

FOR THE YEAR ENDED  
NOVEMBER 30, 2020



# McHENRY COUNTY POPULAR ANNUAL FINANCIAL REPORT

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## **McHenry County receives Triple Crown award for Financial Reporting**

McHenry County earned a Triple Crown medallion from the Government Finance Officers Association of the United States and Canada (GFOA) for winning all three of the association’s annual awards for its Fiscal Year 2019 financial reports: the Certificate of Achievement for Excellence in Financial Reporting, the Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award. McHenry County is one of only 292 governments that received this distinction.

# INTRODUCTION

## TO THE RESIDENTS OF McHENRY COUNTY

McHenry County values commitment to transparency and good governance. To continue to provide an accurate and relevant picture of how the County operates, I am pleased to present the County's Popular Annual Financial Report (PAFR) for the Fiscal Year 2020 (FY20), which ended November 30, 2020.

This report provides a summary of the County's revenue, spending, and financial condition in a straightforward and easy-to-read format. Governmental funds are incorporated since most of the County's basic services are included. The report also includes supplementary information on local conditions, strategic issues, major accomplishments, and current county board members and elected officials.

The information in this report is derived from the County's FY20 Annual Comprehensive Financial Report. This report is not intended to replace the Annual Report. The PAFR omits the financial statements on business-type activities, discretely presented component units, proprietary funds, and fiduciary funds, which are included in the Annual Report.

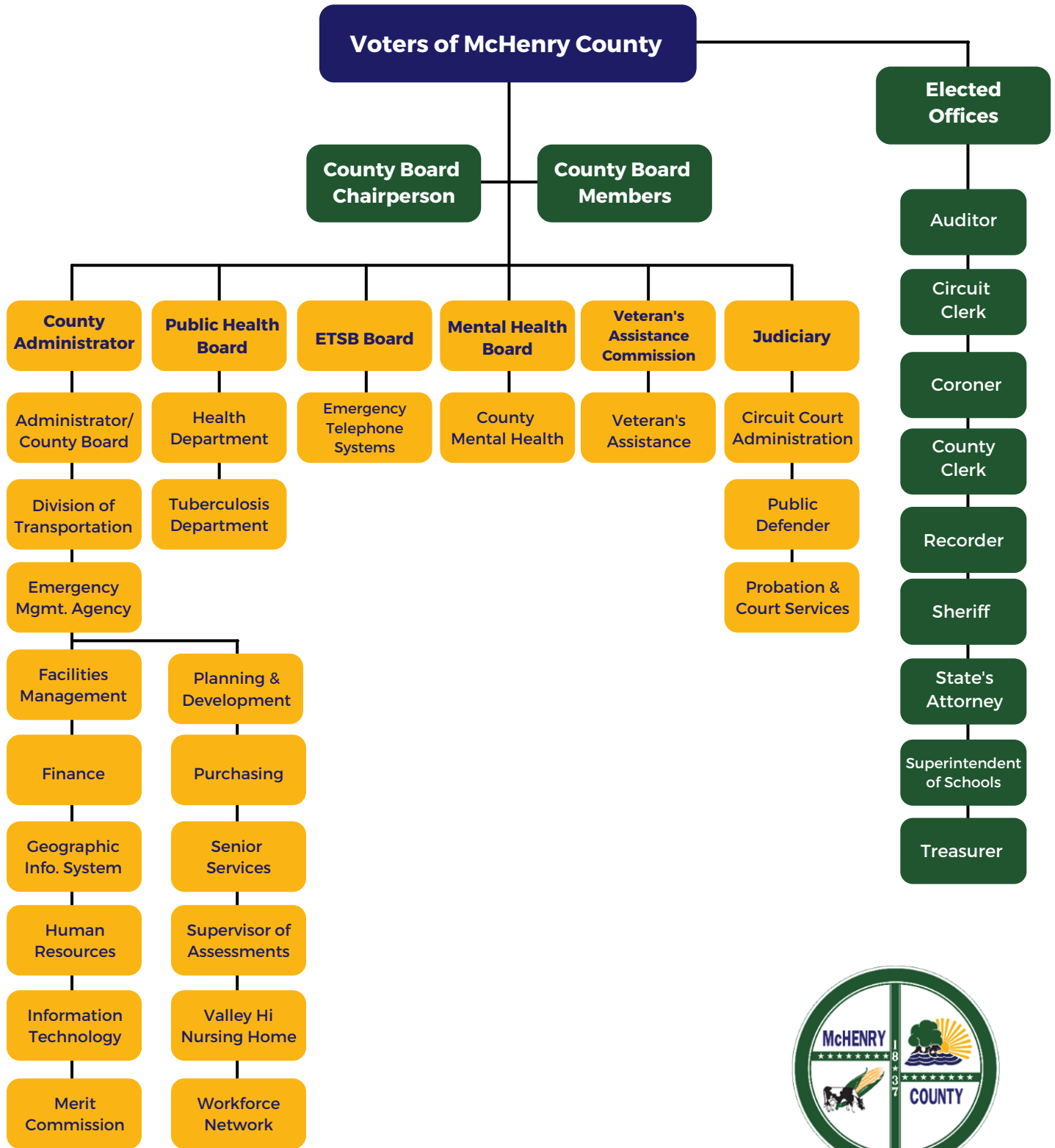
You can view the most recent and older copies of the Annual Report, annual budgets, audits, and our financial dashboard anytime on McHenry County's website at [mchenrycountyil.gov/county-government/departments-a-i/finance](https://mchenrycountyil.gov/county-government/departments-a-i/finance)



**COUNTY ADMINISTRATOR  
PETER AUSTIN**

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# ORGANIZATIONAL STRUCTURE



# COMMUNITY PROFILE

## McHenry County

### About McHenry County

Located in the northeastern part of Illinois, McHenry County is home to more than 30 communities with residential growth across the eastern half and rolling countryside to the west. Out of 102 counties, McHenry County has the sixth largest population in Illinois.

The County covers an area of 611 square miles and is adjacent to Walworth and Kenosha Counties in Wisconsin and the following counties in Illinois: Lake, Cook, Kane, DeKalb, and Boone. The County is 50 miles northwest of Chicago and has access to I-90 in the southwest corner of the county. Several state highways transect the county, making it accessible to areas in northern Illinois and southern Wisconsin. The Metra Union Pacific Northwest Line has seven stations in McHenry County that connect residents and businesses to the Northwest Suburbs and Chicago via commuter rail.



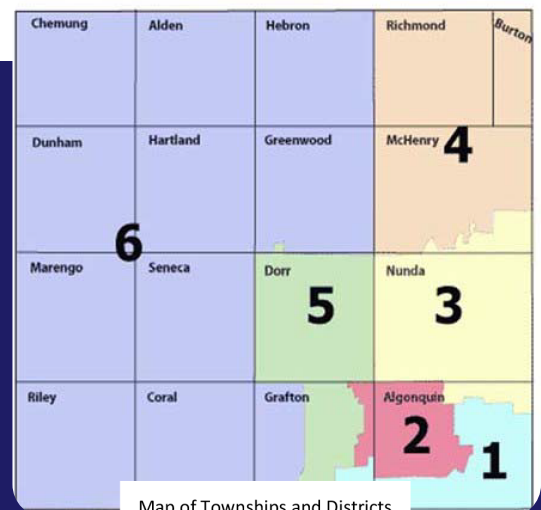
McHenry County Government is based primarily out of the City of Woodstock and county offices and the judicial facilities are located along Illinois Route 47. The county is organized under 17 townships and divided into six county board districts with four representatives elected from each district (see page 13).

### Cities, Towns, & Villages

Algonquin / Barrington Hills / Bull Valley / Cary  
Crystal Lake / Fox Lake / Fox River Grove / Greenwood  
Harvard / Hebron / Holiday Hills / Huntley / Island Lake  
Johnsburg / Lake in the Hills / Lakemoor  
Marengo / McCullom Lake / McHenry / Oakwood Hills  
Port Barrington / Prairie Grove / Richmond  
Ringwood / Spring Grove / Trout Valley / Union  
Wonder Lake / Woodstock

### Townships

Alden / Algonquin / Burton / Chemung / Coral / Dorr  
Dunham / Grafton / Greenwood / Hartland / Hebron  
Marengo / McHenry / Nunda / Richmond / Riley / Seneca



# COMMUNITY PROFILE

**93.1%**  
High School  
Degree or  
Higher

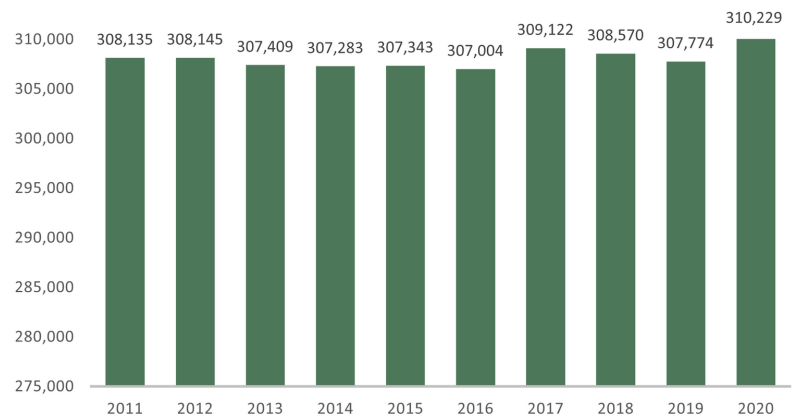
**45,833**  
School  
Enrollment

**5.3%**  
Unemployment  
Rate

## Population

McHenry County averaged around 307,800 residents this past decade. The County has seen slight increases in population since 2017, despite lower statewide trends. Initial figures reported from the U.S. Census Bureau in 2021 document McHenry County's population at 310,229 residents as of the 2020 Census. This is an increase of 1,469 residents compared to the 2010 Census.

### County Population Over the Past Decade



Data collected from the U.S. Census Bureau

## Major Employers

The figures below include only principal employers that are headquartered in McHenry County.

### Employer

### Number of Employees

### Type of Industry

Northwestern Medicine	5,000	Health Care
District 47	1,528	Education
District 158	1,500	Education
County of McHenry	1,400	Government
Follett Library Resources	1,378	Manufacturing
Catalent Pharma Solutions Inc.	830	Manufacturing
Mercy Health System	732	Health Care
District 155*	725	Education
Snap-On Tools	590	Manufacturing
Stryker-Sage Products	583	Manufacturing

\*Employment data for District 155 was released after the County's 2020 Annual Comprehensive Financial Report was published

Data collected from the McHenry County Economic Development Corporation

# COMMUNITY PROFILE

## Demographics



**\$240,000**

Median Single Family/Condo Sales Price



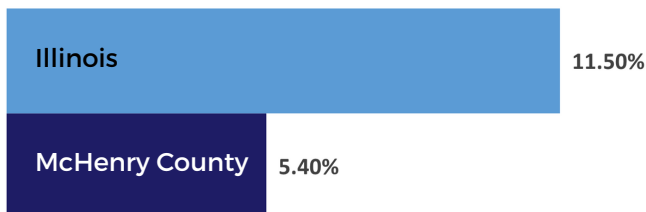
**79.4%**

Owner-Occupied Housing

### Median Household Income



### Persons Below Poverty Line



### Race/Ethnicity

Race	Percentage
White	93%
Black	1.8%
American Indian/Alaskan Native	0.5%
Asian American	3%
Native Hawaiian/Pacific Islander	0.1%
<b>Ethnicity</b>	
Hispanic/Latino	13.9%

*Data collected from the U.S. Census Bureau*



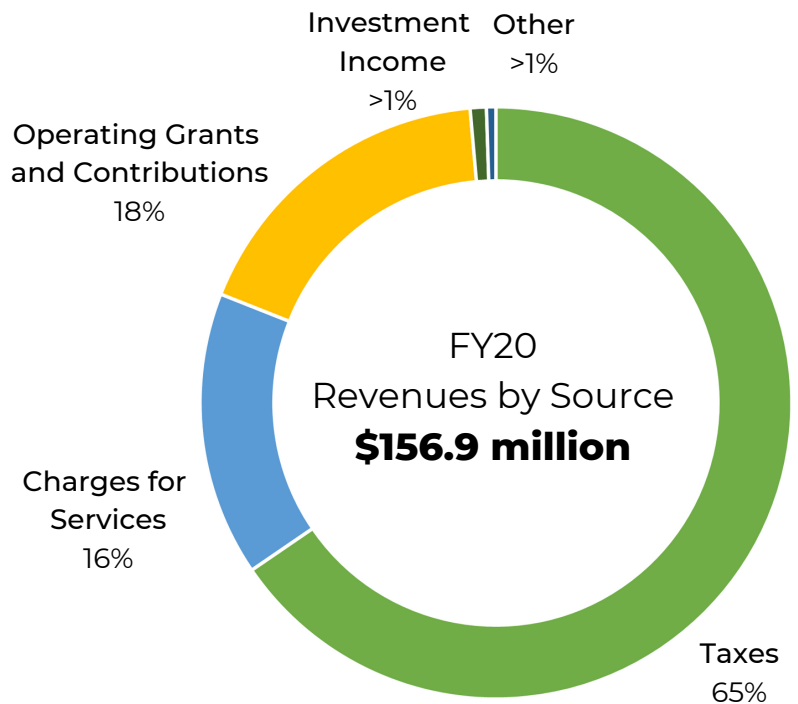
# BUDGET BREAKDOWN

## Governmental Revenues

The general fund is the primary operating fund of the County and is part of overall governmental funds. Total general fund revenues decreased \$2 million (2.2%) compared to FY19. Charges for service saw the largest impact, which decreased \$4.1 million or 19.2%, from \$21.4 million for fiscal year 2019 to \$17.3 million for fiscal year 2020. Due to the impact of the COVID-19 pandemic on the local economy, the County experienced

steep declines in specific charges for services such as court fees, federal detainee program, and other health-related fees.

Grant income increased by \$3.5 million and investment income decreased \$1.4 million compared to FY19, in part related to impacts from the COVID-19 pandemic. In 2020, Congress passed the CARES Act, which allocated certain funding to states and units of local governments with populations over 500,000 people. Governments with populations under 500,000, including McHenry County, received funding from the State through the Local CURE Act. The increase in grant revenues is directly related to the CARES Act.



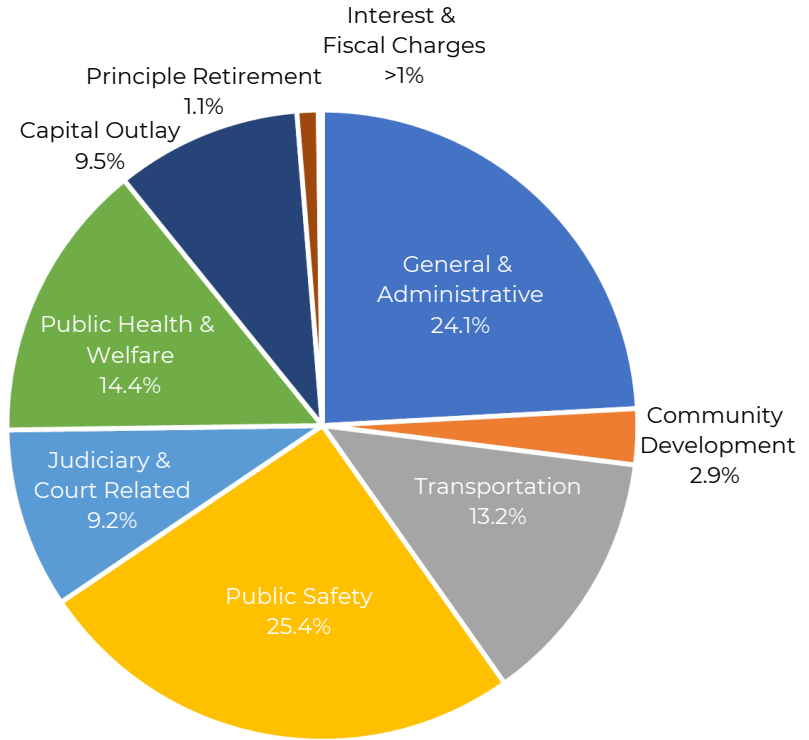
Revenues by Source	FY20	FY19	Change (+ / -)
Taxes	\$102,678,112	\$103,896,796	\$(1,218,684)
Charges for Services	24,377,058	28,050,337	(3,673,279)
Operating Grants and Contributions	27,628,625	18,911,729	8,716,896
Investment Income	1,385,103	3,924,047	(2,538,944)
Other	807,284	924,829	(117,545)
<b>Total Revenue</b>	<b>\$156,876,182</b>	<b>\$155,707,738</b>	<b>\$1,168,444</b>



# BUDGET BREAKDOWN

## Governmental Expenditures

Total general fund expenditures decreased \$6 million (6.4%), from \$93.2 million in FY19 to \$87.2 million in FY20. The expenditure category with the largest decrease was capital outlay, which decreased from \$9.4 million for FY19 to \$4.5 million for FY20 (\$4.9 million, or 52.1%). This decrease is due to the County finalizing costs for existing capital projects and making no new capital purchases.



FY20 Average Resident Per Capita Cost for Expenditures  
**\$499.58**

FY20 Expenditures by Function-Government Activities  
**\$155 million**

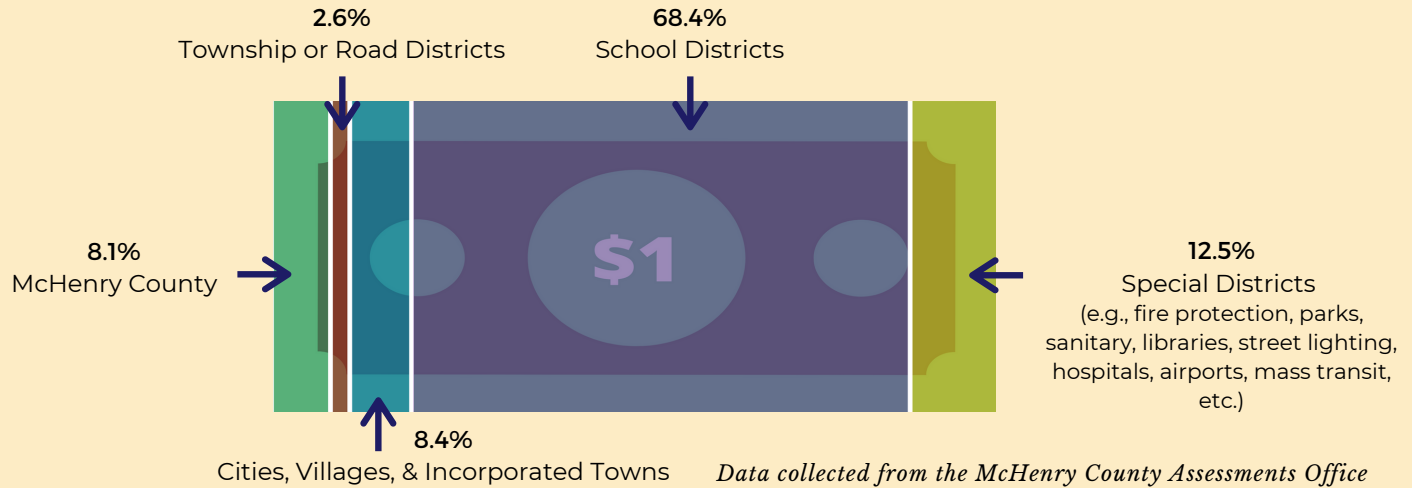
### Expenditures by Function-Governmental Activities

	FY20	FY19	Change (+ / -)
General and Administrative	\$37,409,920	\$37,623,785	\$(213,865)
Community Development	4,431,283	3,474,746	956,537
Transportation	20,463,627	14,950,171	5,513,456
Public Safety	39,278,016	39,241,013	37,003
Judiciary and Court Related	14,315,187	14,655,693	(340,506)
Public Health and Welfare	22,319,727	23,067,343	(747,616)
Capital Outlay	14,758,285	15,883,887	(1,125,602)
Principle Retirement	1,693,152	4,711,599	(3,018,447)
Interest and Fiscal Charges	315,568	238,630	76,938
<b>Total Expenditures</b>	<b>\$154,984,765</b>	<b>\$153,846,867</b>	<b>\$1,060,960</b>

# WHERE THE FUNDING COMES FROM

## Dividing Up the Dollar

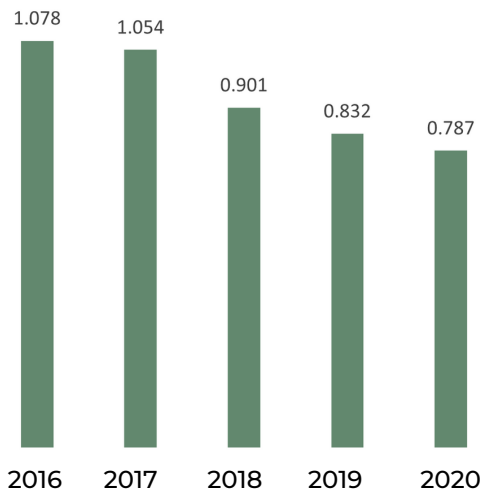
Ever wonder where your property tax dollars go? For every dollar of assessed property collected, about \$0.08 goes to McHenry County. Here's a quick breakdown of where the rest of that dollar is allocated across our county.



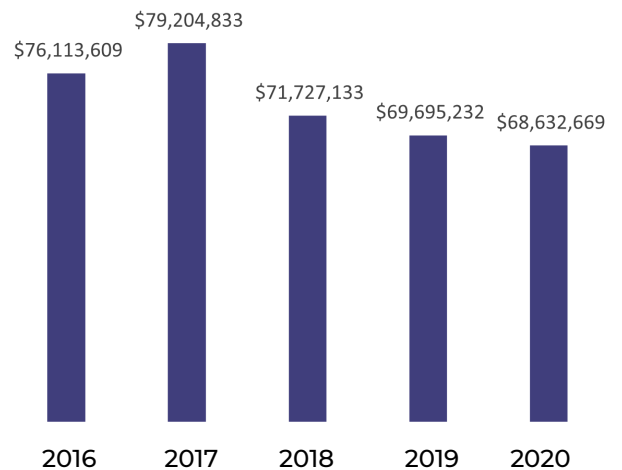
## Property Tax

The total direct tax rate in McHenry County was 0.787% in 2020, with \$68,632,669 in collected revenue. The County has seen property tax rates and collections decrease every year since 2017, though collections have decreased more slowly and have averaged around \$70 million the past three years. Reductions in tax rates over the past few years were possible due to the County's strong fund balance position, which made operations sustainable despite the resulting decreases in total collections.

**Total Direct Tax Rate**



**Total Collections**



# WHERE THE FUNDING COMES FROM

## Sales Tax

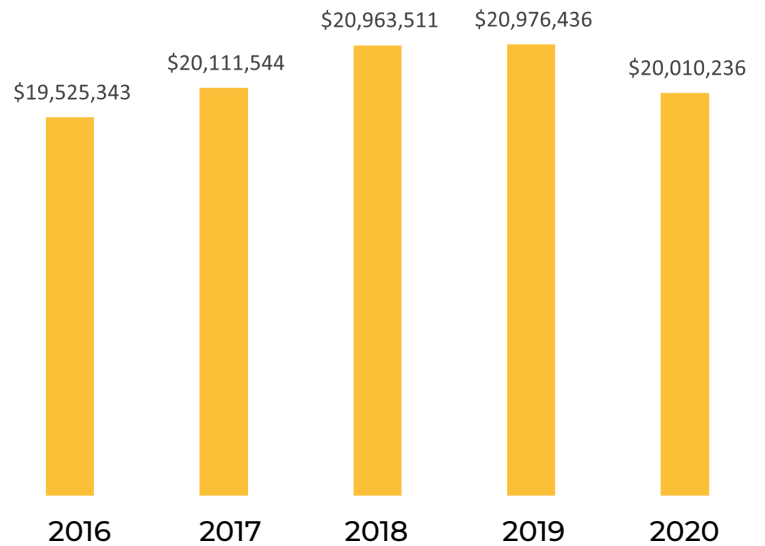
There are several categories of sales tax revenue for McHenry County. The largest categories include sales tax for general merchandise and use tax for general merchandise and titled/registered items.

In 2020, the sales tax rate for general merchandise was 7%, with 6.25% for Illinois state tax and 0.75% for the Regional Transportation Authority.

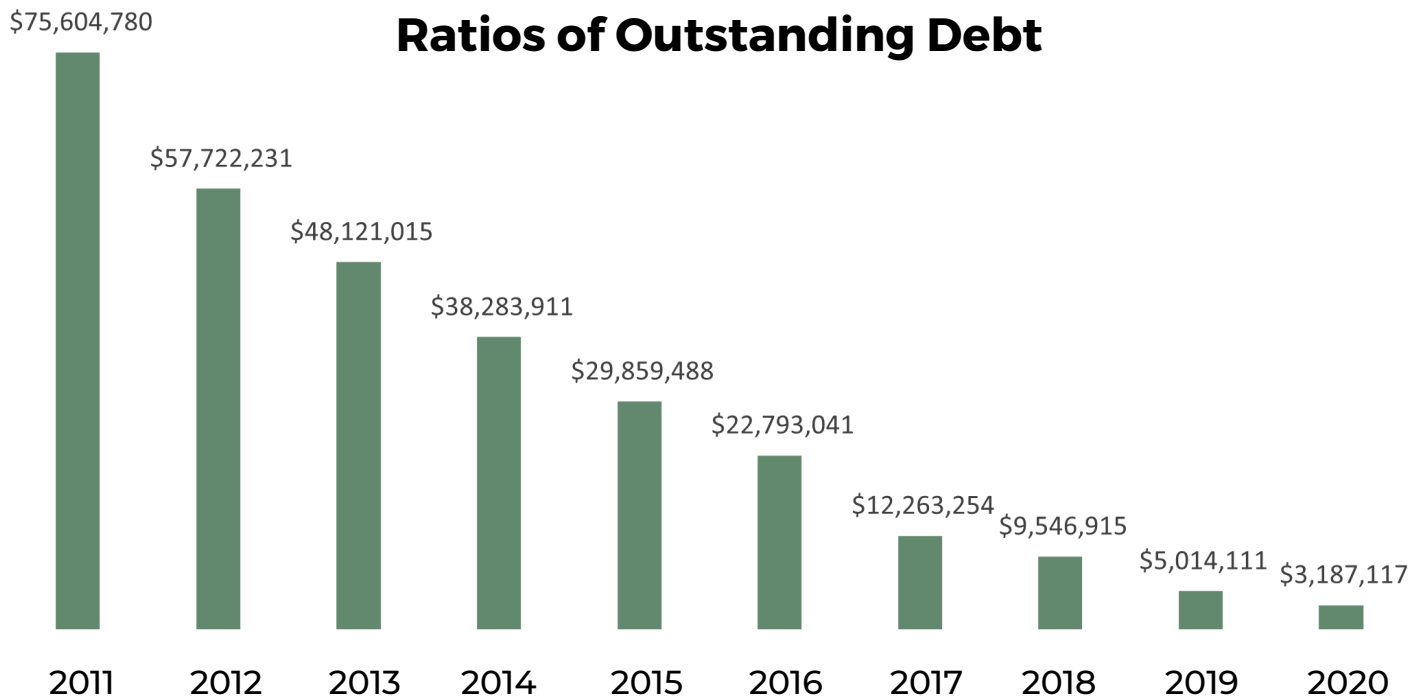
The state use tax was 6.25% in 2020. The State distributes 4% of total state tax collection for sales tax on general merchandise and 20% of use tax charged on titled\registered items to counties.

The County collected around \$20 million in sales taxes in 2020, trending slightly lower than the previous three years. This is partly due to the COVID-19 pandemic's impacts on consumer spending. Online sales and use tax collections for FY20 are also included in these figures.

**Total Collections**



# OUTSTANDING DEBT



In FY20, excluding operating leases, the County did not borrow to fund governmental activities. The County also did not issue new debt for business-type activities during FY20. The County anticipates being debt-free by 2022 as it pays off remaining debt related to its Capital Improvement Plan. The McHenry County Board desires the development of other ways to raise revenue and reduce costs to meet any pending capital needs of the organization while maintaining the required services.

Per state statute, the County is limited to issuing debt no greater than 2.875% of the assessed value of taxable property within the County, equating to \$256,537,932 in FY20 (this limitation does not apply to debt issued for the purpose of building a county courthouse, jail, or other necessary county buildings). Over the past four fiscal years, the County has used 0% of its debt limit (FY17-FY20).

The County continuously monitors its outstanding debt and call dates and proactively takes advantage of the market's low interest rates by refunding debt while maintaining the original debt payoff schedule. The County completed payments on a debt certificate issued to finance the construction of a building expansion for the McHenry County Mental Health Board. The debt was issued as Recovery Zone Facility Bonds, allowing for a reimbursement of 45% of the interest paid on the debt from the federal government.

# GOVERNING BOARD & STRATEGIC ISSUES

## About the Board

The Board's primary function is to establish the various budgets of the county funds and adopt ordinances and rules pertaining to the management and business of the county departments.

## Key Strategic Issue Areas

The McHenry County Strategic Plan 2017-2020 features five key strategic issue areas and related goals. They are:

1. Leadership and Governance
2. Organizational Advancement and Services
3. Quality Infrastructure
4. Stable Environment and Sustainability
5. Economic and Workforce Development

See the next page for a selected list of initiatives the County undertook in FY20 in support of these strategic priorities.



**Want to see how well the County is meeting its strategic goals?** Check out the McHenry County Strategic Plan Report Card at [mchenrycountyil.gov/county-government/strategic-plan](https://mchenrycountyil.gov/county-government/strategic-plan)

County Board Chairman  
Jack D. Franks

### District 1

Robert Nowak  
Yvonne M. Barnes  
Michael Vijuk  
Thomas W. Wilbeck

### District 2

Suzanne M. Ness  
John J. Reinert  
Carolyn D. Schofield  
Jeffrey T. Thorsen

### District 3

Lori R. Parrish  
Joseph Gottemoller  
Kelli A. Wegener  
Chris Christensen

### District 4

Pamela J. Althoff  
Kay R. Bates  
Charles S. Wheeler  
Stephen Doherty

### District 5

Carlos J. Acosta  
Michael J. Skala  
John P. Jung, Jr.  
Paula E. Yensen

### District 6

Michael R. Aavang  
James A. Kearns  
Larry W. Smith  
Mary T. McCann

*Board Members as of November 2020*

# FY20 MAJOR COUNTY INITIATIVES

## Aaa

**Finance.** As of 2020, McHenry County continues to hold the Aaa credit rating by Moody's Investor Service. This is the highest rating available and puts the County in the top tier of local governments in terms of financial strength in both Illinois and nationally.



**Public Safety.** The Sheriff's Office implemented a peer support team with members from all Sheriff divisions. The mission is to provide support to Sheriff's Office employees. The Social Services case manager heads the team.



**Public Health and Welfare.** The Health department expanded residential recycling opportunities to include oil-based paints, stains, and pharmaceuticals in addition to electronics, batteries, clothing, document destruction, and fluorescent bulbs at four residential recycling events.



**Public Safety.** The Sheriff's Office successfully rolled out its new Starcom portable radios. This was a collaborative project that the ETSB funded to upgrade the office's antiquated 9-1-1 system.



**Transportation.** The Division of Transportation initiated Phase 1 preliminary engineering on four county and township bridge rehabilitation projects (Harmony, West Solon, Allendale, and Flat Iron Roads) and completed Phase 2 design engineering on the Kishwaukee Valley Road culvert replacement project and the Algonquin Road flashing yellow arrow project.

## INSURANCE GRADE IMPROVEMENT

**Community Development.** The Planning and Development department completed the Building Code Effectiveness Grading Schedule the ISO Insurance Services Office administers, improving from Grade 9 to Grade 4. This will reduce the loss experience and insurance rate for property owners.



**Community Development.** The Planning and Development department developed the Neighborhood Revitalization Strategy Areas (NRSA) for Harvard and Woodstock, which will channel additional federal and private funding to address the needs of these communities' residents.



**Transportation.** The McRide system provided more than 100,000 trips in FY20. This curb-to-curb, demand-response public transit service is available to riders traveling within and between partner communities.



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THE GFOA/ELGL PAFR FELLOWSHIP PROGRAM