



# Oak Park Elementary School District 97

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**TO:** Dr. Albert G. Roberts, Superintendent

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

**RE:** End-of-Year Transfer Resolutions

**DATE:** June 11, 2013

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 January, 2013, 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 dated June 20, 2012).

There are also two 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.

Attached are the three formal resolutions:

1. Transferring \$3,681,584 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, 2012 which closed in January, 2013.
2. Transferring \$633,695 from the Education Fund to the Debt Service Fund for lease payments (computers and copiers, including the most recent technology authority given in February, 2013).
3. Transferring interest earnings of approximately \$43,862 (utilizing actual receipts from July 2012 through April 2013 and prorating through June, 2013) from the Operations & Maintenance, Debt Service & Working Cash Funds to the Education Fund.

tmo

Attachments (3)

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:

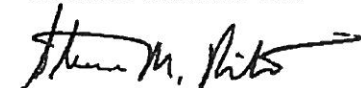
Pursuant to your request, please find enclosed a Resolution Abating Working Cash Fund. The authority to abate and permanently transfer a portion of the Working Cash Fund balance to another fund is granted by Section 20-10 of the *School Code* (105 ILCS 5/20-10), as implemented by P.A. 96-1277, effective 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 \$3,681,584, 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>
\$3,681,584	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 21<sup>st</sup> day of June, 2013 by the following roll call vote:

AYES:

NAYS:

ABSENT:

\_\_\_\_\_  
President, Board of Education

ATTEST:

\_\_\_\_\_  
Secretary, Board of Education