

**STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD**

**COMPLIANCE EXAMINATION**

**For the Two Years Ended June 30, 2014**

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2014

**TABLE OF CONTENTS**

		<b><u>Page</u></b>
Agency Officials		1
Management Assertion Letter		2
Compliance Report:		
Summary		4
Independent Accountant’s 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
Supplementary Information for State Compliance Purposes:		
Summary		11
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures and Lapsed Balances Fiscal Year 2014	1	12
Schedule of Appropriations, Expenditures and Lapsed Balances Fiscal Year 2013	2	13
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	3	14
Schedule of Changes in State Property	4	15
Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the Comptroller	5	16
Analysis of Significant Variations in Expenditures	6	17
Analysis of Significant Variations in Receipts	7	19
Analysis of Significant Lapse Period Spending	8	20
Analysis of Operations (Not Examined)		
Agency Functions and Planning Program (Not Examined)		21
Average Number of Employees (Not Examined)		23
Service Efforts and Accomplishments (Not Examined)		24

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2014

**AGENCY OFFICIALS**

Executive Director	Mr. Louis Apostol
Chief Administrative Law Judge	Mr. Steven M. Waggoner
Fiscal Officer	Ms. Rebecca Hesse
Chief Information Officer	Mr. David Suarez

Board offices are located at:

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

Suburban North Regional Office Facility  
9511 West Harrison Street, Suite LL-54  
Des Plaines, IL 60016



State of Illinois  
**PROPERTY TAX APPEAL BOARD**

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**DONALD R. CRIST**  
*Chairman*

**LOUIS G. APOSTOL**  
*Executive Director & General Counsel*

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November 13, 2014

Honorable William G. Holland  
Auditor General  
740 East Ash Street  
Springfield, IL 62703

Dear Auditor General Holland:

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 Property Tax Appeal Board. 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 Property Tax Appeal Board's compliance with the following assertions during the two-year period ended June 30, 2014. Based on this evaluation, we assert that during the years ended June 30, 2013 and June 30, 2014, the Property Tax Appeal Board has materially complied with the assertions below.

- A. The 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 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 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.

**BOARD MEMBERS**

**Michael J. (Mickey) Goral**  
*Rockford*

**Kevin L. Freeman**  
*Chicago*

**Mauro Glorioso**  
*Westchester*

**Jim Bilotta**  
*Lockport*

[ptabil.com](http://ptabil.com)

Honorable William G. Holland  
Auditor General  
Page 2.

D. State revenues and receipts collected by the 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.

Yours truly,

Property Tax Appeal Board



Louis G. Apostol  
Executive Director & General Counsel



Becky S. Hesse, Fiscal Officer

LGA/dl

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2014

**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, but does contain a qualified opinion on compliance and material weaknesses over internal control.

**SUMMARY OF FINDINGS**

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

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2014-001	9	Timeliness of Hearings	Material Weakness and Material Noncompliance
2014-002	10	Inadequate Controls over Property and Equipment Records	Significant Deficiency and Noncompliance

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2014

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Board personnel at an exit conference on November 13, 2014. Attending were:

**Property Tax Appeal Board**

Louis Apostol, Executive Director  
Rebecca Hesse, Fiscal Officer

**Office of the Auditor General**

Stephanie Wildhaber, Audit Manager  
Clint Everetts, Audit Staff  
Molly Miller, Audit Staff

The responses to the recommendations were provided by Mr. Louis Apostol in correspondence dated November 13, 2014.

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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANT'S 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**

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, 2014. 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.

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 2014-001 in the accompanying schedule of findings, the Illinois Property Tax Appeal Board did not comply with requirements regarding its applicable laws and regulations in its financial and fiscal operations. 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, 2014. However, the results of our procedures disclosed other instances of noncompliance with the 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 findings as item 2014-002.

### **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 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 Illinois Property Tax Appeal Board's 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as item 2014-001 to be a material weakness.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as item 2014-002 to be a significant deficiency.

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

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

### **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, 2014 and June 30, 2013 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, 2014 and June 30, 2013 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, 2012 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, 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.



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

Springfield, Illinois

November 13, 2014

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2014

2014-001. **FINDING** (Timeliness of Hearings)

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

During testing, we found the following:

- Six of 40 (15%) cases tested were not closed within one year. The Board took between 403 and 582 days to process and close the appeals.
- Eleven of 40 (28%) cases tested were pending for a period greater than a year. As of June 30, 2014, the cases had been open between 374 and 875 days.

The Property Tax Code (35 ILCS 200/16-180) requires the chairman of the Board to provide for the speedy hearing of all such appeals. Although speedy is not qualified in this statute, we have used one year as a general criteria to gauge speedy hearings.

Board management stated it has accumulated a backlog of appeals since the end of Fiscal Year 2003 due to reductions in workforce and budget. In addition, with the reduction of property values since the year 2008, the Board has experienced a 100% increase in new appeals with insufficient staff and resources to properly address the workflow.

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 Board will become unmanageable. (Finding Code No. 2014-001, 12-1, 10-1, 08-1, 06-1, and 04-2)

**RECOMMENDATION**

We recommend the Board provide for the speedy hearing of all appeals.

**BOARD RESPONSE**

The Board accepts this recommendation. Over the past two fiscal years, the Board received funding for increased headcount, which is reflected in the record number of 20,000 appeals closed in Fiscal Year 2014. However, the Board has also experienced a significant increase in the number of new appeal filings. The Board has improved its Information Technology processing systems and has provided taxpayers and practitioners with easy on-line access to information and additional system improvements. The Board will continue to seek additional resources to improve turnaround time in an effort to best serve taxpayers.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2014

2014-002. **FINDING** (Inadequate Controls over Property and Equipment Records)

The Property Tax Appeal Board (Board) did not exercise adequate control over the recording and reporting of its State property and equipment.

The Board did not update its inventory records within 30 days of acquisition or deletion of equipment items. During testing, we noted the following:

- Four of eight (50%) equipment items, totaling \$2,500, were added to Board inventory records between 6 and 452 days late.
- Twelve of 20 (60%) equipment items, totaling \$53,903, were deleted from Board inventory records 1 to 40 days late.

The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 30 days of acquisition, change or deletion of equipment items.

Board personnel stated the untimely additions and deletions were due to limited staff and competing priorities.

Failure to timely add or remove equipment items from inventory records results in noncompliance with the Code and could result in inaccurate reporting of State property. (Finding Code No. 2014-002)

**RECOMMENDATION**

We recommend the Board strengthen controls over the recording and reporting of its State property and equipment to ensure equipment is timely added and removed from the Board's inventory records.

**BOARD RESPONSE**

The Board accepts this recommendation and has established new procedures to comply with the Illinois Administrative Code.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2014

**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
  - 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 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 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, 2014 and June 30, 2013 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  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2014

Fourteen Months Ended August 31, 2014

	Appropriations (Net After Transfers)	Expenditures through 6/30/2014	Lapse Period Expenditures 7/01 - 8/31/2014	Total Expenditures	Balances	
					Lapsed	Expended
Public Act 98-0064						
<b>APPROPRIATED FUNDS</b>						
<b>PERSONAL PROPERTY TAX REPLACEMENT</b>						
<b>FUND - 802</b>						
Personal Services	\$ 2,422,000	\$ 2,268,661	\$ 97,851	\$ 2,366,512	\$	55,488
State Contributions to State						
Employees' Retirement System	976,400	915,856	39,506	955,362		21,038
State Contributions to Social Security	185,300	165,572	7,133	172,705		12,595
Group Insurance	802,000	655,266	29,630	684,896		117,104
Contractual Services	75,800	74,951	839	75,790		10
Travel	33,600	27,416	2,557	29,973		3,627
Commodities	9,600	9,599	-	9,599		1
Printing	5,800	4,254	-	4,254		1,546
Equipment	4,600	2,574	-	2,574		2,026
Electronic Data Processing	43,200	41,687	1,500	43,187		13
Telecommunications Services	30,000	25,284	4,716	30,000		-
Operation of Automotive Equipment	6,000	3,706	1,071	4,777		1,223
Reestablish Cook County Office	200,000	180,732	16,918	197,650		2,350
Refunds	200	-	-	-		200
<b>Total Personal Property Tax Replacement Fund</b>	<b>\$ 4,794,500</b>	<b>\$ 4,375,558</b>	<b>\$ 201,721</b>	<b>\$ 4,577,279</b>	<b>\$</b>	<b>217,221</b>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Board's records and have been reconciled to those of the State Comptroller.  
Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

Public Act 97-0727	Appropriations (Net After Transfers)	Expenditures through 6/30/2013	Lapse Period Expenditures 7/01 - 8/31/2013	Total Expenditures	Balances Lapsed
<b>APPROPRIATED FUNDS</b>					
<b>PERSONAL PROPERTY TAX REPLACEMENT</b>					
<b>FUND - 802</b>					
Personal Services	\$ 2,511,600	\$ 2,038,633	\$ 102,659	\$ 2,141,292	\$ 370,308
State Contributions to State					
Employees' Retirement System	954,100	775,378	39,043	814,421	139,679
State Contributions to Social Security	190,000	150,549	7,630	158,179	31,821
Group Insurance	713,000	621,073	30,201	651,274	61,726
Contractual Services	75,800	65,143	2,289	67,432	8,368
Travel	33,600	32,141	200	32,341	1,259
Commodities	9,600	9,352	184	9,536	64
Printing	5,800	5,052	-	5,052	748
Equipment	4,600	-	-	-	4,600
Electronic Data Processing	43,200	37,319	2,409	39,728	3,472
Telecommunications Services	30,000	26,411	2,572	28,983	1,017
Operation of Automotive Equipment	6,000	4,056	1,254	5,310	690
Reestablish Cook County Office	200,000	131,011	21,958	152,969	47,031
Refunds	200	-	-	-	200
<b>Total Personal Property Tax Replacement Fund</b>	<b>\$ 4,777,500</b>	<b>\$ 3,896,118</b>	<b>\$ 210,399</b>	<b>\$ 4,106,517</b>	<b>\$ 670,983</b>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Board's records and have been reconciled to those of the State Comptroller.

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

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES AND LAPSED BALANCES**

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

	Fiscal Year		
	2014	2013	2012
	<u>Public Act 98-0064</u>	<u>Public Act 97-0727</u>	<u>Public Act 97-0062</u>
<b>PERSONAL PROPERTY TAX REPLACEMENT FUND - 802</b>			
Appropriations (Net After Transfers)	\$ 4,794,500	\$ 4,777,500	\$ 4,481,700
Expenditures			
Personal Services	\$ 2,366,512	\$ 2,141,292	\$ 1,964,018
State Contributions to State			
Employees' Retirement System	955,362	814,421	672,596
State Contributions to Social Security	172,705	158,179	145,194
Group Insurance	684,896	651,274	472,604
Contractual Services	75,790	67,432	46,334
Travel	29,973	32,341	33,315
Commodities	9,599	9,536	9,561
Printing	4,254	5,052	3,623
Equipment	2,574	-	1,283
Electronic Data Processing	43,187	39,728	42,011
Telecommunications Services	30,000	28,983	28,445
Operation of Automotive Equipment	4,777	5,310	13,146
Reestablish Cook County Office	197,650	152,969	170,865
Refunds	-	-	-
Total Expenditures	<u>\$ 4,577,279</u>	<u>\$ 4,106,517</u>	<u>\$ 3,602,995</u>
Lapsed Balances	<u>\$ 217,221</u>	<u>\$ 670,983</u>	<u>\$ 878,705</u>
State Officer Appropriations	<u>\$ 273,600</u>	<u>\$ 273,600</u>	<u>\$ 273,600</u>
State Officer Expenditures			
Chairman	\$ 64,703	\$ 64,703	\$ 64,703
Board Members	208,716	208,716	208,513
Total Expenditures	<u>\$ 273,419</u>	<u>\$ 273,419</u>	<u>\$ 273,216</u>
Lapsed Balances	<u>\$ 181</u>	<u>\$ 181</u>	<u>\$ 384</u>

Note: Expenditure and lapsed balances for Fiscal Year 2012 do not reflect interest payments approved by the Board and submitted to the State Comptroller for payment after August.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2014

Balance at July 1, 2012	\$ 390,375
Additions	10,741
Deletions	-
Net Transfers	<u>(168,152)</u>
Balance at June 30, 2013	\$ 232,964
Additions	13,784
Deletions	(13,937)
Net Transfers	<u>(63,006)</u>
Balance at June 30, 2014	<u><u>\$ 169,805</u></u>

Note: This schedule has been derived from the Board's records which have been reconciled to property reports submitted to the State Comptroller.

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

For the Fiscal Years Ended June 30, 2014, 2013, and 2012

<b>General Revenue Fund - 001</b>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Photocopying Charges	\$ 5,065	\$ 6,865	\$ 7,756
Reimbursements, Jury Duty, and Recoveries	340	227	15
Prior Year Refunds	<u>-</u>	<u>-</u>	<u>21,807</u>
 Total Cash Receipts per the Board	 <u>\$ 5,405</u>	 <u>\$ 7,092</u>	 <u>\$ 29,578</u>
 Add: Deposits in Transit, Beginning of Year	 -	 674	 377
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>(674)</u>
 Deposits Recorded by the Comptroller	 <u><u>\$ 5,405</u></u>	 <u><u>\$ 7,766</u></u>	 <u><u>\$ 29,281</u></u>

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2014

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2014 AND 2013**

**Personal Property Tax Replacement Fund - 802**

Equipment

The increase in Equipment expenditures was due to new office equipment purchased during Fiscal Year 2014. No equipment was purchased during Fiscal Year 2013.

Reestablish Cook County Office

The increase in Reestablish Cook County Office expenditures was due to the Property Tax Appeal Board (Board) incurring Information Technology costs to automate a portion of the appeal submission process.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2012**

**Personal Property Tax Replacement Fund - 802**

State Contributions to State Employees' Retirement System

The increase in State Contributions to State Employees' Retirement System expenditures was due to State contributions to State Employee Retirement System increasing due to the annual revision of the employer contribution rate from 34.190% in Fiscal Year 2012 to 37.987% in Fiscal Year 2013.

Group Insurance

The increase in Group Insurance expenditures was due to group insurance costs rising as a result of increased budgeted rates in Fiscal Year 2013, as well as an increase in staff.

Contractual Services

The increase in Contractual Services expenditures was due to an increase in the cost of vehicle leases for the Board.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2014

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2012 (Continued)**

**Personal Property Tax Replacement Fund - 802 (Continued)**

Equipment

The decrease in Equipment expenditures was due to no equipment purchased during Fiscal Year 2013.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Fiscal Years Ended June 30, 2014

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2014 AND 2013**

There were no significant variations in receipts between Fiscal Year 2014 and 2013.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2013 AND 2012**

**General Revenue Fund - 001**

Prior Year Refunds

The decrease in prior year refunds was due to Public Act 96-149 modifying the calculation method used in determining the employer contribution rate in Fiscal Year 2012, which lowered the rate from 30.253% to 27.988% and resulted in a refund of \$21,474. The Board had no prior year refunds during Fiscal Year 2013.

**STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2014**

There was no significant lapse period spending during Fiscal Year 2014 and Fiscal Year 2013.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2014  
(Not Examined)

**AGENCY FUNCTIONS**

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 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 members of the Board as of June 30, 2014 were:

- Donald Crist, Chairman
- Michael Goral
- Kevin Freeman
- Mauro Glorioso
- Jim Bilotta

The daily operations are managed by the Executive Director, who is appointed by the Board. 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, 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.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2014  
(Not Examined)

**PLANNING PROGRAM (Continued)**

It is the Board's mission to hear and adjudicate real property assessment disputes filed before it as authorized by law. To achieve this goal and instill public confidence in the State's property tax appeal process, the Board will provide an informal forum open to the public for speedy hearings; resolve appeals in a timely fashion issuing impartial decisions based upon the evidence which set forth the Board's findings; establish clear, concise, accurate and timely communications with the public; and maintain a work force that demonstrates the highest standards of integrity, efficiency, and performance.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**AVERAGE NUMBER OF EMPLOYEES**  
For the Two Years Ended June 30, 2014  
(Not Examined)

The following table, prepared from Board records, presents the average number of employees for the Fiscal Years ended June 30,

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Administration	20	26	26
Hearing Officers	<u>14</u>	<u>14</u>	<u>13</u>
Total Average Full-Time Employees	<u><u>34</u></u>	<u><u>40</u></u>	<u><u>39</u></u>

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Two Years Ended June 30, 2014  
(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**

	<b>Downstate</b>	<b>Cook County</b>	<b>Total</b>
Property Appeals Pending - June 30, 2012*	6,031	40,087	46,118
New Appeals Filed	6,276	10,873	17,149
Property Appeals Closed	(4,939)	(7,826)	(12,765)
Property Appeals Pending - June 30, 2013	7,368	43,134	50,502
New Appeals Filed	8,618	18,035	26,653
Property Appeals Closed	(7,170)	(12,765)	(19,935)
Property Appeals Pending - June 30, 2014	8,816	48,404	57,220

\*Numbers as of June 30, 2012 were revised and updated by the Board during the engagement period.

**Parcels Filed and Closed - Caseload Statistics**

	<b>Downstate</b>	<b>Cook County</b>	<b>Total</b>
Property Parcels Pending - June 30, 2012	11,959	75,673	87,632
New Parcels Filed	10,009	24,956	34,965
Property Parcels Closed	(8,119)	(14,619)	(22,738)
Property Parcels Pending - June 30, 2013	13,849	86,010	99,859
New Parcels Filed	11,553	35,626	47,179
Property Parcels Closed	(11,724)	(23,661)	(35,385)
Property Parcels Pending - June 30, 2014	13,678	97,975	111,653