

**Sauk Valley Community College  
June 15, 2026**

**Action Item 4.5**

**Topic:**                   **RESOLUTION abating the working cash fund of Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois.**

**College Health Metric:**           **Financial Stability: The College uses its revenue prudently while pursuing and utilizing alternative revenue streams. Investment in programs, personnel, processes, and infrastructure are carefully considered and supported by College Planning.**

**Presented By:**           **Dr. Jon Mandrell and Kent Sorenson**

**Presentation:**

The College maintains a Working Cash Fund as authorized by the Illinois Public Community College Act. The Working Cash Fund serves as the College's statutory liquidity reserve and may be used to make temporary loans to other College funds as permitted by Illinois law.

As part of the financing plan approved by the Board in connection with the issuance of the College's Series 2026 General Obligation Bonds, administration anticipated the eventual abatement of a portion of the Working Cash Fund to provide resources for capital improvements and infrastructure investments. The Series 2026B tax-exempt bond issue was specifically structured to support this funding strategy.

The proposed resolution authorizes the abatement of \$4,895,355.46 from the Working Cash Fund and the permanent transfer of those funds to the Operations and Maintenance Fund (Restricted). The Operations and Maintenance Fund (Restricted) is the primary fund used to account for capital improvements, infrastructure projects, and related expenditures funded through the College's recent bond issuance.

Following the transfer, the Working Cash Fund will continue to exceed the minimum balance requirements established by the Illinois Public Community College Act and remain available to support the College's liquidity needs.

This action does not increase the College's tax levy, debt obligations, or overall fund balance, but rather reallocates existing resources among College funds as authorized by Illinois law. The transfer will provide funding for approved capital improvements and infrastructure investments while aligning College resources with the financing strategy approved as part of the Series 2026 bond issuance.

**Recommendation:**

The administration recommends the Board adopt the resolution authorizing the abatement of \$4,895,355.46 from the Working Cash Fund and the permanent transfer of those funds to the Operations and Maintenance Fund (Restricted).

RESOLUTION abating the working cash fund of Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois.

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WHEREAS, the Board of Trustees (the “*Board*”) of Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois (the “*District*”), has heretofore created and is maintaining a working cash fund in and for the District (the “*Fund*”); and

WHEREAS, the Board has determined and does hereby determine that it is necessary and in the best interests of the District that the Fund be abated; and

WHEREAS, Section 3-33.6a of the Public Community College Act of the State of Illinois, as amended (the “*Act*”), authorizes the Board to abate the Fund:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Trustees of Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois, as follows:

*Section 1. Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

*Section 2. Amount of Abatement.* The Fund shall be abated as of the date hereof by the amount of \$4,895,355.46 (the “*Abatement Amount*”).

*Section 3. Permanent Transfer.* The Treasurer of the Board is hereby authorized and directed to forthwith permanently transfer the Abatement Amount to the Operations and Maintenance Fund (Restricted) of the District (the “*O&M Fund*”), the same being the fund of the District most in need of the Abatement Amount. It is also hereby found and determined that following said abatement, the balance to the credit of the Fund, and amounts transferred pursuant

to Section 3-33.6 of the Act and to be reimbursed to the Fund, is at least equal to 0.05% of the value, as equalized or assessed by the Department of Revenue, of the taxable property in the District.

*Section 4. Outstanding Loans.* If necessary to effectuate such abatement and permanent transfer, any outstanding loans from the Fund to other funds of the District in an amount, together with any cash immediately transferred pursuant to Section 2 above, equal in the aggregate to the Abatement Amount shall be paid to the O&M Fund, and any remaining outstanding loans shall be paid to the Fund at the time and in the manner required by the Act.

*Section 5. Severability.* If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

*Section 6. Repealer and Effective Date.* All resolutions or parts thereof in conflict herewith be and the same are hereby repealed and that this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted June 15, 2026.

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Chair, Board of Trustees

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Secretary, Board of Trustees