

STATE OF ILLINOIS
NINETY-THIRD GENERAL ASSEMBLY
SENATE

Senate Resolution No. 171

Offered by Senator Jeffrey M. Schoenberg

WHEREAS, Section 8-7 of the School Code authorizes township and school treasurers to "enter into agreements...regarding the deposit, redeposit, investment, reinvestment or withdrawal of school funds, including, without limitation, agreements with other township and school treasurers"; and

WHEREAS, Section 3-47 of the Public Community College Act authorizes community college districts to "enter into agreements...regarding the deposit, redeposit, investment, reinvestment or withdrawal of community college funds, including, without limitation, agreements with...township and school treasurers authorized by Section 8-7 of the School Code"; and

WHEREAS, Under the authority provided by those statutes, the Illinois School District Liquid Asset Fund Plus, a common law trust, was created; and

WHEREAS, Hundreds of Illinois school districts invest public moneys in the Fund; and

WHEREAS, Section 2.14(d) of the Fund's Declaration of Trust states, "any Trustee or officer, employee or agent of the Fund may be interested...or otherwise have a direct or indirect interest in, any Person who may be engaged to render advice or services to the fund"; and

WHEREAS, A recent news report involving the Worth Township School Treasurer, a former Trustee of the Fund, questions certain activities involving the Fund; and

WHEREAS, In 1997 the State Treasurer had ongoing questions concerning the Fund's investment in banker's acceptances, which

was determined to be an inappropriate investment by the State's Attorney General at that time; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we ask the Auditor General to conduct a management audit of the Illinois School District Liquid Asset Fund Plus; and be it further

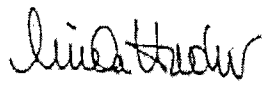
RESOLVED, That the audit include without limitation (i) whether the Fund's provisions regarding conflicts of interest are sufficient and comparable to other pools investing public moneys, (ii) whether the Fund's performance is comparable to other pools investing public moneys, and (iii) whether controls are in place to adequately protect public moneys invested in the Fund; and be it further

RESOLVED, That the Fund, its Trustees, officers, and employees, its agents and contractors, and any other entity or person that may have information relevant to this audit cooperate fully and promptly with the Office of the Auditor General in the conduct of this audit; and be it further

RESOLVED, That the Auditor General commence this audit as soon as possible and distribute the report upon completion in accordance with Section 3-14 of the Illinois State Auditing Act; and be it further

RESOLVED, That a suitable copy of this resolution be delivered to the Auditor General.

Adopted by the Senate, April 22, 2004.


Secretary of the Senate


President of the Senate