



District 15 may have to borrow money to pay bills

By Kimberly Pohl | Daily Herald Staff

Published: 11/12/2009 12:02 AM

There's a possibility that Palatine Township Elementary District 15 will have to borrow money to pay its December bills.

On Wednesday, the board of education approved a resolution authorizing the district to - if needed - issue up to \$7.5 million in short-term debt known as tax anticipation warrants to cover next month's payrolls and accounts payable.

"We need to prepare to be in a position where if we need to we can," said Merilee McCracken, interim assistant superintendent for business and auxiliary services. "Hopefully we won't have to do it."

Several factors are contributing to the current cash flow predicament, which McCracken estimates could be between \$4 million and \$7 million by December 11. The collection of property taxes is taking place much later compared to last year, when District 15 started receiving money in October. That helps the taxpayer, but negatively affects taxing bodies. The second installment of the 2008 property tax bills are currently being issued, and it's anticipated the bills will be due December 1.

District officials are also citing capital projects, as well as ongoing late and irregular payments from state and federal sources.

"The state has not been particularly prompt in their payments," school board President Gerald Chapman said. "No internal issues contributed to this."

McCracken said issuing tax anticipation warrants is rare for District 15, which she believed had to borrow short term about four years ago. She said property tax money hasn't been seen since March, and that reserves have carried the district thus far. Before the resolution, a financial auditor declared the district's end-year reserves to be adequate.

Should the district have to move forward, it'll borrow the money for a 30-day term. No fees will be incurred from Harris Bank should the district determine before December 4 that warrants are unnecessary.