



## Agenda Item Summary

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**Submitted By**

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**Reviewed By**

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**Agenda Item Title**

**An Ordinance Adopting the Budget for All Corporate Purposes of the Village of Oak Park, Cook County, Illinois in Lieu of the Appropriation Ordinance for the Fiscal Year Commencing on the First Day of January, 2023 and Ending on the Thirty-First Day of December, 2023**

**Overview**

The Village Board held a Public Hearing on the Proposed FY23 Budget along with several Finance Committee and/or Special Board meetings to discuss the budget in detail with elected officials. This item is the final action for adoption of the FY23 Budget.

**Staff Recommendation**

Approve the Ordinance.

**Fiscal Impact**

The Ordinance legally appropriates the required funding for Fiscal Year 2023 spending.

**Background**

The final document presented as the FY23 Budget includes numerous schedules, narratives, graphs, and detailed financial information which provides the legal authority for Village expenditures in FY23. As in prior years, budget amendments may be brought forth for Board approval on a quarterly basis to adjust certain accounts as deemed necessary.

The final recommended budget incorporates discussions held during meetings held November 3<sup>rd</sup>, November 17<sup>th</sup>, November 21<sup>st</sup> (public hearing), and November 29<sup>th</sup>. Please note that two other additional, separate meetings were held to specifically review and discuss capital improvement plan projects.

Chapter 2 of the Municipal Code establishes the foundation for the Municipal Budget and provides:

- The Village fiscal year is January 1 - December 31 annually.
- The Board of Trustees must adopt the annual budget prior to the start of the Fiscal Year and passage of the annual budget shall be in lieu of passage of the appropriation ordinance.
- On or before the Village Board of Trustees' first regular meeting in November of each year, the Village Manager shall submit to the Board of Trustees an annual Municipal budget which contains estimates of revenues together with recommended expenditures in conformity with good fiscal management

practice.

The use of Fund Accounting for the Village's revenues and expenditures is required as the Village of Oak Park is established under State Law as a municipal corporation and the Financial Accounting Foundation (FAF) requires the use of Generally Accepted Account Principles (GAAP) established by the Government Accounting Standards Board (GASB). Among the basic principles of governmental GAAP is fund accounting. Because of the diverse nature of governmental operations and the numerous legal and fiscal constraints under which those operations must be conducted, it is impossible to record all governmental financial transactions and balances in a single accounting entity. Therefore, unlike a small private business which is accounted for as a single entity, a governmental unit is accounted for through separate funds, each of which is a fiscal and accounting entity with a self-balancing set of accounts. When compared to the private sector, fund accounting would most closely resemble a large publicly traded company that consists of a parent corporation and its subsidiaries, where each subsidiary maintains a separate set of accounting records and reports its numbers to the parent which then consolidates all the information for investor reporting.

#### **Alternatives**

The Village Board is required to adopt the FY23 Budget prior to December 31, 2022.

#### **Previous Board Action**

The Village Board adopted the FY22 Budget on December 6, 2021.

#### **Citizen Advisory Commission Action**

N/A.

#### **Anticipated Future Actions/Commitments**

N/A.

#### **Intergovernmental Cooperation Opportunities**

N/A.