



To: Dr. Michael Riggle
Board of Education

From: Vicki L. Tarver

Date: July 25, 2016

Re: Approval of a Resolution Authorizing Permanent Inter-Fund Transfers for Debt Service and Capital Project Purposes

Recommendation

It is recommended that the Board of Education approve a resolution authorizing the transfer of fund balance from the Operations and Maintenance Fund to the Debt Service and Capital Projects Funds.

Background

Pursuant to regulatory changes in the Illinois Administrative Code (23 Ill. Administrative Code 100.50(d)), effective July 1, 2008, the Illinois State Board of Education requires that, (1) when revenues or other sources of funds are pledged to pay debt service on any long-term debt, the moneys shall be transferred into the Debt Service Fund, and (2) when revenues or other sources of funds are pledged to pay for a capital project or acquisition, the moneys shall be transferred into the Capital Project Fund.

The FY2016-17 budget contains expenses for lease certificates totaling \$374,697 (non-operating), and annual expenditures for building projects totaling \$1,500,000 (non-operating). Funding for these expenses for non-levied debt and building projects was previously budgeted directly from the Operations and Maintenance Fund, thereby reducing available fund balance.

However, accounting changes contained in the Illinois Program Accounting Manual require that funding for these pledged expenditures be provided through transfers from the Operations and Maintenance Fund, (operating) to the Debt Service Fund and/or the Capital Projects Fund, (non-operating). The purpose of these transfers is to properly record expenditures and reflect correct balances in each fund. Therefore, for FY2016-17, these expenditures are budgeted in the Debt Service Fund and Capital Project Fund respectively. The funding source for these expenses is a budgeted transfer from the Operations and Maintenance Fund, which requires Board approval through resolution.

**RESOLUTION AUTHORIZING
PERMANENT INTER-FUND TRANSFERS FOR
DEBT SERVICE AND CAPITAL PROJECTS PURPOSES**

WHEREAS, by regulation (23 Ill. Administrative Code 100.50(d)), the Illinois State Board of Education requires that, (1) when revenues or other sources of funds are pledged to pay debt service on any long-term debt, the moneys shall be transferred into the Debt Service Fund, and (2) when revenues or other sources of funds are pledged to pay for a capital project or acquisition, the moneys shall be transferred into the Capital Project Fund.

WHEREAS, the Board wishes to authorize expenditures to pay for debt service and for capital projects using revenues from the Operations and Maintenance Fund;

NOW, THEREFORE, Be It Resolved by the Board of Education of Northfield Township High School District No. 225, Cook County, Illinois, as follows:

1. The School District Treasurer is authorized and directed to permanently transfer from the Operations and Maintenance Fund to the Debt Service Fund the sum of Three Hundred Seventy-four Thousand Six Hundred Ninety-seven Dollars (\$374,697), to be used for debt service obligations of the District.
2. The School District Treasurer is authorized and directed to permanently transfer from the Operations and Maintenance Fund to the Capital Projects Fund the sum of One million Five Hundred Thousand Dollars (\$1,500,000), to be used for District capital project expenditures as authorized by this Board.
3. This resolution shall take effect upon its adoption.

BOARD OF EDUCATION
NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225
COOK COUNTY, ILLINOIS

By: _____
President, Board of Education

Attest: _____
Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF RESOLUTION

I, the undersigned, do hereby that I am the duly qualified and acting Secretary of the Board of Education of Northfield Township High School District No. 225, Cook County, Illinois (the "Board"), and that as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete copy of a resolution entitled:

**RESOLUTION AUTHORIZING
PERMANENT INTER-FUND TRANSFER FOR
DEBT SERVICE AND CAPITAL PROJECTS PURPOSES**

which said resolution was adopted at a meeting of the Board held on the 25th day of July, 2016.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote of the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, the School Code of the State of Illinois, as amended and that the Board has complied with all of the provisions of said Acts and said Codes and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature this 25th day of July, 2016.

Secretary, Board of Education