

**STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2016

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

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STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

AGENCY OFFICIALS

State Appellate Defender

Michael J. Pelletier

Deputy State Appellate Defender

David P. Bergschneider

Deputy State Appellate Defender

James E. Chadd

Chief Fiscal Officer/Human Resource Director

Tonya Janecek

Office's administrative office is located at:

400 W. Monroe Street
Suite 202
Springfield, Illinois 62705-5240



**OFFICE OF THE STATE APPELLATE DEFENDER
ADMINISTRATIVE OFFICE**

**400 West Monroe • Suite 202
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Springfield, Illinois 62705-5240
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**MICHAEL J. PELLETIER
STATE APPELLATE DEFENDER**

**DAVID P. BERGSCHNEIDER
JAMES E. CHADD
DEPUTY STATE APPELLATE DEFENDERS**

**LAURA A. WEILER
DIRECTOR OF TRAINING**

MANAGEMENT ASSERTION LETTER

March 14, 2017

AGENCY OFFICES:

**FIRST JUDICIAL DISTRICT
203 North LaSalle Street, 24th Floor
Chicago, IL 60601
(312) 814-5472
1stDistrict@osad.state.il.us**

**SECOND JUDICIAL DISTRICT
One Douglas Avenue
2nd Floor
Elgin, IL 60120
(847) 695-8822
2ndDistrict@osad.state.il.us**

**THIRD JUDICIAL DISTRICT
770 E. Etna Road
Ottawa, IL 61350
(815) 434-5531
3rdDistrict@osad.state.il.us**

**FOURTH JUDICIAL DISTRICT
400 West Monroe Street, 3rd Floor
Springfield, IL 62704
(217) 782-3854
4thDistrict@osad.state.il.us**

**FIFTH JUDICIAL DISTRICT
909 Water Tower Circle
Mt. Vernon, IL 62864
(618) 244-3466
5thDistrict@osad.state.il.us**

**EXPUNGEMENT UNIT
PO Box 5240
Springfield, IL 62705-5240
(666) 787-1776
Expungement.@osad.state.il.us**

**Honorable Frank J. Mautino
Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, Illinois 62703**

Dear Mr. Mautino:

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 Office of the State Appellate Defender (Office). 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 Office's compliance with the following assertions during the two-year period ended June 30, 2016. Based on this evaluation, we assert that during the years ended June 30, 2016 and June 30, 2015, the Office has materially complied with the assertions below.

- A. The Office 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 Office 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 Office 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 Office 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.

Yours truly,

Office of the State Appellate Defender

SIGNED ORIGINAL ON FILE

(Michael J. Pelletier, State Appellate Defender)

SIGNED ORIGINAL ON FILE

(Tonya Janecek, Chief Fiscal Officer)

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

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.

ACCOUNTANT'S REPORT

The Independent Accountant's 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>Current</u>	<u>Prior</u>
	<u>Report</u>	<u>Report</u>
Findings	0	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

EXIT CONFERENCE

The State of Illinois, Office of the State Appellate Defender waived an exit conference in correspondence dated February 28, 2017.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Office of the State Appellate Defender'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, 2016. The management of the State of Illinois, Office of the State Appellate Defender is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Office of the State Appellate Defender's compliance based on our examination.

- A. The State of Illinois, Office of the State Appellate Defender 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 State of Illinois, Office of the State Appellate Defender 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 State of Illinois, Office of the State Appellate Defender 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 State of Illinois, Office of the State Appellate Defender 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.

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 State of Illinois, Office of the State Appellate Defender'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 State of Illinois, Office of the State Appellate Defender's compliance with specified requirements.

In our opinion, the State of Illinois, Office of the State Appellate Defender complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2016.

Internal Control

Management of the State of Illinois, Office of the State Appellate Defender 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 State of Illinois, Office of the State Appellate Defender's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances 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 the State of Illinois, Office of the State Appellate Defender's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Office of the State Appellate Defender's internal control over compliance.

A deficiency in 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 internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal

control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As required by the Audit Guide, an immaterial finding excluded from this report has been reported in a separate letter.

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, 2016, and June 30, 2015, in Schedules 1 through 8 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, 2016, and June 30, 2015, accompanying supplementary information in Schedules 1 through 8. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2014, accompanying supplementary information in Schedules 3 through 7 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, the State of Illinois, Office of the State Appellate Defender's management, and the State of Illinois, Office of the State Appellate Defender's Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

SIGNED ORIGINAL ON FILE

BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
March 14, 2017

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

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 – Fiscal Year 2016
 - Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2015
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts and Reconciliation 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)
 - Budget Impasse Disclosures (Not Examined)
 - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)
 - Interest Costs on Fiscal Year 2016 Invoices (Not Examined)
 - Average Number of Employees (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2016, and June 30, 2015, accompanying supplementary information in Schedules 1 through 8. However, the accountants do not express an opinion on the supplementary information. The accountant's 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
OFFICE OF THE STATE APPELLATE DEFENDER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

<u>Public Act 099-0524 & Court-Ordered Expenditures</u>	Expenditure Authority (Net of <u>Transfers</u>)	Expenditures Through <u>6/30/2016</u>	Lapse Period Expenditures <u>7/01-8/31/16</u>	Total <u>Expenditures</u>	Balances <u>Lapsed</u>
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 14,949,700	\$ 14,454,525	\$ 1,125	\$ 14,455,650	\$ 494,050
State Contributions to Social Security	1,050,200	1,040,741	86	1,040,827	9,373
Contractual Services	2,122,000	2,035,833	49,114	2,084,947	37,053
Travel	55,000	28,425	1,182	29,607	25,393
Commodities	37,000	24,864	3,171	28,035	8,965
Printing	44,000	24,334	726	25,060	18,940
Equipment	104,000	44,820	58,695	103,515	485
Electronic Data Processing	900,000	659,682	209,312	868,994	31,006
Telecommunications	151,500	113,771	28,456	142,227	9,273
Expungement Program	160,000	125,683	1,637	127,320	32,680
Public Defender Training Program	63,000	59,803	10	59,813	3,187
State Matching Portion: Expenses Related to Federally-Assisted Programs to Work on Systemic Sentencing Issues Appeals Cases	60,000	51,801	-	51,801	8,199
Subtotal - Fund 001	<u>\$ 19,696,400</u>	<u>\$ 18,664,282</u>	<u>\$ 353,514</u>	<u>\$ 19,017,796</u>	<u>\$ 678,604</u>

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

<u>Public Act 099-0524 & Court-Ordered Expenditures</u>	Expenditure Authority (Net of Transfers)	Expenditures Through <u>6/30/2016</u>	Lapse Period Expenditures <u>7/01-8/31/16</u>	Total Expenditures	Balances Lapsed
<u>STATE APPELLATE DEFENDER FEDERAL TRUST FUND - 117</u>					
Federal Portion: Expenses Related to Federally - Assisted Programs to Work on Systemic Sentencing Issues Appeals Cases					
	\$ 200,000	\$ 175,327	\$ -	\$ 175,327	\$ 24,673
Subtotal - Fund 117	<u>\$ 200,000</u>	<u>\$ 175,327</u>	<u>\$ -</u>	<u>\$ 175,327</u>	<u>\$ 24,673</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 19,896,400</u>	<u>\$ 18,839,609</u>	<u>\$ 353,514</u>	<u>\$ 19,193,123</u>	<u>\$ 703,277</u>
<u>NON-APPROPRIATED FUNDS</u>					
<u>STATE APPELLATE DEFENDER FEDERAL TRUST FUND - 117</u>					
Refund of Unused Federal Funds to the Illinois Criminal Justice Information Authority					
		\$ -	\$ -	\$ -	
Subtotal - Fund 117		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
TOTAL - ALL NON-APPROPRIATED FUNDS		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 18,839,609</u>	<u>\$ 353,514</u>	<u>\$ 19,193,123</u>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Office records.

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
 OFFICE OF THE STATE APPELLATE DEFENDER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

<u>Public Act 099-0524 & Court-Ordered Expenditures</u>	Expenditure Authority (Net of Transfers)	Expenditures Through <u>6/30/2016</u>	Lapse Period Expenditures <u>7/01-8/31/16</u>	Total Expenditures	Balances Lapsed
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Note 3: The Circuit Court of Cook County in *People v. Munger* (15 CH 10243) ordered the State Comptroller, in the absence of enacted annual appropriations, to process and pay certified invoice vouchers from the State's judicial branch agencies at the level paid as of June 30, 2015. Therefore, the Office's Fiscal Year 2015 aggregate total appropriation for Funds 001 and 117 was carried forward to become the Office's aggregate Fiscal Year 2016 expenditure authority for Funds 001 and 117. The aggregate appropriation amount, as opposed to the individual appropriations by line item after the appropriations rescission under Public Act 099-0001, was used by the Office because the Office's final Fiscal Year 2015 line items did not provide sufficient funding to pay the Office's payroll costs and resulted in transfers from various non-payroll line items to increase the Office's personal services line item. The Office determined its approach was consistent with both the intent of the Circuit Court of Cook County's order and the final amount appropriated to the Office by the General Assembly in Fiscal Year 2015. Finally, Public Act 099-0524 authorized appropriations in Fund 117 at the level from Fiscal Year 2015, so the Office's court-ordered expenditures were merged into the enacted appropriation within Fund 117.

Note 4: Public Act 099-0524 authorizes the Office to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures in Fund 117. The Analysis of Operations section of this report at page 23 includes information from Office management about the number of invoices and the total dollar amount of invoices held by the Office to be submitted against its Fiscal Year 2017 appropriations.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net of <u>Transfers</u>)	Expenditures Through <u>6/30/2015</u>	Lapse Period Expenditures <u>7/01-8/31/15</u>	Total <u>Expenditures</u>	Balances <u>Lapsed</u>
<u>Public Acts 098-0681 and 099-0001</u>					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 14,981,837	\$ 14,899,191	\$ 82,646	\$ 14,981,837	\$ -
State Contributions to Social Security	1,076,332	1,070,009	6,322	1,076,331	1
Contractual Services	2,101,190	2,065,790	35,399	2,101,189	1
Travel	46,538	44,012	2,525	46,537	1
Commodities	28,096	27,967	129	28,096	-
Printing	26,207	25,952	254	26,206	1
Equipment	13,515	10,270	3,244	13,514	1
Electronic Data Processing	993,248	782,811	210,425	993,236	12
Telecommunications	138,037	114,678	23,349	138,027	10
Expungement Program	171,100	167,696	3,404	171,100	-
Public Defender Training Program	61,600	59,762	1,819	61,581	19
State Matching Portion: Expenses Related to Federally-Assisted Programs to Work on Systemic Sentencing Issues Appeals Cases	58,700	57,391	-	57,391	1,309
Subtotal - Fund 001	<u>\$ 19,696,400</u>	<u>\$ 19,325,529</u>	<u>\$ 369,516</u>	<u>\$ 19,695,045</u>	<u>\$ 1,355</u>

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net of Transfers)	Expenditures Through 6/30/2015	Lapse Period Expenditures 7/01-8/31/15	Total Expenditures	Balances Lapsed
<u>Public Acts 098-0681 and 099-0001</u>					
<u>STATE APPELLATE DEFENDER FEDERAL TRUST FUND - 117</u>					
Federal Portion: Expenses Related to Federally -					
Assisted Programs to Work on					
Systemic Sentencing Issues Appeals					
Cases	\$ 200,000	\$ 132,628	\$ -	\$ 132,628	\$ 67,372
Subtotal - Fund 117	<u>\$ 200,000</u>	<u>\$ 132,628</u>	<u>\$ -</u>	<u>\$ 132,628</u>	<u>\$ 67,372</u>
TOTAL - ALL APPROPRIATED FUNDS	<u><u>\$ 19,896,400</u></u>	<u><u>\$ 19,458,157</u></u>	<u><u>\$ 369,516</u></u>	<u><u>\$ 19,827,673</u></u>	<u><u>\$ 68,727</u></u>
<u>NON-APPROPRIATED FUNDS</u>					
<u>STATE APPELLATE DEFENDER FEDERAL TRUST FUND - 117</u>					
Refund of Unused Federal Funds to the Illinois					
Criminal Justice Information Authority					
		\$ 11,652	\$ -	\$ 11,652	
Subtotal - Fund 117		<u>\$ 11,652</u>	<u>\$ -</u>	<u>\$ 11,652</u>	
TOTAL - ALL NON-APPROPRIATED FUNDS		<u><u>\$ 11,652</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,652</u></u>	
GRAND TOTAL - ALL FUNDS		<u><u>\$ 19,469,809</u></u>	<u><u>\$ 369,516</u></u>	<u><u>\$ 19,839,325</u></u>	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of August 31, 2015, and have been reconciled to Office records.

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

Note 3: On March 26, 2015, Public Act 099-0001 was signed into law, which reduced the Office's General Revenue Fund appropriation from \$20,149,600 to \$19,696,400.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0524 & Court-Ordered Expenditures	P.A. 098-0681 P.A. 099-0001	P.A. 098-0050
APPROPRIATED FUNDS			
General Revenue Fund - 001			
Appropriations (Net of Transfers)	\$ 19,696,400	\$ 19,696,400	\$ 20,149,600
Expenditures			
General Operations:			
Personal Services	\$ 14,455,650	\$ 14,981,837	\$ 14,974,198
State Contributions to Social Security	1,040,827	1,076,331	1,074,937
Contractual Services	2,084,947	2,101,189	2,071,328
Travel	29,607	46,537	56,112
Commodities	28,035	28,096	37,291
Printing	25,060	26,206	26,694
Equipment	103,515	13,514	55,610
Electronic Data Processing	868,994	993,236	938,886
Telecommunications	142,227	138,027	160,704
Expungement Program	127,320	171,100	172,007
Public Defender Training Program	59,813	61,581	63,000
State Matching Portion: Expenses Related to Federally-Assisted Programs to Work on Systemic Sentencing Issues Appeals Cases	51,801	57,391	51,198
Total Expenditures - Fund 001	\$ 19,017,796	\$ 19,695,045	\$ 19,681,965
Lapsed Balances	\$ 678,604	\$ 1,355	\$ 467,635
State Appellate Defender Federal Trust Fund - 117			
Appropriations (Net of Transfers)	\$ 200,000	\$ 200,000	\$ 200,000
Expenditures			
Federal Portion: Expenses Related to Federally - Assisted Programs to Work on Systemic Sentencing Issues Appeals Cases	175,327	132,628	143,835
Lapsed Balances	\$ 24,673	\$ 67,372	\$ 56,165
TOTAL ALL APPROPRIATED FUNDS			
Appropriations (Net of Transfers)	\$ 19,896,400	\$ 19,896,400	\$ 20,349,600
Total Expenditures	\$ 19,193,123	\$ 19,827,673	\$ 19,825,800
Lapsed Balances	\$ 703,277	\$ 68,727	\$ 523,800

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

	2016	Fiscal Year 2015	2014
	P.A. 099-0524	P.A. 098-0681	P.A. 098-0050
	& Court-Ordered	P.A. 099-0001	
	Expenditures		
<hr/>			
NON-APPROPRIATED FUND			
State Appellate Defender Federal Trust Fund - 117			
Expenditures			
Refund of Unused Federal Funds to the Illinois Criminal Justice Information Authority	\$ -	\$ 11,652	\$ 3,810
	<hr/>	<hr/>	<hr/>
GRAND TOTAL - ALL FUNDS			
Total Expenditures	<u>\$ 19,193,123</u>	<u>\$ 19,839,325</u>	<u>\$ 19,829,610</u>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016 and August 31, 2015, and have been reconciled to Office records.

Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.

Note 3: The Circuit Court of Cook County in *People v. Munger* (15 CH 10243) ordered the State Comptroller, in the absence of enacted annual appropriations, to process and pay certified invoice vouchers from the State's judicial branch agencies at the level paid as of June 30, 2015. Therefore, the Office's Fiscal Year 2015 aggregate total appropriation for Funds 001 and 117 was carried forward to become the Office's aggregate Fiscal Year 2016 expenditure authority for Funds 001 and 117. The aggregate appropriation amount, as opposed to the individual appropriations by line item after the appropriations rescission under Public Act 099-0001, was used by the Office because the Office's final Fiscal Year 2015 line items did not provide sufficient funding to pay the Office's payroll costs and resulted in transfers from various non-payroll line items to increase the Office's personal services line item. The Office determined its approach was consistent with both the intent of the Circuit Court of Cook County's order and the final amount appropriated to the Office by the General Assembly in Fiscal Year 2015. Finally, Public Act 099-0524 authorized appropriations in Fund 117 at the level from Fiscal Year 2015, so the Office's court-ordered expenditures were merged into the enacted appropriation within Fund 117.

Note 4: Public Act 099-0524 authorizes the Office to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures in Fund 117. The Analysis of Operations section of this report at page 23 includes information from Office management about the number of invoices and the total dollar amount of invoices held by the Office to be submitted against its Fiscal Year 2017 appropriations.

Note 5: On March 26, 2015, Public Act 099-0001 was signed into law, which reduced the Office's General Revenue Fund appropriation from \$20,149,600 to \$19,696,400.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2016

Balance at July 1, 2014	\$ 2,285,087
Additions	96,071
Deletions	(18,300)
Net Transfers	<u>(7,103)</u>
Balance at June 30, 2015	<u><u>\$ 2,355,755</u></u>
Balance at July 1, 2015	\$ 2,355,755
Additions	142,761
Deletions	(95,078)
Net Transfers	<u>(156,537)</u>
Balance at June 30, 2016	<u><u>\$ 2,246,901</u></u>

Note: The above schedule has been derived from Office records which have been reconciled to property reports submitted to the Office of the State Comptroller.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF
CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**
For the Fiscal Year Ended June 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Revenue Fund - 0001			
Miscellaneous Receipts	\$ 254	\$ 98	\$ 227
Prior Year Refunds	7,000	3,754	262
Total Cash Receipts per Office Records	<u>7,254</u>	<u>3,852</u>	<u>489</u>
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	-	-	-
Total Cash Receipts per State Comptroller's Records	<u><u>\$ 7,254</u></u>	<u><u>\$ 3,852</u></u>	<u><u>\$ 489</u></u>
 State Appellate Defender Trust Fund - 0117			
US Department of Justice - Illinois Criminal Justice Information Authority	<u>\$ 156,661</u>	<u>\$ 149,976</u>	<u>\$ 132,900</u>
Total Cash Receipts per Office Records	156,661	149,976	132,900
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	-	-	-
Total Cash Receipts per State Comptroller's Records	<u><u>\$ 156,661</u></u>	<u><u>\$ 149,976</u></u>	<u><u>\$ 132,900</u></u>
 Grand Total - All Funds			
Total Cash Receipts per Office Records	\$ 163,915	\$ 153,828	\$ 133,389
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	-	-	-
Total Cash Receipts per State Comptroller's Records - All Funds	<u><u>\$ 163,915</u></u>	<u><u>\$ 153,828</u></u>	<u><u>\$ 133,389</u></u>

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2016 AND 2015

General Revenue Fund (001)

Travel

The decrease was due to the Office's attorneys attending fewer conferences during Fiscal Year 2016 in an effort to reduce costs.

Equipment

The increase was due to the Office replacing outdated copiers.

Expungement Program

The decrease was due to a decrease in the number of attorney speaking engagements regarding community awareness of the Expungement Program, which reduced payroll costs associated with the Expungement Program.

State Appellate Defender Federal Trust Fund (117)

Federal Portion: Expenses Related to Federally Assisted Programs to Work on Systemic Sentencing Issues Appeals Cases

The increase was due to the Illinois Criminal Justice Information Authority processing requests for federal funds on a more timely basis, thereby providing improved cash availability to process grant payrolls.

Refund of Unused Federal Funds to the Illinois Criminal Justice Information Authority

The decrease was due to the Illinois Criminal Justice Information Authority processing requests for federal funds on a more timely basis. This resulted in providing improved cash availability, which allowed the Office to spend more of the federal funds in Fiscal Year 2016 and reduced the amount required to be refunded.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2015 AND 2014

General Revenue Fund (001)

Equipment

The decrease was due to the Office purchasing fewer office equipment items, furniture, and legal books as opposed to Fiscal Year 2014.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2016 AND 2015

General Revenue Fund (001)

Prior Year Refunds

The increase was due to a vendor refund received in Fiscal Year 2016 after completion of the real estate tax reconciliation for Fiscal Year 2011. A portion of the First District Office's lease payment is for real estate taxes. When the real estate taxes were reassessed for the Office and reduced, the amount refunded to the lessor was also refunded to the Office.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2015 AND 2014

General Revenue Fund (001)

Prior Year Refunds

The increase was due to a vendor refund received in Fiscal Year 2015 after completion of the real estate tax reconciliation for Fiscal Year 2012 and Fiscal Year 2013. A portion of the First District Office's lease payment is for real estate taxes. When the real estate taxes were reassessed for the Office and reduced, the amount refunded to the lessor was also refunded to the Office.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2016

FISCAL YEAR 2016

General Revenue Fund (001)

Equipment

The Office purchased office equipment and library books late in the fiscal year. The related invoices were not received and processed until the Lapse Period.

Electronic Data Processing

The Office purchased electronic data processing equipment late in the fiscal year to update outdated items such as scanners and printers. The related invoices for the equipment and for professional services completed in June were not received and processed until the Lapse Period.

Telecommunications

The Springfield offices converted to a new phone service. The related invoices for the conversion and for year-end telecommunication invoices from the Department of Central Management Services were not received and processed until the Lapse Period.

FISCAL YEAR 2015

General Revenue Fund (001)

Equipment

The Office purchased library books late in the fiscal year. The related invoices were not received and processed until the Lapse Period.

Electronic Data Processing

The Office implemented a new case management system. Due to the timing of the completion of the project, related invoices were not received and processed until the Lapse Period.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
AGENCY FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

FUNCTIONS

The Office of the State Appellate Defender (Office) was created on August 18, 1972, through the State Appellate Defender Act (725 ILCS 105/10). The primary function of the Office is to represent indigent persons on appeal in criminal cases when appointed by the Illinois Supreme Court, the Appellate Court, or the Circuit Court.

Mr. Michael J. Pelletier is the State Appellate Defender and was appointed by the Illinois Supreme Court to serve his third four-year term, effective January 1, 2016.

The Office is comprised of the following district offices:

Administrative Office

State Appellate Defender Michael J. Pelletier
400 W. Monroe Street
Suite 202
Springfield, Illinois

First District Office

Deputy Defender Patricia Mysza
203 N. LaSalle Street
24th Floor
Chicago, Illinois

Second District Office

Deputy Defender Thomas A. Lilien
One Douglas Avenue
Second Floor
Elgin, Illinois

Third District Office

Deputy Defender Peter A. Carusona
770 E. Etna Road
Ottawa, Illinois

Fourth District Office

Deputy Defender Jacqueline L. Bullard
400 W. Monroe Street
Suite 303
Springfield, Illinois

Fifth District Office

Deputy Defender Ellen J. Curry
909 Water Tower Circle
Mt. Vernon, Illinois

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
AGENCY FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

PLANNING PROGRAM

The Office's formal planning program is limited because its activities throughout the year are contingent upon the number of appeals cases to which they are appointed. The Office's mission is to provide each client appointed by the courts with high quality legal services and maintain a staff that is dedicated to its clients' interests and improvement of the criminal justice system.

The Office conducts much of its planning in conjunction with the budget process. Deputy Defenders from each division participate in planning and executing their district office's budget. The Chief Fiscal Officer prepares and monitors the Office-wide budget using this information. The State Appellate Defender advises on and approves the budget. The State Appellate Defender holds frequent meetings with the Deputy Defenders to assess the budget, monitor caseload progress, and to ensure that each division is operating effectively. The Office has documented policies and procedures to ensure attorneys are achieving minimum standards of quality and productivity.

The Office monitors the caseloads handled by the courts and maintains statistical records of all cases handled by each district office, both as a historical record and as a guideline for future expected activity.

BOARD OF COMMISSIONERS

The Office has a Board of Commissioners that meets semi-annually. The Board approves the Office's operational budget and the number of employees. The Board also advises and recommends policies for the operation of the Office. The members of the Board as of June 30, 2016, were:

Thomas M. Breen, Chairman
Honorable Michael P. Toomin
Honorable R. Peter Grometer
Gary A. Dobbs
Kim D. Campbell
Honorable James K. Donovan
Rebecca Janowitz
Kathryn Saltmarsh
Honorable Abishi C. Cunningham, Jr.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
BUDGET IMPASSE DISCLOSURES
(NOT EXAMINED)
For the Two Years Ended June 30, 2016

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

All of the Office's Fiscal Year 2016 costs were paid pursuant to enacted appropriations and court orders. The Office did not have any outstanding invoices from Fiscal Year 2016 unpaid after the closure of the Fiscal Year 2016 Lapse Period on August 31, 2016.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS
(NOT EXAMINED)**

For the Two Years Ended June 30, 2016

Transactions Involving the Illinois Finance Authority

The Office and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

Vendor Payment Program (VPP)

In 2011, the State of Illinois (State) created the voluntary VPP in response to delays in payments for goods and services provided by the State's vendors arising from the State's cash flow deficit. The Department of Central Management Services (CMS) approved third party financing entities to act as "qualified purchasers" of accounts receivable from "participating vendors" who had submitted invoices which had not been paid by the State.

A participating vendor's accounts receivable is eligible for the VPP if it is from an invoice unpaid by the State that is (1) not for medical assistance payments (2) where 90 days have passed since the proper bill date, which is (3) entitled to interest under the State Prompt Payment Act (Act) (30 ILCS 540) and (4) free of any liens or encumbrances. Under the terms of an agreement between a qualified purchaser and the participating vendor, the participating vendor receives payment for 90% of the receivable balance. The participating vendor, in turn, assigns its rights to the interest due under the Act to the qualified purchaser. When the State Comptroller ultimately pays the invoice, the participating vendor receives the remaining 10% due (less any offsets).

Notably, while CMS approved the qualified purchasers and provided information to vendors about VPP, neither CMS nor the State are parties to the assignment agreements.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS
(NOT EXAMINED)**
For the Two Years Ended June 30, 2016

The following chart shows the Office’s VPP transactions:

VPP TRANSACTIONS

	Fiscal Year Ended June 30,	
	2016	2015
Dollar Value \$	2,351	\$ -
Vendors	2	0
Invoices	2	0

During Fiscal Year 2016, none of the Office’s vendors participated in the Vendor Support Initiative Program (VSI).

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
INTEREST COSTS ON FISCAL YEAR 2016 INVOICES
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

Prompt Payment Interest Costs

The Office plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor’s proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Office. The following chart shows the Office’s prompt payment interest incurred related to Fiscal Year 2016 invoices, calculated on the accrual basis of accounting, through June 30, 2016, by fund:

PROMPT PAYMENT INTEREST INCURRED

Year Ended June 30, 2016

Fund #	Fund Name	Invoices	Vendors	Dollar Value
001	General Revenue Fund	9	8	\$ 400
		9	8	\$ 400

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
AVERAGE NUMBER OF EMPLOYEES
(NOT EXAMINED)
For the Two Years Ended June 30, 2016

The following table, prepared from Office records, presents the average number of employees, by function, for the Fiscal Year Ended June 30,

<u>Division</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Administrative Office	15	13	14
First District Office	114	119	116
Second District Office	24	25	25
Third District Office	22	24	22
Fourth District Office	25	23	26
Fifth District Office	16	14	16
Expungement Unit	1	1	1
IT Department	4	4	5
Total Average Full-Time Employees	<u>221</u>	<u>223</u>	<u>225</u>

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
SERVICE EFFORTS AND ACCOMPLISHMENTS
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

Caseload Activity

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Cases Pending, Beginning of the Year	5,969	5,439	5,147
<u>Plus Cases:</u>			
Appointed	2,755	3,128	3,244
Re-opened	14	0	0
<u>Less Cases:</u>			
Closed	(2,455)	(2,598)	(2,952)
	<u>6,283</u>	<u>5,969</u>	<u>5,439</u>
Cases Pending, End of the Year			
Average Cost per Case Closed*	<u>\$7,698</u>	<u>\$7,626</u>	<u>\$6,649</u>

*Average Cost per Case Closed is calculated as total non-capitalized expenditures divided by the number of cases closed during the fiscal year.

STATE OF ILLINOIS
OFFICE OF THE STATE APPELLATE DEFENDER
SERVICE EFFORTS AND ACCOMPLISHMENTS
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

Briefs Filed

The following presents the number and type of briefs filed by the Office of the State Appellate Defender:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Number of Original Briefs	1,403	1,522	1,460
Number of <i>Anders</i> Briefs	113	379	346
Motions to Withdraw/Dismiss Filed	486	553	530
Summary Motions Filed	<u>169</u>	<u>214</u>	<u>326</u>
Total	<u>2,171</u>	<u>2,668</u>	<u>2,662</u>