



Agenda Item Summary

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Submitted By

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Agenda Item Title

An Overview Presentation of the Recommended FY21 Budget

Overview

A brief overview of the FY21 Village Manager's Recommended Budget is being presented. No action is requested at this time. On October 26, 2020, a Special Meeting of the Village Board is scheduled for a full review of the Recommended FY21 budget.

Anticipated Future Actions/Commitments

Several meetings of the Village Board are schedule for public review and consideration of the Recommended FY21 Budget.

- 1) Special Meeting of the Village Board: October 26, 2020
- 2) Truth in Taxation Hearing: November 2, 2020
- 3) Special Meeting of the Village Board: November 9, 2020
- 4) Budget Public Hearing: November 16, 2020
- 5) Special Meeting of the Village Board: November 23, 2020
- 6) Anticipated Budget Adoption: December 7, 2020

Report

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.