



Agenda Item Summary

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Submitted By

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Reviewed By

AMZ

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, 2022 and Ending on the Thirty-First Day of December, 2022

Overview

The Village Board held a Public Hearing on the Proposed FY22 Budget as well as held several Finance Committee and Special Board meetings to review the budget in detail. This item is the final action for adoption of the FY22 Budget.

Staff Recommendation

Approve the Ordinance.

Fiscal Impact

The Ordinance appropriates fund for the FY22 Budget.

Background

The final document presented as the FY22 Budget includes numerous schedules, narratives, graphs, and detailed financial information which provides the legal authority for Village expenditures in FY22. 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 October 11, 21, 25 as well as on November 8, 15, and 22, 2021.

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 FY22 Budget prior to December 31, 2021.

Previous Board Action

The Village Board approved the FY21 Budget at its meeting on December 7, 2020.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

N/A.

Intergovernmental Cooperation Opportunities

N/A.