



**RIVER  
FOREST  
PUBLIC  
SCHOOLS**

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# MEMO

**To:** Board of Education

**CC:** Dr. Ed Condon

**From:** Anthony Cozzi *Ac*

**RE:** Illinois Metropolitan Investment Fund (IMET) investment issue update

**Date:** January 3, 2020

For those of you that were not aware, back in 2015 the Proviso Township School Treasurer had invested in the Illinois Metropolitan Investment Fund (IMET). IMET was a governmental investment fund liquid asset pool allowable under the Illinois Municipal Code and the School Code. Specifically, the Township invested in the IMET Convenience Fund.

At that time, we were informed by the Township that a series of underlying IMET Convenience Fund investments were backed by guarantees from the USDA that were fraudulently executed by First Farmers Financial. Since then, IMET has been involved in an action in Federal District Court, in which a receiver was appointed to control any recovered assets from the fraudulent parties.

The Township's value in the IMET investments at the time of loss was \$2,012,001. The District 90's cash position of the total Township cash position at the time equated to a Loss on Impairment of Investments of \$201,148 and was recorded in the District's 2015 audited financial statements.

While the Township's legal counsel believed that there was a good chance that some or all would be recovered, the District anticipated a full loss. Since that time, the receiver has been working in Federal District Court to recover assets. In 2018, the Township received the first two distributions from the liquidating trust. The District's portion of those distributions totaled \$19,260. On December 19, 2019, the Township received a third and very sizeable distribution. The District's portion of this distribution was \$90,111. The Township's legal counsel believes more distributions are forthcoming in the near future.

If you have any questions, please do not hesitate to contact me.