



Oak Park Elementary School District 97

970 Madison ▪ Oak Park ▪ Illinois ▪ 60302 ▪ ph: 708.524.3000 ▪ fax: 708.524.3019 ▪ www.op97.org

TO: Dr. Albert G. Roberts, Superintendent

FROM: Therese M. O'Neill, Assistant Superintendent for Finance & Operations

RE: End-of-Year Transfer Resolutions

DATE: June 26, 2012

Annually, given the use of DSEB (Debt Service Extension Base) borrowing to support our capital project work, a transfer resolution must be adopted by the Board allowing the transfer of bond proceeds received in October, 2011, from Working Cash Fund to Education Fund. With recent legislation, the transfer can be now made from Working Cash directly to the Capital Projects Fund; however, our legal counsel is deferring to our bond counsel (Chapman & Cutler) and supports first transferring from the Working Cash Fund to Operations & Maintenance and then from Operations & Maintenance to Capital Projects (please see letter of explanation).

There are also three additional transfer resolutions that must occur:

1. Transfer from Education to Debt Service (for all lease agreement payments);
2. Transfer of interest from various fund to the Education Fund; and,
3. Ongoing Transfers to the Capital Projects Fund to Implement State Regulations.

Attached are four formal resolutions:

1. Transferring \$5,200,000 from the Working Cash Fund to the Operations & Maintenance Fund and then from Operations & Maintenance to Capital Projects Fund as a result of our DSEB borrowing in October, 2011.
2. Transferring \$543,695 from the Education Fund to the Debt Service Fund for lease payments (computers and copiers).
3. Transferring interest earnings of approximately \$11,932.62 from the Operations & Maintenance, Debt Service & Working Cash Funds to the Education Fund.
4. Global resolution authorizing ongoing transfers to the Capital Projects Fund to Implement State Regulations, allowing for the transfer from the Education Fund to the Capital Projects Fund undesignated Medicaid monies in the amount of \$369,498 as of June 19, 2012.

Tmo

Attachments (4)

Hodges Loizzi Eisenhammer Rodick & Kohn LLP

Steven M. Richart
srichart@hlerk.com

June 20, 2012

Via Electronic Mail

Ms. Therese O'Neill, Asst. Supt. of Finance and Operations
Oak Park Elementary School District No. 97
970 W. Madison Street
Oak Park, IL 60302

Re: Resolution Abating Working Cash Fund

Dear Therese:

Pursuant to your request, please find enclosed a Resolution Abating Working Cash Fund. The authority to abate and permanently transfer a portion of the Working Cash Fund balance to another fund is granted by Section 20-10 of the *School Code* (105 ILCS 5/20-10), as implemented by P.A. 96-1277, effective July 26, 2010. Pursuant to Section 20-10, the Working Cash Fund may be abated at any time to the fund or funds most in need, pursuant to board resolution, provided a balance is left in the Working Cash Fund after transfer at least equal to .05% of the current EAV of the District. This .05% calculation includes not only the cash balance in the Fund, but also taxes levied pursuant to Section 20-3 and not yet collected as well as amounts transferred pursuant to Section 20-4 and to be reimbursed to the Fund.

In this instance, the abated monies are bond proceeds, and the District's bond counsel (Chapman & Cutler LLP) currently recommends, as a matter of conservatism, that the abated monies be transferred first to the Operations and Maintenance Fund before transfer to the Capital Projects Fund. This is because the Capital Projects Fund is not a statutory fund, but a fund established by regulation. As such, we have prepared the resolution to provide first for a transfer to the Operations and Maintenance Fund, then to the Capital Projects Fund pursuant to ISBE Reg. § 100.50(d)(2). Let us know if you would instead prefer for the transfer to be directly to the Capital Projects Fund.

As always, please do not hesitate to contact us with any questions.

Sincerely,

HODGES, LOIZZI, EISENHAMMER,
RODICK & KOHN LLP



Steven M. Richart

Enclosure

ARLINGTON HEIGHTS

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**RESOLUTION ABATING WORKING CASH FUND AND AUTHORIZING
ACCOUNTING TRANSFER**

WHEREAS, the Board of Education of Oak Park School District No. 97, Cook County, Illinois ("Board of Education") has created, maintained and administered a fund known as a "Working Cash Fund" in the manner prescribed in Article 20 of the *School Code* (105 ILCS 5/20-1 *et seq.*) for the purpose of enabling Oak Park School District No. 97, Cook County, Illinois ("School District") to have in its treasury at all times sufficient money to meet demands thereon for ordinary and necessary expenditures for corporate purposes; and

WHEREAS, the Board of Education may abate the Working Cash Fund upon adoption of a resolution so providing and directing the transfer of the amount abated in such Fund to the fund or funds of the School District most in need, pursuant to Section 20-10 of the *School Code* (105 ILCS 5/20-10); and

WHEREAS, the Board of Education finds that it is both financially prudent and necessary to abate the Working Cash Fund in the total amount of \$5,200,000, and that the amount to the credit of the Working Cash Fund after such transfer, including taxes levied pursuant to Section 20-3 and not yet collected and amounts transferred pursuant to Section 20-4 and to be reimbursed to the Working Cash Fund, equals 0.05% or more of the current value, as equalized or assessed by the Department of Revenue, of the taxable property in the School District; and

WHEREAS, the Board of Education finds that the fund most in need of such abated monies is the Operations and Maintenance Fund; and

WHEREAS, pursuant to Section 100.50(d)(2) of the accounting regulations of the Illinois State Board of Education ("ISBE"), when revenues or other sources of funds are pledged to pay for a capital project or acquisition, the monies shall be transferred into the Capital Projects Fund, except in case of acquisition of any equipment that must be financed from the Transportation Fund pursuant to Section 17-8 of the *School Code*; and

WHEREAS, the Board of Education finds that upon transfer of the abated monies into the Operations and Maintenance Fund, said monies shall be pledged to pay for a capital project or acquisition and shall be transferred into the Capital Projects Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Oak Park School District No. 97, Cook County, Illinois, as follows:

Section 1: The Working Cash Fund of the School District is hereby abated in the following amount(s):

<u>Amount</u>	<u>Transferor Fund</u>	<u>Receiving Fund</u>
\$5,200,000	Working Cash Fund	Operations and Maintenance Fund

Section 2: The Treasurer of the School District is hereby directed to:

- (a) permanently transfer the amount as set forth in Section 1 above; and
- (b) if necessary to effectuate such abatement, pay to the Receiving Fund any outstanding Working Cash loans to any other fund of the School District; and
- (c) if necessary to effectuate such abatement, pay to the Receiving Fund any outstanding taxes of the School District levied pursuant to Section 20-3 of the *School Code* (105 ILCS 5/20-3).

Section 3: Upon completion of the transfer in Section 2 above, the Treasurer of the School District is further directed to transfer the same amount from the Operations and Maintenance Fund to the Capital Projects Fund.

Section 4: All resolutions or parts thereof in conflict with this Resolution shall be repealed and this Resolution shall be in full force and effect immediately upon its passage.

ADOPTED this 26th day of June, 2012 by the following roll call vote:

AYES:

NAYS:

ABSENT:

President, Board of Education

ATTEST:

Secretary, Board of Education

**RESOLUTION TO TRANSFER \$543,695 FROM EDUCATION FUND TO DEBT
SERVICE FUND**

WHEREAS, Oak Park School District 97, Cook County, Illinois (the District) heretofore entered into a lease payment arrangement for computers and copiers districtwide with annual total payments of \$543,695; and,

WHEREAS, such lease payment arrangement is considered an obligation of the Debt Service Fund; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Oak Park School District 97, Cook County, Illinois, that the Business Office be directed to transfer \$543,695 from the Education Fund to the Debt Service Fund to support the payment of this annual obligation.

Dated this 26th day of June, 2012.

President, Board of Education

Secretary, Board of Education

Resolution authorizing the Transfer of Interest Income from the Operations & Maintenance, Debt Service and Working Cash Funds to the Educational Fund

WHEREAS, pursuant to Section 10-22.44 of *The School Code* (105 ILCS 5/10-22/44), the Board of Education of Oak Park School District No. 97, Cook County, Illinois (“School District”), is empowered to transfer interest earned from any moneys of the School District to the fund of the School District that is most in need of such interest income as determined by the Board; and,

WHEREAS, such transfer authority does not apply to any interest earned which has been earmarked or restricted by the Board for a designated purpose, and further does not apply to any interest earned on any funds for purposes of Illinois Municipal Retirement under the *Pension Code* [40 ILCS 5/1-101 et seq.], Tort Immunity under the *Local Governmental and Governmental Employees Tort Immunity Act* [745 ILCS 10/1-101 et seq.], Fire Prevention, Safety, Energy Conservation and School Security Purposes under Section 17-2.11 [105 ILCS 5/17-2.11], and Capital Improvements under Section 17-2.3 [105 ILCS 5/17-2.3], the interest on which funds may be used only for the purposes authorized for such exempted funds; and,

WHEREAS, the School District has interest money in its Operation & Maintenance, Debt Service and Working Cash Funds which have not been earmarked or restricted by the Board for a designated purpose, and which does not constitute interest earned on any of the enumerated, exempted funds in the foregoing paragraph; and,

WHEREAS, the Board of Education finds and determines that the Educational Fund is most in need of interest income earned from monies in the Operations & Maintenance, Debt Service and Working Cash Funds; and,

WHEREAS, the Board of Education finds and determines that it is in the best interests of the School District to transfer unrestricted and not otherwise earmarked interest earned from money in the Operations & Maintenance, Debt Service and Working Cash Funds to the Educational Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Oak Park School District No. 97, Cook County, Illinois, as follows:

Section 1: The Preamble above is hereby incorporated into the body of this Resolution.

Section 2: Interest earned from money in the Operations & Maintenance, Debt Service and Working Cash Funds in the amount of approximately Eleven Thousand Nine Hundred Thirty-Two Dollars and Sixty-Two Cents (\$11,932.62), which is not earmarked, restricted or otherwise exempted, shall be transferred to the Educational Fund;

Section 3: The Treasurer is directed to transfer such from the Operations & Maintenance, Debt Service and Working Cash Fund to the Educational Fund; and,

Section 4: This Resolution shall be in full force and effect immediately upon its adoption.

ADOPTED this 26th day of June, 2012, by the following roll call vote:

AYES:

NAYS:

ABSENT:

President, Board of Education

ATTEST:

Secretary, Board of Education

**RESOLUTION AUTHORIZING ONGOING TRANSFERS TO THE
CAPITAL PROJECTS FUND TO IMPLEMENT STATE REGULATIONS**

WHEREAS, pursuant to Sections 2-3, 2-3.27, and 2-3.28 of the *School Code*, the Illinois State Board of Education (“ISBE”) has the power and duty to formulate and approve forms, procedures and regulations for school district accounts and budgets; and

WHEREAS, pursuant to Section 100.50(d)(2) of ISBE’s regulations, when revenues or other sources of funds are pledged to pay for a capital project or acquisition, the monies shall be transferred into the Capital Projects Fund, except in case of acquisition of any equipment that must be financed from the Transportation Fund pursuant to Section 17-8 of the *School Code*; and

WHEREAS, the auditor(s) for Oak Park School District No. 97, Cook County, Illinois (“School District”) have recommended the transfer of certain moneys to the Capital Projects Fund for accounting purposes; and

WHEREAS, the Board of Education of Oak Park School District No. 97, Cook County, Illinois (the “Board of Education”), wishes to approve such transfers on an ongoing basis as necessary to comply with Section 100.50(d)(2) of the ISBE regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Oak Park School District No. 97, Cook County, Illinois, as follows:

- Section 1:** The Preamble above is hereby incorporated into the body of this Resolution.
- Section 2:** The accounting transfer of revenues and other sources of funds into the Capital Projects Fund by the Treasurer is hereby approved on an on-going basis when and as necessary to comply with Section 100.50(d)(2) of the ISBE regulations.
- Section 3:** All such accounting transfers shall be reflected in the School District’s financial reports in accordance with ISBE regulations.
- Section 4:** All expenditures from School District Funds shall continue to be approved by the Board of Education in accordance with law and Board Policy.
- Section 5:** All inter-fund transfers expressly authorized by statute shall continue to be approved by the Board of Education as provided in the applicable statute.
- Section 6:** The Treasurer is directed to implement this Resolution.

Section 7: This Resolution shall take effect immediately upon adoption.

ADOPTED this 26th day of June, 2012, by the following roll call vote:

AYES:

NAYS:

ABSENT:

President, Board of Education

ATTEST:

Secretary, Board of Education