1, 2018 to current but isn't necessarily recommended.

It is our mission to provide high quality services and promote a safe community for all people in Winnebago County.



COUNTY OF WINNEBAGO

Office of the County Auditor

County Administration Building
404 Elm Street, Room 201
Rockford, Illinois 61101

WILLIAM D. CROWLEY
County Auditor
Phone (815) 319-4206
bcrowley@wincoil.us

We are recommending a 50/50 opening fund balance allocation between the Recorder's Automation Fund and the County Automation Fund based on the following:

- The Recorder's Office processes a high volume of revenue transactions therefore making it difficult and time consuming to retroactively investigate all receipt activity and determine the proper fund.
- The projects that have been historically funded from the Recorder's Automation Fund could have hypothetically been funded from either the Recorder's Automation Fund or the County Automation Fund had it existed. Therefore, specific allocation of the historical expenditures between the two funds is impossible.
- Our 50/50 proposed fund balance allocation provides for corrected balances of \$519,680 in each fund. We believe this is a reasonable compromise that allows the Recorder's Office maintain sufficient resources to fund the needs of the office and also provides for substantial resources for the County Board to address countywide automation project needs.

Please let me know if you have any questions or comments at 815-319-4206 or bcrowley@wincoil.us.