

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: October 11, 2022

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Dennis Bubenik, Director of Finance

Topic: Village Audit Fiscal Year End 4/30/2022

PURPOSE

Presentation and acceptance of the 4/30/2022 Annual Financial Report (Audit). Ann Scales from the audit firm of Lauterbach and Amen (L&A) will lead the discussion of the 4/30/2022 audit.

PROCESS

Each year, in June and July we generally contract with an independent accounting firm to audit our financial records and controls for the most recently finished fiscal year ending April 30. The auditors evaluate all our data, process the information through their audit standards and software, then provide a report to the Village. The audit was delayed a bit this year as we waited for Cook County to complete the data needed on EAV and other statistics for use in our audit. Consolidation of local police and fire pension funds into one State fund also held us up.

OUTCOME

Audits have taken on a much greater importance to local governments over the past 10 years. Results of those audits were critical in the development of budgets in local governments around the United States including here in Homewood.

There is no better example than these past two years where COVID-19 and its effect on the economy, thus its effect on our local government operation occurred. COVID-19 hit late in our 4/30/2020 fiscal year so the 4/30/2020 audit was in healthy shape. Due to the many COVID-19 changes made to our 2020/21 budget, plus the unknown final effects of COVID-19 on our local government operation, the expectation was that the 4/30/2021 audit would be memorable in a negative way both here in Homewood and local governments across the United States.

VILLAGE OF HOMEWOOD



It turns out COVID-19 decreases in our revenue items were offset by unexpected revenue increases in items such as sales tax. Homewood's basic vendor mix of grocery stores, restaurants, home improvement, and big box retail has done very well in the past couple of years. That consumer spending was unexpected, but a welcome occurrence as it had a positive effect to revenues we saw in our 4/30/2021 audit, as well as our 4/30/2022 audit.

FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

None

RECOMMENDED BOARD ACTION

Accept the 4/30/2022 Village of Homewood Annual Financial Report (AFR).

ATTACHMENT

Annual Financial Report