

**State of Illinois
PROPERTY TAX APPEAL BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012
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, 2012**

TABLE OF CONTENTS

		<u>Page</u>
Agency Officials		2
Management Assertion Letter		3
Compliance Report		
Summary		5
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes		6
Schedule of Findings		
Current Findings – State Compliance		9
Prior Findings Not Repeated		11
Supplementary Information for State Compliance Purposes	<u>Schedule</u>	<u>Page</u>
Summary		12
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures and Lapsed Balances - June 30, 2012	1	13
Schedule of Appropriations, Expenditures and Lapsed Balances - June 30, 2011	2	14
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	3	15
Schedule of Changes in State Property	4	16
Comparative Schedule of Cash Receipts	5	17
Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller	6	18
Analysis of Significant Variations in Expenditures	7	19
Analysis of Significant Variations in Receipts	8	20
Analysis of Significant Lapse Period Spending	9	21
Analysis of Operations (Not Examined)		
Agency Functions and Planning Program (Not Examined)		22
Average Number of Employees (Not Examined)		23
Service Efforts and Accomplishments (Not Examined)		24

AGENCY OFFICIALS
PROPERTY TAX APPEAL BOARD

Executive Director	Mr. Louis Apostol
Fiscal Officer	Ms. Rebecca S. Hesse
Board Chairman	Mr. Donald Crist
Board Member	Mr. Mauro Glorioso
Board Member	Mr. Walter R. Gorski
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 141
Des Plaines, Illinois 60016



State of Illinois
PROPERTY TAX APPEAL BOARD

Wm. G. Stratton Office Bldg.
401 South Spring St., Rm. 402
Springfield, Illinois 62706
(T) 217.782.6076
(F) 217.785.4425
(TTY) 217.785.4427

DONALD R. CRIST
Chairman

LOUIS G. APOSTOL
Executive Director

Suburban North Regional Office
9511 W. Harrison St., Suite LL-54
Des Plaines, Illinois 60016
(T) 847.294.4121
(F) 847.294.4799

MANAGEMENT ASSERTION LETTER

DeRaimo Motto & Associates
Certified Public Accountants
20855 S. LaGrange Road, Suite 102
Frankfort, IL 60423

December 6, 2012

Ladies and Gentlemen:

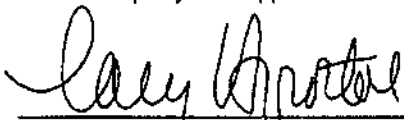
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls 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, 2012. Based on this evaluation, we assert that during the years ended June 30, 2011 and June 30, 2012, 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. 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.

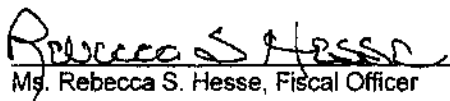
- E. Money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

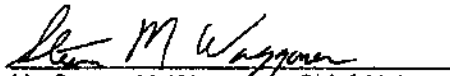
Illinois Property Tax Appeal Board



Mr. Louis G. Apostol, Executive Director



Ms. Rebecca S. Hesse, Fiscal Officer



Mr. Steven M. Waggoner, Chief ALJ

BOARD MEMBERS

Michael J. (Mickey) Goral
Rockford

Kevin L. Freconin
Chicago

Mauro Glorioso
Westchester

Jim Bill
Locky

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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	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	0	1

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

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
12-1	9	Timeliness of Hearings	Material Noncompliance Material Weakness

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

None

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on December 3, 2012. Attending were:

Property Tax Appeal Board
Mr. Louis Apostol, Executive Director
Ms. Becky Hesse, Fiscal Officer

Office of the Auditor General
Ms. Lana Miari, Audit Manager

De Raimo Motto & Associates
Ms. Tiffany Motto, Partner

Responses to the recommendations were provided by Mr. Louis Apostol, Executive Director, in a letter dated December 3, 2012.

DE RAIMO MOTTO & ASSOCIATES

Certified Public Accountants & Business Consultants

20855 S. La Grange Road • Suite 102 • Frankfort, IL 60423-2036 • Telephone (815) 469-7500 • Facsimile: (815) 469-6970

JOHN J. DE RAIMO
TIFFANY MOTTO

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, 2012. 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. 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 listed in the first paragraph of this report 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.

As described in item 12-1 in the accompanying schedule of findings, the Illinois Property Tax Appeal Board did not comply with requirements regarding applicable laws and regulations (compliance requirement C) in all material respects. Compliance with such requirements is necessary, in our opinion, for the Illinois Property Tax Appeal Board to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the Illinois Property Tax Appeal Board complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2012.

Internal Control

Management of the Illinois Property Tax Appeal Board is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Illinois Property Tax Appeal Board's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois Property Tax Appeal Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance as described in the accompanying schedule of findings as item 12-1 to be a material weakness.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

Illinois Property Tax Appeal Board's response to the finding identified in our examination are described in the accompanying schedule of findings. We did not examine Illinois Property Tax Appeal Board's response and, accordingly, we express no opinion on the response.

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 for the years ended June 30, 2012 and June 30, 2011 in Schedules 1 through 9 and the Analysis of Operations Section 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 June 30, 2012 and June 30, 2011 accompanying supplementary information in Schedules 1 through 9. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2010 accompanying supplementary information in Schedules 1 through 9 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

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

De Raimo Motta & Associates

December 6, 2012

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD**

**CURRENT FINDINGS (STATE COMPLIANCE)
For the Two Years Ended June 30, 2012**

12-1. 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 2011 and 2012 – Caseload Statistics

	<u>Downstate</u>	<u>Cook County</u>	<u>Total</u>
Property Appeals Pending- June 30, 2010	13,929	41,916	55,845
New Appeals Filed	9,239	28,721	37,960
Property Appeals Closed	<u>(9,385)</u>	<u>(19,592)</u>	<u>(28,977)</u>
Property Appeals Pending- June 30, 2011	13,783	51,045	64,828
New Appeals Filed	5,490	37,381	42,871
Property Appeals Closed	<u>(9,020)</u>	<u>(12,974)</u>	<u>(21,994)</u>
Property Appeals Pending- June 30, 2012	<u>10,253</u>	<u>75,452</u>	<u>85,705</u>

We tested 25 case files and noted the following:

- Seven (28%) of the twenty-five cases were closed during the examination period, however it took between 506 and 1,093 days for the Board to process the appeals. None of the cases were closed within one year.
- Fifteen (60%) of the twenty-five cases were pending as of June 30, 2012. These cases had been received by the Board between 108 to 4,125 days earlier. Twelve (48%) of the cases have been pending for greater than one year.

Based on the number of cases pending and the amount processed during fiscal year 2012, it would require more than two years for the Board to process the current pending cases as of June 30, 2012.

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, we have used one year as a general criteria to gauge speedy hearings.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD**

**CURRENT FINDINGS (STATE COMPLIANCE)
For the Two Years Ended June 30, 2012**

12-1. **FINDING** (Timeliness of Hearings)(Continued)

Board management stated that in fiscal year 2002, the agency had 53 full-time staff with a caseload at 18,836. In 2003, Senate Bill 620 was introduced that would effectively reduce the Board's jurisdiction to 6 units or less. Senate Bill 620 was soundly defeated but the administration reduced the Board's budget and full-time staffing to 26. In fiscal year 2011, the Board had a final headcount of 18 full-time staff with new appeals totaling 37,960.

In fiscal year 2012, the Board received approval to hire additional Administrative Law Judges (ALJs) and clerical staff. The Board was successful in recruiting and training 4 new ALJs, however, 2 additional ALJs and 6 clerical staff were put on hold due to the 3K Vacancy Program and other budget considerations.

In fiscal year 2013, the Board requested and received a budget increase of 6% to bring its full-time headcount to 36. The addition of staff will assist in addressing the growing number of appeals filed before the Board and significantly improve the timeliness of hearings and related decisions to best serve the taxpayers. As of October 31, 2012, the Board has hired 5 additional clerical staff.

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. 12-1, 10-1, 08-1, 06-1 and 04-2)

RECOMMENDATION

We recommend that the Board continue its efforts to obtain the resources necessary to adequately address its responsibilities for the timely processing of all appeals.

BOARD RESPONSE

The Board will continue to seek additional resources to improve the timeliness of appeals filed in an effort to best serve the taxpayers.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD**

**PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)
For the Two Years Ended June 30, 2012**

None

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, 2012
- Schedule of Appropriations, Expenditures and Lapsed Balances-
June 30, 2011
- Comparative Schedule of Net Appropriations, Expenditures
and Lapsed Balances
- 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 (Not Examined):**

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

The accountants' 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 to the June 30, 2012 and June 30, 2011 in Schedules 1 through 9. However, the accountants do not express an opinion on the supplementary information. The accountants' report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2012

Fourteen Months Ended August 31, 2012

	Appropriations (Net After Transfers)	Expenditures Through 6/30/2012	Approximate Lapse Period Expenditures 7/01 - 8/31/12	Approximate Total Expenditures	Approximate Balances Lapsed
<u>Public Act 97-0062</u>					
<u>APPROPRIATED FUNDS</u>					
<u>PERSONAL PROPERTY TAX REPLACEMENT FUND-802</u>					
Personal Services	\$ 2,455,000	\$ 1,885,517	\$ 78,501	\$ 1,964,018	\$ 490,982
State Contributions to State					
Employees' Retirement System	839,400	645,707	26,889	672,596	166,804
State Contributions to Social Security	188,800	139,373	5,821	145,194	43,606
Group Insurance	610,500	453,503	19,101	472,604	137,896
Contractual Services	47,000	46,132	202	46,334	666
Travel	33,600	33,301	14	33,315	285
Commodities	9,600	9,561	-	9,561	39
Printing	5,800	3,601	22	3,623	2,177
Equipment	4,600	1,283	-	1,283	3,317
Electronic Data Processing	43,200	39,255	2,756	42,011	1,189
Telecommunications Services	30,000	28,445	-	28,445	1,555
Operation of Automotive Equipment	14,000	11,941	1,205	13,146	854
Reestablish Cook County Office	200,000	144,453	26,412	170,865	29,135
Refunds	200	-	-	-	200
Subtotal - Fund 802	<u>4,481,700</u>	<u>3,442,072</u>	<u>160,923</u>	<u>3,602,995</u>	<u>878,705</u>
TOTALS - ALL APPROPRIATED FUNDS	<u>4,481,700</u>	<u>3,442,072</u>	<u>160,923</u>	<u>3,602,995</u>	<u>878,705</u>
 GRAND TOTAL - ALL FUNDS	 <u>\$ 4,481,700</u>	 <u>\$ 3,442,072</u>	 <u>\$ 160,923</u>	 <u>\$ 3,602,995</u>	 <u>\$ 878,705</u>

The above data is taken directly from the records of the State Comptroller. Expenditures amounts are vouchers approved for payment by the Agency submitted to the State Comptroller for payment to the vendor. Approximate lapse period expenditures do not include interest payments approved by the Agency and submitted to the State Comptroller for payment after August.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2011

Fourteen Months Ended August 31, 2011

	Appropriations (Net After Transfers)	Expenditures Through 6/30/2011	Lapse Period Expenditures 7/01 - 8/31/11	Total Expenditures	Balances Lapsed
<u>Public Act 96-0956</u>					
<u>APPROPRIATED FUNDS</u>					
<u>PERSONAL PROPERTY TAX REPLACEMENT FUND-802</u>					
Personal Services	\$ 1,851,900	\$ 1,593,232	\$ 76,744	\$ 1,669,976	\$ 181,924
State Contributions to State					
Employees' Retirement System	566,800	466,455	21,507	487,962	78,838
State Contributions to Social Security	141,700	118,118	5,690	123,808	17,892
Group Insurance	418,500	343,069	16,396	359,465	59,035
Contractual Services	47,000	46,079	790	46,869	131
Travel	33,600	27,716	2,640	30,356	3,244
Commodities	9,600	8,506	1,089	9,595	5
Printing	5,800	3,858	283	4,141	1,659
Equipment	4,600	-	-	-	4,600
Electronic Data Processing	43,200	33,526	8,309	41,835	1,365
Telecommunications Services	30,000	28,798	-	28,798	1,202
Operation of Automotive Equipment	14,000	13,889	30	13,919	81
Reestablish Cook County Office	200,000	127,758	10,384	138,142	61,858
Refunds	200	-	-	-	200
Subtotal - Fund 802	<u>3,366,900</u>	<u>2,811,004</u>	<u>143,862</u>	<u>2,954,866</u>	<u>412,034</u>
TOTALS - ALL APPROPRIATED FUNDS	<u>3,366,900</u>	<u>2,811,004</u>	<u>143,862</u>	<u>2,954,866</u>	<u>412,034</u>
 GRAND TOTAL - ALL FUNDS	 <u>\$ 3,366,900</u>	 <u>\$ 2,811,004</u>	 <u>\$ 143,862</u>	 <u>\$ 2,954,866</u>	 <u>\$ 412,034</u>

The above data is taken directly from the records of the State Comptroller. Expenditures amounts are vouchers approved for payment by the Agency submitted to the State Comptroller for payment to the vendor. Approximate lapse period expenditures do not include interest payments

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES

	FISCAL YEAR		
	2012	2011	2010
<u>PERSONAL PROPERTY TAX REPLACEMENT FUND -802</u>	<u>PA-97-0062</u>	<u>PA-96-0956</u>	<u>PA-96-0046</u>
<u>Appropriations (Net After Transfers)</u>	<u>\$ 4,481,700</u>	<u>\$ 3,366,900</u>	<u>\$ 2,790,900</u>
<u>Expenditures</u>			
Personal Services	\$ 1,964,018	\$ 1,669,976	\$ 1,454,812
State Contributions to State			
Employees' Retirement System	672,596	487,962	413,284
State Contributions to Social Security	145,194	123,808	107,149
Group Insurance	472,604	359,465	309,698
Contractual Services	46,334	46,869	52,843
Travel	33,315	30,356	31,502
Commodities	9,561	9,595	8,936
Printing	3,623	4,141	3,251
Equipment	1,283	-	325
Electronic Data Processing	42,011	41,835	41,912
Telecommunications Services	28,445	28,798	43,299
Operation of Automotive Equipment	13,146	13,919	11,592
Reestablish Cook County Office	170,865	138,142	57,824
Refunds	-	-	-
Total Expenditures	<u>\$ 3,602,995</u>	<u>\$ 2,954,866</u>	<u>\$ 2,536,427</u>
<u>Lapsed Balances</u>	<u>\$ 878,705</u>	<u>\$ 412,034</u>	<u>\$ 254,473</u>
<u>GRAND TOTAL, ALL FUNDS</u>			
Appropriations (Net After Transfers)	\$ 4,481,700	\$ 3,366,900	\$ 2,790,900
Total Expenditures	3,602,995	2,954,866	2,536,427
Lapsed Balances	<u>\$ 878,705</u>	<u>\$ 412,034</u>	<u>\$ 254,473</u>
<u>State Officers' Salaries</u>			
<u>Appropriations</u>	<u>\$ 273,600</u>	<u>\$ 273,600</u>	<u>\$ 273,600</u>
<u>Expenditures:</u>			
Chairman	64,703	61,728	64,703
Four Members	208,513	199,120	207,716
Total Expenditures	<u>\$ 273,216</u>	<u>\$ 260,848</u>	<u>\$ 272,419</u>
<u>Lapsed Balances</u>	<u>\$ 384</u>	<u>\$ 12,752</u>	<u>\$ 1,181</u>

For Fiscal Year 2010, the expenditure amounts are final and include interest payments made after August 2010. For Fiscal Year 2011, the expenditure amounts are final and include interest payments made after August 2011. For Fiscal Year 2012, expenditures and related lapsed balances do not reflect any interest payments approved by the Agency and submitted to the Comptroller for payment after August 2012.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2012

Balance at July 1, 2010	\$	434,896
Additions		11,205
Deletions		(1,702)
Net Transfers		<u>(1,494)</u>
Balance at June 30, 2011		442,905
Additions		2,069
Deletions		(1,074)
Net Transfers		<u>(53,525)</u>
Balance at June 30, 2012	\$	<u><u>390,375</u></u>

The schedule has been reconciled to property reports (C-15 Agency Report of State Property) submitted to the Comptroller.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS

<u>General Revenue Fund 001</u>	Fiscal Year		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Photocopying Charges	\$ 7,756	\$ 2,004	\$ 4,986
Reimbursements, Jury Duty, and Recoveries	<u>21,822</u>	<u>3</u>	<u>23</u>
Total Receipts - General Revenue Fund 001	<u>\$ 29,578</u>	<u>\$ 2,007</u>	<u>\$ 5,009</u>

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER

<u>General Revenue Fund 001</u>	<u>Fiscal Year</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Receipts per Board Records	\$ 29,578	\$ 2,007	\$ 5,009
Plus: Deposits in Transit, Beginning of Year	377	72	3
Less: Deposits in Transit, End of Year	674	377	72
Auditor's Adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 29,281</u>	<u>\$ 1,702</u>	<u>\$ 4,940</u>

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2012**

Fiscal Year 2012

- The State contributions to state employees' retirement system increased by \$185,000 (38%) from fiscal year 2011 to fiscal year 2012 as a result of the annual revision of the employer contribution rate.
- Group Insurance increased by \$113,139 (31%) from fiscal year 2011 to fiscal year 2012 as a result of increased cost per employee in 2012.
- Reestablish Cook County Office lump sum expenditures increased by \$32,723 (24%) from fiscal year 2011 to fiscal year 2012 due to the utilization of temporary employees to assist with the clerical portion of the appeal process.

Fiscal Year 2011

- Reestablish Cook County Office lump sum expenditures increased \$80,318 (139%) from fiscal year 2010 to fiscal year 2011 due to the utilization of temporary employees to assist with the clerical portion of the appeal process.

STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2012

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 \$2,982 (60%) from fiscal year 2010 to fiscal year 2011, and increased by \$5,752 (287%) from fiscal year 2011 to fiscal year 2012.

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 increased by \$21,819 (727,300%) from fiscal year 2011 to fiscal year 2012. Public Act 96-149 modified the calculation method used in determining the employer contribution rate, which lower the rate from 30.253% to 27.988% and resulted in a refund of \$21,474.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2012**

Fiscal Year 2012

Our testing of lapse period expenditures for fiscal year ended June 30, 2012 disclosed no appropriation line items with significant (greater than or equal to 20% of total expenditures for the fiscal year and lapse period spending of at least \$10,000) lapse period expenditures.

Fiscal Year 2011

Our testing of lapse period expenditures for fiscal year ended June 30, 2011 disclosed no appropriation line items with significant (greater than or equal to 20% of total expenditures for the fiscal year and lapse period spending of at least \$10,000) lapse period expenditures.

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2012**

AGENCY FUNCTIONS AND PLANNING PROGRAM (Not Examined)

The Property Tax Appeal Board (Board) was created by statute to adjudicate real property tax assessment appeals statewide. Appeals are filed by any taxpayer dissatisfied with the decision of a county board of review as such decision pertains to the assessment of 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 the manifest weight of 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 Board appoints the Executive Director who 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 monthly or as needed to monitor Board operations. The staff prepares 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 right to appeal. 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 the 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.

Mr. Louis Apostol, 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, 2012**

AVERAGE NUMBER OF EMPLOYEES (Not Examined)

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>2012</u>	<u>2011</u>	<u>2010</u>
Administration	26	22	17
Hearing Officers	<u>13</u>	<u>11</u>	<u>9</u>
Total	<u>39</u>	<u>33</u>	<u>26</u>

**STATE OF ILLINOIS
PROPERTY TAX APPEAL BOARD
ANALYSIS OF OPERATIONS (CONTINUED)
For the Two Years Ended June 30, 2012**

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>Downstate</u>	<u>Cook County</u>	<u>Total</u>
Property Appeals Pending- June 30, 2010	13,929	41,916	55,845
New Appeals Filed	9,239	28,721	37,960
Property Appeals Closed	<u>(9,385)</u>	<u>(19,592)</u>	<u>(28,977)</u>
Property Appeals Pending- June 30, 2011	13,783	51,045	64,828
New Appeals Filed	5,490	37,381	42,871
Property Appeals Closed	<u>(9,020)</u>	<u>(12,974)</u>	<u>(21,994)</u>
Property Appeals Pending- June 30, 2012	<u>10,253</u>	<u>75,452</u>	<u>85,705</u>