

State of Illinois
PROPERTY TAX APPEAL BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006
Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

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AGENCY OFFICIALS
PROPERTY TAX APPEAL BOARD

Executive Director (beginning 10/02/06)	Mr. Ronald A. Messina
Executive Director (ending 9/30/06)	Mr. James W. Chipman
Fiscal Officer	Ms. Rebecca S. Moody
Board Chairman	Mr. Carlos X. Montoya
Board Member	Ms. Sharon U. Thompson
Board Member (beginning 06/19/06)	Mr. Walter R. Gorski
Board Member (ending 06/18/06)	Mr. William A. Darr
Board Member	Mr. Michael J. Goral
Board Member	Mr. Kevin L. Freeman

Agency offices are located at:

William G. Stratton Office Building
401 South Spring, Room 402
Springfield, IL 62706

And

Suburban North Regional Office Facility
9511 W. Harrison Street, Suite 171
Des Plaines, Illinois 60016



State of Illinois
PROPERTY TAX APPEAL BOARD

Wm. G. Stratton Office Bldg.
401 South Spring, Room 402
Springfield, Illinois 62706
Telephone (217) 782-6076
Fax (217) 785-4425
TTY (217)785-4427

CARLOS X. MONTOYA
Chairman

RONALD A. MESSINA
Executive Director

MANAGEMENT ASSERTION LETTER

De Raimo Hillger & Ripp
Certified Public Accountants
655 N. LaGrange Road, Suite 102
Frankfort, IL 60423

September 29, 2006

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2006. Based on this evaluation, we assert that during the years ended June 30, 2006 and June 30, 2005, the Agency has materially complied with the assertions below.

- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

BOARD MEMBERS

Sharon U. Thompson
Dixon

Michael J. (Mickey) Goral
Rockford

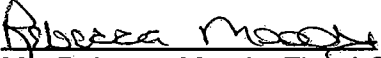
Kevin L. Freeman
Chicago

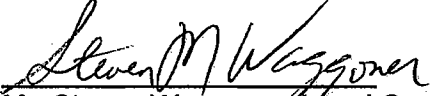
Walter R. Gorski
Edwardsville

Yours very truly,

Illinois Property Tax Appeal Board


Mr. Carlos X. Montoya, Chairman
BY 


Ms. Rebecca Moody, Fiscal Officer


Mr. Steven Waggoner, Legal Counsel

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

AUDITORS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	3	2
Repeated findings	1	0
Prior recommendations implemented or not repeated	1	2

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
06-1	10	Timeliness of Hearings
06-2	12	Performance Evaluations and Personnel Monitoring
06-3	13	Untimely Deposit and Lack of Documentation of Cash Receipts
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
06-4	15	Efficiency Initiative Payments

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on December 7, 2006. Attending were Mr. Ronald A. Messina, Executive Director, Ms. Rebecca Moody, Fiscal Officer, Mr. Jon Fox, Office of the Auditor General, and Ms. Ferne Hillger, De Raimo Hillger & Ripp. Responses to the recommendations were provided by Ms. Rebecca S. Moody, Fiscal Officer, in a letter dated December 11, 2006.

DE RAIMO HILLGER & RIPP

Certified Public Accountants & Business Consultants

655 N. La Grange Road • Suite 102 • Frankfort, IL 60423-1347 • Telephone: (815) 469-7500 • Facsimile: (815) 469-6970

JOHN J. DE RAIMO
FERNE M. HILLGER
ROBERT J. RIPP

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the Illinois Property Tax Appeal Board's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2006. The management of the Illinois Property Tax Appeal Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois Property Tax Appeal Board's compliance based on our examination.

- A. The Illinois Property Tax Appeal Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Illinois Property Tax Appeal Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Illinois Property Tax Appeal Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Illinois Property Tax Appeal Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Illinois Property Tax Appeal Board on behalf of the State or held in trust by the Illinois Property Tax Appeal Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General

of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois Property Tax Appeal Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Illinois Property Tax Appeal Board's compliance with specified requirements.

In our opinion, the Illinois Property Tax Appeal Board complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 06-1, 06-2 and 06-3. As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

Internal Control

The management of the Illinois Property Tax Appeal Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Illinois Property Tax Appeal Board's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 06-1, 06-2 and 06-3. As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2006 and 2005 Supplementary Information for State Compliance Purposes, except for information on the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.

De Raimo Hillger & Ripp

September 29, 2006

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD**

**CURRENT FINDINGS (STATE COMPLIANCE)
For the Two Years Ended June 30, 2006**

06-1. **FINDING** (Timeliness of Hearings)

The Property Tax Appeal Board (Board) did not allow for the speedy hearing of all appeals.

The State of Illinois Property Tax Appeal Board (Board) was created by the legislature in 1967 to hear and adjudicate real property assessment disputes filed before it as authorized by the law. In 1997, the Board started receiving appeals in the Des Plaines office for Cook County. The Board's mission is to provide an informal public forum for the speedy hearings of contested appeals, resolve appeals in a timely fashion by impartial decisions based upon equity and the weight of the evidence as set forth in the Board's findings, to establish clear, concise, accurate, and timely communications with the public, and to maintain a workforce that demonstrates the highest standards of integrity, efficiency, and performance.

Appeals Filed and Closed during fiscal year 2005 and 2006 – Caseload Statistics

	<u>Springfield</u>	<u>Des Plaines</u>	<u>Total</u>
Property Appeals Pending- June 30, 2004	5,754	27,581	33,335
New Appeals Filed	4,705	7,992	12,697
Property Appeals Closed	<u>(3,548)</u>	<u>(8,620)</u>	<u>(12,168)</u>
Property Appeals Pending- June 30, 2005	6,911	26,953	33,864
New Appeals Filed	4,375	21,051	25,426
Property Appeals Closed	<u>(4,310)</u>	<u>(15,554)</u>	<u>(19,864)</u>
Property Appeals Pending- June 30, 2006	<u>6,976</u>	<u>32,450</u>	<u>39,426</u>

We tested 25 case files and noted the following:

- Five (20%) of the twenty-five cases were closed during the examination period, however it took between 149 and 399 days for the Board to process the appeals.
- Seventeen (68%) of the twenty-five cases were pending as of June 30, 2006. These cases had been received by the Board between 101 to 483 days earlier. Four (23.5%) of the cases have been pending for greater than one year.

We noted that although the processing time of the closed cases selected for testing had decreased since the prior examination period, the number of appeals pending at June 30, 2006 had increased by 16% since June 30, 2005. Based on the number of cases pending and the amount processed during fiscal year 2006, it would require approximately two years for the Board to process the current pending cases as of June 30, 2006.

Board management stated that shortage of staff, loss of senior hearing officers, and evidence filing extensions requested on appeals, contributed to the Board's inability to allow for speedy hearings.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD**

**CURRENT FINDINGS (STATE COMPLIANCE)
For the Two Years Ended June 30, 2006**

06-1. **FINDING** (Timeliness of Hearings)(Continued)

The Property Tax Code (35 ILCS 200/16-180) states that the chairman of the Property Tax Appeal Board shall provide for the speedy hearing of all such appeals. Although speedy is not quantified in this statute, over one year would not be an anticipated time period. Historically, files could be processed in approximately one year.

Without the timely processing of all property tax appeals, the Board jeopardizes compliance with its statutory mandate, the taxpayer is not adequately served, and the operations of the office of the Property Tax Appeal Board will become unmanageable. (Finding Code Nos. 06-1 and 04-2)

RECOMMENDATION

We recommend that the Board review its policies and procedures pertaining to evidence filing extensions and allocate the necessary resources to adequately address its responsibilities for the timely processing of all appeals.

BOARD RESPONSE

The Board will continue to review procedures and staffing needs in an effort to become more efficient and reduce processing time. The Board is considering rule changes to require the filing of complete petitions initiating an appeal in order to eliminate returns. The Board is also considering proposed rule changes and a modification of internal procedures to more promptly rule on extension requests and reduce the amount of time parties have to submit evidence in support of their respective opinions of the correct assessment of the property under appeal.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD**

**CURRENT FINDINGS (STATE COMPLIANCE)
For the Two Years Ended June 30, 2006**

06-2. **FINDING** (Performance Evaluations and Personnel Monitoring)

The Property Tax Appeal Board (Board) did not conduct employee performance evaluations in accordance with Illinois Administrative Code and Agency policies.

During the testing of personnel files, we noted 9 of 21 (42.9%) employee personnel files did not contain a current performance evaluation or their performance evaluation was not performed timely. We noted the following exceptions:

- The last evaluations performed for seven of the nine (77.8%) employees that did not have current evaluations had covered a period of greater than one year.
- One individual's last evaluation was performed through June 2002 and one individual's last evaluation was performed through September 1999.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270(d)) requires that, for a certified employee, each agency shall prepare an employee performance evaluation not less often than annually. Further, the Board's personnel manual states that an evaluation may be performed by a supervisor or requested by an employee at any time during the year; however, annual evaluations are the right of the employee and are also required by Personnel Rules.

Board management stated that, as the Human resources section is not staffed, no system was in place to notify supervisors when evaluations were due.

Annual performance evaluations are important to ensure that all employees understand the duties and responsibilities assigned to them and that they are performing the duties for which they have been compensated. (Finding Code No. 06-2)

RECOMMENDATION

We recommend that the Board allocate the resources necessary to conduct employee performance evaluations at least annually to comply with the Illinois Administrative Code and internal policies.

BOARD RESPONSE

The Board has implemented a system to notify supervisors in October 2006.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD**

**CURRENT FINDINGS (STATE COMPLIANCE)
For the Two Years Ended June 30, 2006**

06-3. **FINDING** (Untimely Deposit and Lack of Documentation of Cash Receipts)

The Property Tax Appeal Board (Board) did not deposit all cash receipts promptly and did not have adequate documentation for its receipts.

Of the 24 receipts tested, the following exceptions were noted:

- Four of the receipts (16.66%) were not deposited timely. The late receipts totaled \$661 and were deposited between one and eleven days late.
- One of the receipts (4.16%) was inaccurately calculated as the requester of the copies was overcharged by \$82.
- Eleven of the receipts (45.83%) did not contain adequate documentation as to determine if the requester was charged the proper amount. A summary of the number of pages copied was not kept.

The Board is required by the State Officers and Employees Money Disposition Act (30 ILCS 230/2) to pay the gross amount of money so received on the day of actual physical receipt with respect to any single item exceeding \$10,000, within 24 hours of actual physical receipt with respect to an accumulation of receipts of \$10,000 or more, or within 48 hours an actual physical receipt with respect to an accumulation of receipts exceeding \$500 but less than \$10,000.

The Illinois Administrative Code (86 Ill. Admin. Code 1910.74(b)) states that the Board will certify the record of its proceedings at a cost to the taxpayer or other entity seeking review. The Board has set a fee for each page copied.

The Board management stated that departure and shortage of staff has increased workloads for remaining staff.

The lack of timely deposit of cash receipts increases the risk of misappropriation and cost the State potential interest income. Adequate documentation of the number of pages of the certified record is required to determine that the correct fee amounts are charged to the requester. (Finding Code No. 06-3)

RECOMMENDATION

We recommend that the Board allocate the resources necessary to ensure that deposits are made within the timeframes required by State statute. Further, the Board should implement internal policies and procedures to document the number of pages of the certified record to support the fees charged to taxpayers.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD**

**CURRENT FINDINGS (STATE COMPLIANCE)
For the Two Years Ended June 30, 2006**

06-3. **FINDING** (Untimely Deposit and Lack of Documentation of Cash Receipts)
(Continued)

BOARD RESPONSE

The Board has implemented procedures to ensure the timely deposit and documentation of cash receipts.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD**

**PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)
For the Two Years Ended June 30, 2006**

06-4. **PRIOR FINDING** (Efficiency Initiative Payments)

During the prior period, the Property Tax Appeal Board (Board) made payments for efficiency initiative payments from improper line item appropriations. The Board had made payments for the initiative payments not from the line item appropriations where the cost savings were anticipated to have occurred but from line items that simply had available monies to make payments from. The Board made efficiency payments totaling \$51,504 during fiscal year 2004.

During the current period, the Board received guidance from the Department of Central Management Services (CMS) as to where the cost savings occurred and made payments for efficiency initiative billings, totaling \$10,850, from the corresponding proper line item appropriations. (Finding Code No. 04-1)

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - June 30, 2006
 - June 30, 2005
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Efficiency Initiative Payments
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending

- Analysis of Operations:
 - Agency Functions and Planning Program
 - Average Number of Employees
 - Service Efforts and Accomplishments (Not Examined)

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2006

Fourteen Months Ended August 31, 2006

	Appropriations (Net After Transfers)	Expenditures Through 6/30/2006	Lapse Period Expenditures 7/01 - 8/31/06	Total Expenditures	Balances Lapsed
<u>Public Act 94-0015</u>					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND-001</u>					
Personal Services	\$ 1,381,600	\$ 1,177,398	\$ 51,200	\$ 1,228,598	\$ 153,002
Employee Retirement Contributions	8,500	8,182	-	8,182	318
State Contributions to State					
Employees' Retirement System	107,600	91,783	3,991	95,774	11,826
State Contributions to Social Security	105,700	86,300	3,789	90,089	15,611
Contractual Services	47,000	39,187	830	40,017	6,983
Travel	33,600	20,292	2,611	22,903	10,697
Commodities	9,600	6,370	2,023	8,393	1,207
Printing	5,800	2,824	-	2,824	2,976
Equipment	4,600	1,617	2,368	3,985	615
Electronic Data Processing	43,200	27,682	14,184	41,866	1,334
Telecommunications Services	40,000	24,926	3,377	28,303	11,697
Operation of Automotive Equipment	13,400	9,890	2,991	12,881	519
Reestablish Cook County Office	355,200	46,839	13,944	60,783	294,417
Refunds	200	200	-	200	-
Subtotal - Fund 001	<u>2,156,000</u>	<u>1,543,490</u>	<u>101,308</u>	<u>1,644,798</u>	<u>511,202</u>
TOTALS - ALL APPROPRIATED FUNDS	<u>2,156,000</u>	<u>1,543,490</u>	<u>101,308</u>	<u>1,644,798</u>	<u>511,202</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 2,156,000</u>	<u>\$ 1,543,490</u>	<u>\$ 101,308</u>	<u>\$ 1,644,798</u>	<u>\$ 511,202</u>

Note: Appropriations, expenditures, and lapsed balances were taken from Agency records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2005

Fourteen Months Ended August 31, 2005

	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through 6/30/2005</u>	<u>Lapse Period Expenditures 7/01 - 8/31/05</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
<u>Public Act 93-0842 and 93-0681</u>					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND-001</u>					
Personal Services	\$ 1,227,500	\$ 1,186,687	\$ 34,194	\$ 1,220,881	\$ 6,619
Employee Retirement Contributions	1,221	1,221	-	1,221	-
State Contributions to State					
Employees' Retirement System	197,700	184,620	5,439	190,059	7,641
State Contributions to Social Security	93,900	85,322	2,488	87,810	6,090
Contractual Services	38,497	35,130	631	35,761	2,736
Travel	33,600	20,147	3,055	23,202	10,398
Commodities	9,600	9,376	212	9,588	12
Printing	5,800	1,418	3,203	4,621	1,179
Equipment	4,600	914	200	1,114	3,486
Electronic Data Processing	43,200	38,729	4,068	42,797	403
Telecommunications Services	43,200	25,745	2,149	27,894	15,306
Operation of Automotive Equipment	13,400	11,384	856	12,240	1,160
Reestablish Cook County Office	600,000	120,847	30,453	151,300	448,700
Refunds	200	-	-	-	200
Subtotal - Fund 001	<u>2,312,418</u>	<u>1,721,540</u>	<u>86,948</u>	<u>1,808,488</u>	<u>503,930</u>
TOTALS - ALL APPROPRIATED FUNDS	<u>2,312,418</u>	<u>1,721,540</u>	<u>86,948</u>	<u>1,808,488</u>	<u>503,930</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 2,312,418</u>	<u>\$ 1,721,540</u>	<u>\$ 86,948</u>	<u>\$ 1,808,488</u>	<u>\$ 503,930</u>

Note: Appropriations, expenditures, and lapsed balances were taken from Agency records which have been reconciled to those of the State Comptroller.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES

	FISCAL YEAR		
	2006	2005	2004
	PA94-0015	PA93-0842 PA93-0681	PA93-0091 PA93-0664
<u>GENERAL REVENUE FUND -001</u>			
<u>Appropriations (Net After Transfers)</u>	<u>\$ 2,156,000</u>	<u>\$ 2,312,418</u>	<u>\$ 2,079,881</u>
<u>Expenditures</u>			
Personal Services	\$ 1,228,598	\$ 1,220,881	\$ 1,258,525
Employee Retirement Contributions	8,182	1,221	46,713
State Contributions to State			
Employees' Retirement System	95,774	190,059	112,930
State Contributions to Social Security	90,089	87,810	92,719
Contractual Services	40,017	35,761	41,339
Travel	22,903	23,202	25,468
Commodities	8,393	9,588	9,585
Printing	2,824	4,621	3,459
Equipment	3,985	1,114	7,000
Electronic Data Processing	41,866	42,797	47,115
Telecommunications Services	28,303	27,894	30,042
Operation of Automotive Equipment	12,881	12,240	10,004
Reestablish Cook County Office	60,783	151,300	42,590
Refunds	200	-	-
	<u>\$ 1,644,798</u>	<u>\$ 1,808,488</u>	<u>\$ 1,727,489</u>
<u>Lapsed Balances</u>	<u>\$ 511,202</u>	<u>\$ 503,930</u>	<u>\$ 352,392</u>
<u>GRAND TOTAL, ALL FUNDS</u>			
Appropriations (Net After Transfers)	\$ 2,156,000	\$ 2,312,418	\$ 2,079,881
Total Expenditures	1,644,798	1,808,488	1,727,489
Lapsed Balances	<u>\$ 511,202</u>	<u>\$ 503,930</u>	<u>\$ 352,392</u>
<u>State Officers' Salaries</u>			
<u>Appropriations</u>	<u>\$ 232,300</u>	<u>\$ 232,300</u>	<u>\$ 232,300</u>
<u>Expenditures:</u>			
Chairman	54,958	54,958	53,389
Four Members	175,776	177,284	168,437
	<u>\$ 230,734</u>	<u>\$ 232,242</u>	<u>\$ 221,826</u>
<u>Lapsed Balances</u>	<u>\$ 1,566</u>	<u>\$ 58</u>	<u>\$ 10,474</u>

State of Illinois
Property Tax Appeal Board
Schedule of Efficiency Initiative Payments
For the Two Years Ended June 30, 2006

Procurement Efficiency Initiative	FY06	FY05
General Revenue Fund- 001		
Costs Associated with Appeal Process and the Reestablishment of a Cook County Office	\$ -	\$ 9,916
Sub-Total	-	9,916
<u>Information Technology Initiatives</u>		
General Revenue Fund- 001		
Electronic Data Processing	\$ -	\$ 934
Sub-Total	-	934
Grand Total	\$ -	\$ 10,850

Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Agency and reconciled to information from the Office of the Comptroller.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2006

Balance at July 1, 2004, Equipment	\$ 480,007
Additions	44,616
Deletions	(714)
Net Transfers	<u>(31,609)</u>
 Balance at June 30, 2005, Equipment	 492,300
Additions	8,160
Deletions	(17,250)
Net Transfers	<u>(22,821)</u>
 Balance at June 30, 2006, Equipment	 <u><u>\$ 460,389</u></u>

The property balances at June 30, 2006 and 2005 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Two Years Ended June 30, 2006

<u>General Revenue Fund 001</u>	Fiscal Year		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Sales of Synopsis Books and Library Case Law	\$ -	\$ 420	\$ 420
Photocopying Charges	5,012	4,094	5,622
Reimbursements, Jury Duty, and Recoveries	<u>66</u>	<u>20</u>	<u>1,183</u>
Total Receipts - General Revenue Fund 001	<u>\$ 5,078</u>	<u>\$ 4,534</u>	<u>\$ 7,225</u>

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
For the Two Years Ended June 30, 2006

<u>General Revenue Fund 001</u>	Fiscal Year		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Receipts per Board Records	\$ 5,078	\$ 4,534	\$ 7,225
Plus: Deposits in Transit, Beginning of Year	-	176	-
Less: Deposits in Transit, End of Year	305	-	176
Auditor's Adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 4,773</u>	<u>\$ 4,710</u>	<u>\$ 7,049</u>

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2006

Fiscal Year 2006

- Employee retirement contributions increased by \$6,961 (570%) from fiscal year 2005 to fiscal year 2006 due to the fact that the line item was appropriated a decreased amount in fiscal year 2005.
- The State contributions to state employees' retirement system decreased by \$94,285 (50%) from fiscal year 2005 to fiscal year 2006 as a result of the annual revision of the employer contribution rate.
- Printing expenditures decreased \$1,797 (39%) from fiscal year 2005 to fiscal year 2006 due to decreased purchases of copy paper.
- Equipment expenditures increased by \$2,871 (258%) from fiscal year 2005 to fiscal year 2006 as a result of purchasing statute books and recording equipment for hearings.
- Reestablish Cook County Office lump sum expenditures decreased by \$90,517 (60%) from fiscal year 2005 to fiscal year 2006 due to the utilization of temporary employees for all of fiscal year 2005 and only part of fiscal year 2006.

Fiscal Year 2005

- Employee retirement contributions decreased by \$45,492 (97%) from fiscal year 2004 to fiscal year 2005 due to a reduction in the appropriation of a retirement pick-up line in the final fiscal year 2005 budget.
- The State contributions to state employees' retirement system increased by \$77,129 (68%) from fiscal year 2004 to fiscal year 2005 as a result of the annual revision of the employer contribution rate.
- Printing expenditures increased \$1,162 (34%) from fiscal year 2004 to fiscal year 2005 due to increased purchases of copy paper.
- Equipment expenditures decreased by \$5,886 (84%) from fiscal year 2004 to fiscal year 2005 due to a one-time efficiency initiative payment made during fiscal year 2004.
- Operation of automotive equipment expenditures increased by \$2,236 (22%) from fiscal year 2004 to fiscal year 2005 due to automobile repairs.
- Reestablish Cook County Office lump sum expenditures increased \$108,710 (255%) from fiscal year 2004 to fiscal year 2005 due to the utilization of temporary employees for all of fiscal year 2005 and only part of fiscal year 2004.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2006

Sale of Synopsis Books and Library Case Law

The variance in receipts represents fluctuations in the number of Synopsis Books requested and provided to users during the audit period. The receipts remained the same in fiscal year 2004 and fiscal year 2005 at \$420, and decreased to \$0 (100%) from fiscal year 2005 to fiscal year 2006.

Photocopying Charges

The amount of user fees received for photocopying fluctuates annually based on the volume and magnitude of requests received. The charges decreased by \$1,528 (27%) from fiscal year 2004 to fiscal year 2005, and increased by \$918 (22%) from fiscal year 2005 to fiscal year 2006.

Reimbursement, Jury Duty, and Recoveries

The variance in receipts fluctuates annually based on the number of repayments to the State for jury duty, personal phone calls, and other miscellaneous recoveries. The receipts decreased by \$1,163 (98%) from fiscal year 2004 to fiscal year 2005, and increased \$46 (230%) from fiscal year 2005 to fiscal year 2006.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2006

Fiscal Year Ended June 30, 2006

- Lapse period spending for commodities was \$2,023 (24%). The expenditures were for various office supplies.
- Lapse period spending for equipment was \$2,368 (59%), which was for the purchase of Illinois Revised Statute books and recording equipment for hearings.
- Lapse period spending on electronic data processing of \$14,184 (34%) was for training expenses, software and miscellaneous supplies.
- Lapse period spending on operation of automotive equipment of \$2,991 (23%) was for automobile repairs and gasoline charges.
- Lapse period spending on Reestablish Cook County Office for \$13,944 (23%) was for the purchase of a new mailing system, automobile repairs and some end of the year telecommunications charges.

Fiscal Year Ended June 30, 2005

- Lapse period spending on printing of \$3,203 (69%) was for purchases of copy paper in May.
- Lapse period spending on Reestablish Cook County Office for \$30,453 (20%) was for temporary employees, various office supplies and to cover a shortage in payroll and related lines.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

AGENCY FUNCTIONS AND PLANNING PROGRAM

The Property Tax Appeal Board (Board) was created to adjudicate real property tax assessment appeals statewide. Appeals are filed by any taxpayer dissatisfied with the decision of a board of review as such decision pertains to the assessment of his property for taxation purposes, or by any taxing body that has an interest in the decision of the board of review pertaining to a property assessment. The Board determines the correct assessment of a parcel of land which is subject to appeal based upon facts, evidence, exhibits and briefs submitted to or elicited by the Board. Appeals must be filed with the Board within 30 days after the date of written notice of the decision of the board of review.

The bipartisan Board is comprised of five members, appointed by the Governor, with advice and consent of the Senate, with one Board member serving as Chairman.

The daily operations of the Board are managed by an Executive Director. The Executive Director is responsible for planning, formulating, directing, monitoring, and controlling the overall policies, objectives and programs of the Board and supervises the management of the Board's fiscal, personnel, budget, legislative and program operations. He confers with the Chairman and the members of the Board with respect to the overall Board operations and attends all Board meetings and serves as Clerk and Legal Counsel to the Board.

Planning Program

The Board's goals and objectives are guided by statute and revised based on monitoring the Board's performance. Board members and the Executive Director meet semi-monthly to monitor Board operations. The Board prepares clerical staff reports and case statistics which are used to monitor the status of property tax appeal cases and assess progress towards goals and objectives.

It is the Board's objective to inform Illinois property taxpayers of their recourse. To achieve this, the Board will continue developing tools for community outreach which includes display stands, promotional items, interpretive graphics, and web site updates, which will be available at fairs and events. The Board's goals are to enable their staff to perform their tasks efficiently and effectively which in turn will satisfy its ultimate objective, i.e., to maintain a speedy resolution of cases.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

AGENCY FUNCTIONS AND PLANNING PROGRAM (Continued)

Auditors' Assessment

We reviewed the Board's clerical staff reports, case statistics, and assessed agency planning functions. The Board's planning process appears reasonably effective in developing and monitoring goals and objectives consistent with the Board's prescribed function.

Mr. Ronald A. Messina, Executive Director
Property Tax Appeal Board
Wm. G. Stratton Office Building
401 South Spring, Room 402
Springfield, Illinois 62706

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF OPERATIONS (CONTINUED)
For the Two Years Ended June 30, 2006**

AVERAGE NUMBER OF EMPLOYEES

The following information was prepared from the Board's records and presents the average number of employees for the Fiscal Year ended June 30,

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Administration	16	17	16
Hearing Officers	<u>9</u>	<u>9</u>	<u>8</u>
Total	<u>25</u>	<u>26</u>	<u>24</u>

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF OPERATIONS (CONTINUED)
For the Two Years Ended June 30, 2006

SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)

The Board conducts hearings to resolve real property tax assessment appeals filed before it. An appeal may be filed relating to one parcel of property or several parcels of property.

Appeals Filed and Closed – Caseload Statistics

	<u>Springfield</u>	<u>Des Plaines</u>	<u>Total</u>
Property Appeals Pending- June 30, 2004	5,754	27,581	33,335
New Appeals Filed	4,705	7,992	12,697
Property Appeals Closed	<u>(3,548)</u>	<u>(8,620)</u>	<u>(12,168)</u>
Property Appeals Pending- June 30, 2005	6,911	26,953	33,864
New Appeals Filed	4,375	21,051	25,426
Property Appeals Closed	<u>(4,310)</u>	<u>(15,554)</u>	<u>(19,864)</u>
Property Appeals Pending- June 30, 2006	<u>6,976</u>	<u>32,450</u>	<u>39,426</u>