



NOVEMBER 3, 2009

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SCARIANO, HIMES & PETRARCA

Cook County Debt Disclosure Ordinance

In September 2009, the Cook County Board approved the Taxing District Debt Disclosure Ordinance. This ordinance requires each and every taxing district in Cook County, including all school districts, to provide its most recent audited financial statement to the Office of the Cook County Treasurer. The statement must be provided in electronic format on or before the last Tuesday in December (December 29, 2009). The statement should include the disclosure of the following: (i) current debt; (ii) current liabilities; (iii) long term debt; (iv) long term liabilities; (v) sum total of all debts and liabilities from the audited financial statements; (vi) sum total of gross tax levy for the most recent tax year; and (vii) gross operating budget revenue for the most recent fiscal year. The statements will be stored by the Cook County Treasurer and a website will be created to allow electronic access to the statements by taxpayers and other interested parties.

Like much of the legislation enacted this year, the ordinance was passed with the goal of enhancing governmental transparency and taxpayer access to governmental information, here, the financial information of taxing districts. While this report may seem like excessive disclosure, please bear in mind that the majority of the information requested is currently published on school district websites. The current requirement that all contracts over \$25,000 be posted on a school district's website provides the public with information regarding current school district debt and liabilities. Furthermore, the publication of a school district's Annual Statement of Affairs reveals information about long term debts and liabilities, taxes and the school district's operating budget.

Regardless of the already pronounced taxpayer accessibility to information regarding school district finances, school districts must comply with the ordinance. It is insufficient under the ordinance for a school district to refer to its website in lieu of publication. It is also insufficient to turn over a school district's Annual Financial Report despite its inclusion of the sought after information. The Cook County Treasurer's office has stated that the phrase "audited financial statements" is interpreted to mean the most recent audited financial statement and a separate statement of the taxing district's sum total of all debts and liabilities, and the most recent year's gross tax levy and gross operating budget revenue.

Please do not hesitate to contact your attorney at Scariano, Himes and Petrarca, Chtd. to discuss your compliance with this ordinance. We look forward to assisting you.

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Scariano, Himes and Petrarca, Chtd., represents more than 100 school districts, special education cooperatives and vocational education cooperatives. Our attorneys have expertise in all areas of education law and practice in three locations to more readily serve our clients:

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