

## GLOSSARY OF TERMS

The ***Glossary of Terms*** is provided to assist the reader in understanding specialized and technical terminology contained in the Annual Budget that is unique to public finance and budgeting.

## GLOSSARY OF TERMS

### **A**

**ACCOUNTING SYSTEM** – The methods and records established to identify, assemble, analyze, classify, record and report a government’s transactions and to maintain accountability for the related assets and liabilities.

**ACCOUNTS PAYABLE** – A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

**ACCOUNTS RECEIVABLE** – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

**ACCRUAL ACCOUNTING** – A basis of accounting in which debits and credits are recorded at the time they are incurred, as opposed to when cash is actually received or spent. For example, in accrual accounting, a revenue which was earned between April 1 and April 30, but for which payment was not received until May 10, is recorded as of April 30 rather than on May 10.

**AD VALOREM TAX** – A tax based on value such as property tax.

**AMEN’S Group** – A men’s group organized by the staff of the Youth Services Department to foster mentoring of elementary and high school youth, particularly those youth who are at risk of not graduating from middle school.

**APPROPRIATION ORDINANCE** – An ordinance passed by the Township Board which permits the Township to incur obligations and to make expenditures of resources.

**ASSESSED VALUATION** – A value that is established for real estate for use as a basis for levying property taxes. The property values are established by the Cook County Assessor.

**ASSESSMENT** – The value of taxable property as shown on the tax collector’s record for the last year in which taxes are paid.

**ASSET** – A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

**ASSIGNED FUND BALANCE** – The portion of fund balance in the general fund for which its intended use is established either at the highest level of decision-making or by a body or official designated for that purpose.

**AUDIT** – A comprehensive investigation of the manner in which the government’s resources were actually utilized. A financial audit is a review of the accounting system

and financial information to determine how government funds were spent and whether expenditures were in compliance with the Appropriation Ordinance.

## **B**

**BALANCE SHEET** – A financial statement that discloses the assets, liabilities, reserves and equity balances of a fund as of a specific date.

**BALLOON LEVY** – A levy in excess of the Amount allowable under the Property Tax Extension Limitation Law “PTELL” 35 ILCS 200/18-185. The amount of a balloon levy is based on the estimated total assessed value of property in the community. If the total assessed value of the property increases during the tax year because of new construction or reduction in the size of Tax Increment Financing Districts, the Township will receive property taxes based on the new total for assessed property in the community.

**BASIS OF ACCOUNTING** – A term used to refer to *when* revenues, expenditures, expenses and transfers – and the related assets and liabilities – are recognized in the accounts and reported in the financial statements. Specifically, it relates to the *timing* of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

**BASIS OF BUDGETING** – Oak Park Township does not distinguish between Basis of Budgeting and Basis of Accounting. The principles set forth as the Basis of Accounting are strictly observed in the budgeting process. A fund’s Basis of Budgeting and Basis of Accounting determines when a transaction or event is recognized with a fund’s operating statement. The Township has only governmental funds. Therefore, the budget is prepared and reported on a modified accrual basis. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. “Measurable” means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are due before the end of the year and collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

**BENCHMARKING** – The process of critically evaluating a program’s or service’s activities, functions, operations and processes to achieve a desired level of performance. A benchmark is forward-looking rather than backward-looking with respect to performance.

**BOND** – A written promise to pay a specified sum of money, called the face value of principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

**BUDGET** – A financial plan containing an estimate of proposed expenditures for a specified period of time (fiscal year) and the proposed means of financing them.

**BUDGET CALENDAR** – The schedule of key dates or milestones which the Township departments follow in the preparation, adoption and administration of the Annual Budget.

**BUDGET DOCUMENT** – The official written statement prepared by the Township Supervisor and supporting staff which represents the proposed budget to the Township Board.

**BUDGET MESSAGE** – The opening section of the budget which provides the Board of Trustees with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the Township Supervisor.

**BUDGETARY CONTROL** – The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

## **C**

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**CALLABLE BOND**- A call option grants the issuer the privilege of paying the debt obligation prior to the stated maturity date.

**CAPITAL IMPROVEMENT** – A permanent major addition to the Township's real property assets, including the design, construction or purchase of land, buildings or facilities, or major renovations of same.

**CAPITAL IMPROVEMENT BUDGET** – A financial plan of proposed capital improvement projects and the means of financing them for a given period of time.

**CAPITAL OUTLAY** – Buildings and structures, land, improvements, or items of equipment whose use life generally exceeds one year and are not classified as expendable.

**CARGO CIRCLES** – A social justice conflict resolution group process

**CASH ACCOUNTING** – A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

**CASH MANAGEMENT** – The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and out-flows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in order to achieve the highest interest and return available for temporary cash balances.

**CDBG** – See Community Development Block Grants.

**CMHB** – See Community Mental Health Board.

**COMMITTED FUND BALANCE** – The portion of fund balance in the general fund with limitations imposed at the highest level of decision-making that requires formal action at the same level to remove. Committed fund balance indicates self-imposed limitations set in place prior to the end of the fiscal period.

**COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)** – A formula grant allocated to local governments above 50,000 in population by the federal Department of Housing and Urban Development based on poverty, income, and size. It is intended to support activities for low to moderate income individuals such as housing rehabilitation and economic development.

**COMMUNITY MENTAL HEALTH ACT** – The Community Mental Health Act (the “Act”). 405 ILCS 20 et seq. is the Illinois statute that establishes and governs community mental health boards. Section 20/2 of the Act provides that a township as a governmental unit, defined in section 20/1, has the power to provide community mental health services as defined by the community mental health board. The community mental health board is appointed pursuant to Section 20/3a which provides for the Township Supervisor, with the advice and consent of the governing body, to establish up to a 9 member community mental health board. Section 20/3e of the Act establishes the various authorities, responsibilities and limitations of community mental health boards in Illinois.

**COMMUNITY MENTAL HEALTH BOARD (CMHB)** – The Community Mental Health Board is a volunteer board appointed by the Township Board. The CMHB is organized pursuant to the Community Mental Health Act 405 ILCS 20 et seq. and has authority to provide for mental health services in the community.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT** – The official annual report of a government. It includes (a) the five combined financial statements in the combined statements-overview and their related notes and (b) combining statements by fund type and individual fund and account group financial statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, required supplementary information, extensive introductory material and a detailed statistical section.

**CONTINGENCY** – A budgetary reserve set aside for emergencies or unforeseen expenditures.

**CONTINGENT LIABILITY** – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

**CURRENT TAXES** – Taxes that are levied and become due within one year.

## **D**

**DEBT RATIOS** – Comparative statistics illustrating the relation between the issuer's outstanding debt and such factors as its tax base, income or population. These ratios often are used as part of the process of determining the credit rating of an issue, especially with general obligation bonds.

**DEBT SERVICE** – Payment of interest and principal on an obligation resulting from the issuance of bonds, notes, or certificates of indebtedness.

**DELINQUENT TAXES** – Taxes that remain unpaid on and after the date on which a penalty for non-payment is attached.

**DEPARTMENT** – A major administrative group which indicates overall management responsibility for an operation or a group of related operations within a functional area.

**DEPRECIATION** – The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

**DISBURSEMENT** – Payment for goods and services in cash or by check.

## **E**

**EARMARKED FUNDS** – Money set aside for special purposes. This is a designation by the Township Board and is not a legal designation.

**ENCUMBRANCE** – The commitment of budgeted funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures.

**ESTIMATED ACTUAL REVENUE** – The amount of projected revenue to be collected during the fiscal year.

**EXPENDITURE** – The outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid and applies to all funds. Note that an encumbrance is not an expenditure but reserves funds to be expended.

**EXPENSES** – Charges incurred, whether paid immediately or unpaid, for operation, maintenance, interest and other charges.

## **F**

**FAS** – See Financial Assistance Scholarships

**FINANCIAL ASSISTANCE SCHOLARSHIPS** – A scholarship program that is administered the staff of the Youth Services Department that is offered to youth to assist them in participating in activities and/or programs in which they are financially unable to access.

**FISCAL YEAR** – A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The Oak Park Township has specified April 1 through March 31 as its fiscal year.

**FOIA** – See Freedom of Information Act.

**FORMAL BUDGETARY INTEGRATION** – The management control technique through which the annual operating budget is recorded in the general ledger through the use of budgetary accounts. It is intended to facilitate control over revenues and expenditures during the year.

**FREEDOM OF INFORMATION ACT (FOIA)** – State law dealing with the minimum rights of the public to review and receive copies of public records.

**FTE** – See Full Time Equivalent.

**FULL TIME EQUIVALENT (FTE)** – Used in relation to employees, the number of employee hours worked to equal one full-time employee, i.e. for FY 99, one FTE is equal to 2,080 hours.

**FUND** – A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

**FUND BALANCE** – The difference between fund assets and fund liabilities of governmental and similar trust funds.

**FUND BALANCE ASSIGNED FOR CAPITAL IMPROVEMENT** – An account used to segregate a portion of fund balance for resources assigned for capital improvement.

**FUND BALANCE RESTRICTED FOR RETIREMENT** – An account used to segregate a portion of fund balance for resources legally restricted to the payment of retirement.

## **G**

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**GAAP** – See Generally Accepted Accounting Principals.

**GASB** – See Governmental Accounting Standards Board.

**GENERAL FUND** – The fund within the Township that accounts for most of the financial resources of the government. General fund revenues include property taxes, personal property replacement tax, TIF, interest, sale of Township property, revenue from local, state and federal governments, rent, program income and charges to departments. This fund includes most basic operating services, such as expenditures for General Government, Youth Services and Senior Services.

**GENERAL LEDGER** – A record containing the accounts needed to reflect the financial position and the results of operations of a government. In double-entry bookkeeping, the debits and credits in the general ledger are equal (i.e., the debit balances equal the credit balances).

**GENERAL OBLIGATION BONDS** – An obligation secured by an unconditional pledge to levy the taxes necessary to pay the debt. These bonds usually carry the lowest interest rate. GO bonds can be issued that are paid back from other revenue sources, in which case that amount not paid back through property taxes is abated, or canceled.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP)** – Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

**GOALS, OBJECTIVES AND STRATEGIES** – Goals are the ends an organization wants to attain. Goals may be the aim that an organization wants to attain or maintain that support an organization’s policies or mission. Objectives are the specific methods sought in a period of time that accomplish or maintain a goal. Strategies are the detailed actions made in order to accomplish an objective.

**GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)** – The authoritative accounting and financial reporting standard-setting body for government entities.

**GOVERNMENTAL FUND TYPES** – Funds used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities, except those accounted for in proprietary and fiduciary funds. In the Township the General funds and Special Revenue funds are the governmental fund types.

**GRANT** – A contribution by a government or other organization to be used or expended for a specific purpose and may be classified as categorical or block, depending upon the amount of discretion allowed the grantee.

## **I**

**IDHS** – See Illinois Department of Human Services

**Illinois Department of Human Services** – Illinois agency that oversees welfare, substance abuse, domestic violence prevention, after-school programs for youth, and other programs

**IMP.A.C.T.** – See Parents and Community Together

**INPUTS** – Resources allocated for performing work processes so that stated goals, objectives, and outcomes can be achieved. Generally, program inputs include employee salaries, equipment, material, and supplies.

**INTERGOVERNMENTAL REVENUE** – Revenue from other governments in the form of grants, entitlements, shared revenues or payments in lieu of taxes.



**INTERNAL CONTROL STRUCTURE** – Policies and procedures established to provide reasonable assurance that specific governmental objectives will be achieved.

**INVENTORY** – (1) A detailed list showing quantities, descriptions and values of property and, frequently, units of measure and unit prices. (2) An asset account reflecting the cost of goods held for resale or for use in operations.

**INVESTMENTS** – Securities and real estate held for the production of revenue in the form of interest, dividends, rental or lease payments. Not included are fixed assets used in governmental operations.

**INVOICE** – A bill requesting payment for goods or services by a vendor or other governmental unit.

## **L**

**LEVY** – To impose taxes, special assessments, or service charges for the support of Township services.

**LIABILITIES** – Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

**LINE ITEM BUDGET** – A budget that lists each expenditure category separately, such as wages, travel, utilities, etc., along with the dollar amount budgeted for each specific category.

**LONG-TERM DEBT** – Debt with a maturity of more than one year after the date of issuance.

## **M**

**MENTAL HEALTH** – The successful performance of mental function, resulting in productive activities, fulfilling relationships with other people, and the ability to adapt to change and to cope with adversity; from early childhood until late life, mental health is the springboard of thinking and communication skills, learning, emotional growth, resilience and self esteem.<sup>1</sup>

**MENTAL ILLNESS** – Refers collectively to all mental disorders. Mental disorders are health conditions that are characterized by alterations in thinking, mood or behavior (or some combination) associated with distress or impaired functioning.<sup>2</sup>

**MEETING** – Any gathering where more than one half of the members needed for a quorum of the public body are present to discuss public business.

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<sup>1</sup> U.S. Department of Health and Human Services, *Mental Health: A Report of the Surgeon General*. 1999.

<sup>2</sup> *Mental Health: A Report of the Surgeon General*.

**MODIFIED ACCRUAL ACCOUNTING** – A basis of accounting in which expenditures are recognized when the related fund liability is incurred, but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting, since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or available and measurable. This type of accounting basis is a conservative financial approach and is recommended as the standard for most governmental funds.

## **N**

**NONSPENDABLE FUND BALANCE** – The portion of fund balance that cannot be spent either due to form or because that portion must be maintained intact.

## **O**

**OBJECT CODE** – An expenditure category, such as salaries and office supplies, relating to the types of items or services purchased.

**OBJECTIVES** – See “Goals, Objectives and Strategies.”

**OPEN MEETINGS ACT** – A state law requiring all meetings of the Township Board, as well as those of Township Boards and Commissions, to be open to the public.

**OPERATING BUDGET** – Plans of current expenditures and the proposed means of financing them. The annual operating budget (or, in the case of some state governments, the biennial operating budget) is the primary means by which most of the financing, acquisition, spending and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even when not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government.

**OPERATING TRANSFERS** – All inter-fund transfers other than residual equity transfers (e.g., legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended).

**ORDINANCE** – A formal legislative enactment by the Township Board, barring conflict with higher law, having the full force and effect of law within the Township.

**OTHER FINANCING SOURCES** – Governmental fund general long-term debt proceeds and operating transfers-in from other funds of the same government unit which are classified separately from revenues.

**OTHER FINANCING USES** – Governmental fund operating transfers-out to other funds of the same government unit which are classified separately from expenditures.

**OUTCOMES** – The intended results that should be achieved by a governmental agency or unit responsible for undertaking a specific goal and objective.

**OUTPUTS** – Goods and services performed by a governmental unit or delivered to customers. Outputs can be produced for internal or external customers.

**OVERHEAD** – Salary and wages paid other than direct labor, including holidays, sick leave, funeral leave, vacations and expenses for all other line items accounts.

## **P**

**PARENTS AND COMMUNITY TOGETHER (IMP.A.C.T.)** – The mission of this program, which is administered by the Youth Services Department, is to create awareness about the short and long term consequences of adolescent substance use and to facilitate an exchange of ideas between parents, youths, and community leaders.

**PFS** – See Strategic Prevention Framework-Partnerships for Success

**PER CAPITA DEBT** – The amount of a government's debt divided by its population. Per capita debt is used to indicate the government's credit by reference to the proportionate debt borne per resident.

**PERFORMANCE MEASURE** – A specific quantitative measure or qualitative assessment of results obtained through a program or activity. It summarizes the relationship between inputs and outputs in achieving outcomes with respect to effectiveness, cost (efficiency) and quality.

**PERFORMANCE MEASUREMENT** – A process for determining how a program is accomplishing its mission, goals and objectives through the delivery of products, services or processes. It is a systematic process of evaluating outcomes of specific government programs and services that are delivered to customers with respect to effectiveness, efficiency, quality and return on investment.

**PROPERTY TAX** – Tax which is levied on real property according to that property's valuation and tax rate.

**PROPERTY TAX EXTENSION LIMITATION LAW (PTELL) 35 ILCS 200/18-185** – Illinois statute that limits the increase in property tax that local governments may levy to 5% or the percentage increase in the Consumer Price Index during the 12 month calendar year preceding the levy year, whichever is less.

**PTELL** – See Property Tax Extension Limitation Law 35 ILCS 200/18-185.

**PUBLIC HEARING** – A public meeting held for the discussion of adoption of annual budget or the adoption of a tax levy which is more than 105 percent of the amount of the previous year's levy.

**PURCHASE ORDER** – A document which authorizes the purchase and charges of specific merchandise or services from a vendor and encumbers the funds to pay for the merchandise or services. Its main function is to expedite and control buying by the Township.

## **Q**

**QUORUM** – A majority of the members of a public body needed for the legal transaction of public business to occur.

## **R**

**REFERENDUM** – The submission of a question or proposition for voter approval at a local election. A referendum may be either binding on the unit of government (such as authority to issue bonds for a given purpose) or advisory for informational purposes intended to guide local action or show the will of the people on a given proposal.

**REQUEST FOR PROPOSAL (RFP)** – A formal public solicitation for bids to accomplish a project or contract.

**REQUEST FOR QUALIFICATIONS (RFQ)** – A formal public solicitation for qualifications to conduct certain types of work.

**RESERVE** – An account which indicated that a portion of a fund's balance is legally restricted for a specific purpose and is not available for general expenditure.

**RESOLUTION** – A special or temporary order of legislative body; an order or a legislative body requiring less legal formality than an ordinance or statute.

**RESOURCES** – Total amounts available for appropriation during the fiscal year, including revenues, fund transfers and beginning fund balances.

**RESTRICTED FUND BALANCE** – The portion of fund balance with externally enforceable limitations on use (limitations such as those imposed by constitutional provisions, laws and regulations of other governments, creditors, grantors, or contributors).

**REVENUE BONDS** – An obligation of the local government that is payable from revenues or earnings derived from the operation of the facility which has been constructed or acquired with the proceeds of such bonds.

**REVENUE** – Funds the government receives as income, excluding "other financing sources." Such funds may be tax payments, grants or interest income.

**RFP** – See Request for Proposal.

**RFQ** – See Request for Qualifications.

**RISK MANAGEMENT** – An organized attempt to protect a government's assets against accidental loss in the most economical method.

**RIVER FOREST MENTAL HEALTH COMMITTEE** – The River Forest Township contracts with the Oak Park Community Mental Health Board to provide administrative support for mental health services in River Forest.

**RF MHC** – See River Forest Community Mental Health Committee.

## **S**

**SAMHSA** – See Substance Abuse and Mental Health Services Administration

**SHORT-TERM DEBT** – Debt with a maturity of one year or less after the date of issuance.

**SINGLE AUDIT** – An audit performed in accordance with the Single Audit Act of 1984 and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies.

**SPF** – See Strategic Prevention Framework-Partnership for Success Grant

**SOURCE OF REVENUE** – Revenues are classified according to their point of origin.

**SPECIAL REVENUE FUND** – A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. GAAP only requires the use of special revenue funds when legally mandated.

**STATEMENT OF REVENUES AND EXPENDITURES** – The financial statement that is the governmental fund and expendable trust fund GAAP operating statement. It presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in an entity's net current assets. Statements of changes in equity of governments should be combined with operating statements into "all-inclusive" operating statement formats.

### **STRATEGIC PREVENTION FRAMEWORK – PARTNERSHIPS FOR SUCCESS**

**GRANT** - The purpose of this federal grant program, administered by SAMHSA is to address two of the nation's top substance abuse prevention priorities: 1) underage drinking among persons aged 12 to 20; and 2) prescription drug misuse among persons aged 12 to 25. The SPF-PFS grant program is intended to prevent the onset and reduce the progression of substance misuse and its related problems while strengthening prevention capacity and infrastructure at the state, tribal, and community levels.

**STRATEGIES** – See "Goals, Objectives and Strategies."

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION** - (SAMHSA) is the federal agency within the U.S. Department of Health and Human Services that leads public health efforts to advance the behavioral health of the nation. SAMHSA's mission is to reduce the impact of substance abuse and mental illness on America's communities.

## **T**

**TAX ABATEMENT** – A reduction in the tax levy.

**TAX CAP** – An artificial limit imposed on the local taxing units ability to raise property taxes, usually by the state legislature and usually at a rate no more than the rate of inflation.

**TAX INCREMENT FINANCING (TIF)** – A financing tool authorized by state law used by municipalities to encourage economic development and revitalize underused properties. All taxing bodies receive property tax revenues from the properties within the TIF district based on the assessed value at the time the TIF was created by local ordinance. The TIF District, administered by the municipality, annually receives the revenue from the difference between the initial value and the assessed value in subsequent years. The revenue from the new development is invested back into the TIF district to pay the cost of preparing sites for development. Bonds can be issued based on the projected level of annual increment.

**TAXING DISTRICTS** - Refers to the entities that under state law have the authority to levy taxes, including the Park District, the Village, the Township, and the various school districts.

**TAX EXTENSIONS** – The tax extension is the total dollar amount of taxes applied to the Township's EAV. It represents the Township's tax levy plus loss and cost, less any reductions for rate ceilings or PTELL.

**TAX LEVY** – The Township's annual request of Cook County for property tax revenue. The levy is approved by the Township Board of Trustees in December and the Cook County applies loss and cost rates, rate ceilings and the tax cap to compute a tax extension in dollars. This is converted into a rate per \$100 of Equalized Assessed Valuation and applied to each property in the Township in the following year.

**TAX LIENS** – Claims governments have upon properties until the taxes levied against them have been paid. This term is sometimes limited to those delinquent taxes the government has taken legal action to collect through the filing of liens.

**TAX RATE** – The amount of taxes due as a percentage of the tax base or EAV. A tax rate of 2.95 represents a tax extension of 2.95 percent of the Township's total EAV. Also, it represents the amount of taxes payable by a single taxpayer. A taxpayer would pay \$2.95 per \$100 of EAV of their property.

**TAX-RATE LIMIT (or Rate Ceiling)** – The maximum rate at which a government may levy a tax. The limit may apply to taxes raised for a particular purpose or to taxes imposed for all purposes and may apply to a single government or to a class of governments operating in a particular area. Overall tax-rate limits usually restrict levies for all purposes and of all governments, state and local, having jurisdiction in a given area.

**TAX LEVY ORDINANCE** – An ordinance by means of which taxes are imposed.

**T.I.M.E** – See Teen Initiatives for Meeting Expectations

**TEEN INITIATIVES FOR MEETING EXPECTATIONS** – This is a court diversion program, administered by the Youth Services Department, to provide for youth who have committed an offense in the Oak Park or River Forest area an opportunity to perform community service. Youth are referred by the two local police departments and other judicial programs.

**TOWNSHIP CODE** – Townships are established and governed by Illinois statute. The statute is titled the Township Code (the “Code”) 60 ILCS 1 et seq. The Code sets forth various powers which townships may exercise depending upon the needs of local constituencies. Each township has the corporate capacity to exercise the powers expressly granted to it, or those necessary implied from express grants, and no others.

**TIF** – See Tax Increment Financing.

## **U**

**UNASSIGNED FUND BALANCE** – The portion of fund balance in the general fund in excess of the nonspendable, restricted, committed, and assigned categories of fund balance (i.e., surplus).

**UNENCUMBERED BALANCE** – The amount of funds which is neither expended or reserved, but is still available for future purchases.

**USE** – Any purpose for which a building or other structure or a tract of land may be designed, arranged, intended, maintained, or occupied; also, any activity, occupation, business, or operation carried on or intended to be carried on in a building or other structure or on a tract of land.

**USER FEES** – Payment by consumers for public services directly received.

**USP** – See Unified Services Plan.

## **V**

**VARIABLE INTEREST RATE** – A rate of interest subject to adjustment (e.g., the rate of interest specified may be a percentage of the prime rate on certain set dates).

## **W**

**WARRANT** – A list of all bills to be paid with the approval of the Township Board.

## **Y**

**YES** – See Youth Empowerment Symposium

**YOUTH EMPOWERMENT SYMPOSIUM** – This symposium, managed by the Youth Services Department, is designed to provide mentoring and support for students and to ease their transition from 8<sup>th</sup> grade to 9<sup>th</sup> grade and a high school environment.