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**STATE OF ILLINOIS**

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**OFFICE OF THE AUDITOR GENERAL**

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# **PROPERTY TAX APPEAL BOARD**

**COMPLIANCE EXAMINATION  
FOR THE TWO YEARS ENDED JUNE 30, 2018**

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**FRANK J. MAUTINO**

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**AUDITOR GENERAL**

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STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

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STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

**BOARD OFFICIALS**

Executive Director (3/27/2019 through Current)	Mr. Mauro Glorioso
Acting Executive Director (1/1/2018 through 3/26/2019)	Mr. Steven Waggoner
Executive Director (through 12/31/2017)	Mr. Louis Apostol
Chief Administrative Law Judge	Mr. Steven Waggoner
Chief Fiscal Officer (4/3/2018 through Current)	Mr. James Moffat
Chief Fiscal Officer (1/1/2018 through 4/2/2018)	Vacant
Chief Fiscal Officer (through 12/31/2017)	Ms. Becky Hesse
Chief Information Officer	Mr. David Suarez

The Board's offices are located at:

402 Stratton Office Building  
401 South Spring Street  
Springfield, Illinois 62706

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



State of Illinois  
**PROPERTY TAX APPEAL BOARD**

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(F) 847.294.4799

**MAURO GLORIOSO**  
*Executive Director & General Counsel*

MANAGEMENT ASSERTION LETTER

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

September 18, 2019

Auditor General 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 State of Illinois, 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 State of Illinois, Property Tax Appeal Board's compliance with the following assertions during the two-year period ended June 30, 2018. Based on this evaluation, we assert that during the years ended June 30, 2017, and June 30, 2018, the State of Illinois, Property Tax Appeal Board has materially complied with the assertions below.

- A. The State of 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 State of 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 State of 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 State of 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.

**BOARD MEMBERS**

Kevin L. Freeman  
*Chicago*

Jim Bilotta  
*Frankfort*

Robert J. Steffen  
*South Barrington*

Dana D. Kinion  
*Springfield*

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\*

Yours truly,

State of Illinois, Property Tax Appeal Board

**SIGNED ORIGINAL ON FILE**

Mauro Glorioso,  
Executive Director

**SIGNED ORIGINAL ON FILE**

James Moffat,  
Chief Fiscal Officer

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

**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 or disclaimers, but does contain a qualified opinion on compliance and identifies a material weakness in internal control over compliance.

**SUMMARY OF FINDINGS**

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

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2018-001	10	Timeliness of Hearings	Material Weakness and Material Noncompliance
2018-002	12	Inadequate Controls over Equipment	Significant Deficiency and Noncompliance
2018-003	14	Inadequate Control over Performance Evaluations	Significant Deficiency and Noncompliance

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

**EXIT CONFERENCE**

The Board waived an exit conference in a correspondence from James Moffat, Chief Fiscal Officer, on September 13, 2019.

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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, 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, 2018. The management of the State of Illinois, Property Tax Appeal Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Property Tax Appeal Board's compliance based on our examination.

- A. The State of 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 State of 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 State of 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 State of 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 (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Property Tax Appeal Board complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Property Tax Appeal Board complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Property Tax Appeal Board's compliance with specified requirements.

Our examination disclosed the following material noncompliance with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2018. As described in item 2018-001 in the accompanying schedule of findings, the State of Illinois, Property Tax Appeal Board did not comply with requirements regarding applicable laws and regulations in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the State of 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 State of 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, 2018. However, the results of our procedures disclosed 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 items 2018-002 and 2018-003.

The State of Illinois, Property Tax Appeal Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Property Tax Appeal Board's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

### **Internal Control**

Management of the State of 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

State of 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 State of Illinois, Property Tax Appeal Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of 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 have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness 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 deficiency in internal control over compliance described in the accompanying schedule of findings as item 2018-001 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 as described in the accompanying schedule of findings as items 2018-002 and 2018-003 to be significant deficiencies.

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

The State of Illinois, Property Tax Appeal Board's responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Property Tax Appeal Board's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

## **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, 2018, and June 30, 2017, in Schedules 1 through 5 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, 2018, and June 30, 2017, accompanying supplementary information in Schedules 1 through 5. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2016, accompanying supplementary information in Schedules 3 through 5 and in the Analysis of Operations Section and, accordingly, we do not express an opinion or provide any assurance on it.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
September 18, 2019

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-001. **FINDING** (Timeliness of Hearings)

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

During testing, we noted the following:

- We tested 44 cases that were closed during the audit period. Thirty-four of the 44 (77%) cases tested took longer than one year to be closed. The Board took between 414 and 2,102 days to process and close the appeals. The chart below has a breakdown of the time taken to process the tested cases.

<b>Time Taken to Process Cases Tested</b>			
<b>&lt; 1 Year</b>	<b>1 - 2 Years</b>	<b>2 -3 Years</b>	<b>&gt; 3 Years</b>
10 (23%)	8 (18%)	16 (36%)	10 (23%)

Note: Six of the 44 (14%) cases tested went to a hearing. All six cases took more than one year to process. One of these cases took more than two years to process; the remaining five cases took more than three years to process.

- We tested 40 cases that were pending at the end of the audit period. Twenty-one of the 40 (53%) cases tested had been pending for a period greater than one year. As of June 30, 2018, the cases had been open between 376 and 2,283 days. The chart below has a breakdown of the length of time the tested cases had been pending at the end of the audit period.

<b>Length of Time Tested Cases Were Pending as of June 30, 2018</b>			
<b>&lt; 1 Year</b>	<b>1 - 2 Years</b>	<b>2 -3 Years</b>	<b>&gt; 3 Years</b>
19 (47%)	16 (40%)	4 (10%)	1 (3%)

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

Board personnel stated the issue noted was due to an accumulated backlog from prior years and a lack of resources and staff.

Without the timely processing of 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. 2018-001, 2016-001, 2014-001, 12-1, 10-1, 08-1, 06-1, 04-2)

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

**RECOMMENDATION**

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

**BOARD RESPONSE**

The Board accepts this finding. The Board continues to make further enhancements to its Information Technology processing systems by providing the Advanced Status Inquiry (ASI) search program that provides for the electronic retrieval of decisions and other appeal information. The Board also implemented an electronic storage scanning process for all appeals that began with the assessment year 2016. This has allowed for faster notifications through electronic dissemination of correspondence and provides a storage platform for eventual on-line filing.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-002. **FINDING** (Inadequate Controls over Equipment)

The Property Tax Appeal Board (Board) did not have adequate controls over its State property records and related reporting.

Property Reporting

The Board failed to report transfers of surplus property to the Department of Central Management Services, totaling \$15,471, on the Board's quarterly *Agency Report of State Property* (Form C-15) for the second quarter of Fiscal Year 2017 and the second quarter of Fiscal Year 2018.

The Statewide Accounting Management System (SAMS) (Procedure 29.20.10) requires agencies to report the net amount of transfers in/out that occurred during the quarter being reported.

Property Testing

- During deletions testing, we noted the Board was unable to provide documentation supporting the date items had been removed from the Board's property records for seven of seven (100%) items tested. Therefore, we were unable to determine whether the items were timely removed from the Board's property records.

At the time, the Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) required the Board to properly adjust records within 30 days of deletion of equipment items. (Effective May 3, 2019, this section of the Code was amended to require the Board adjust its records within 90 days of deleting an item.) In addition, the State Records Act (5 ILCS 160/8) requires the Board's Director to make and preserve adequate and proper documentation of the organization, functions, decisions, and essential transactions of the Board.

- During property testing, we noted 5 of 40 (13%) list to floor items tested, totaling \$8,329, and one of 40 (3%) floor to list items tested, totaling \$268, were located in a different location than reported on the Board's property listing.

SAMS (Procedure 29.10.10) requires the Board to maintain current property records, including the location. Further, the Code (44 Ill. Admin. Code 5010.230) requires the Board to correctly enter each item's location code number on the property listing.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

Board personnel stated the issues noted were due to oversight and the switch to the new ERP system.

Failure to exercise adequate control over property and to maintain accurate and complete property records increases the potential for fraud and loss of property. In addition, inaccurate reporting hinders the accuracy of Statewide financial information and may result in unnecessary equipment expenditures by the State. Further, the absence of complete and accurate property records results in incorrect accounting records and noncompliance with State laws, rules, and regulations. (Finding Code No. 2018-002)

**RECOMMENDATION**

We recommend the Board strengthen its internal controls over recording and reporting of State property by reviewing its inventory items and inventory listing to ensure it is accurate and up-to-date. In addition, the Board should thoroughly review all reports prepared from its records for accuracy and completeness prior to submission.

**BOARD RESPONSE**

The Board accepts this finding. The Board will work to strengthen its internal controls of recording and reporting of State property.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-003. **FINDING** (Inadequate Control over Performance Evaluations)

The Property Tax Appeal Board (Board) did not exercise adequate controls over evaluating its employees' performance during the examination period.

During testing, we noted 7 of 14 (50%) employee performance evaluations tested were not completed during the examination period. Three performance evaluations were not completed during Fiscal Year 2017, and four performance evaluations were not completed during Fiscal Year 2018.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270) – which implements the Personnel Code (20 ILCS 415) – and the Board's *Employee Handbook* (Chapter 4, Section 1) requires performance evaluations to be completed at least annually.

Board personnel stated this was due to oversight.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 2018-003)

**RECOMMENDATION**

We recommend the Board comply with the Illinois Administrative Code and its own *Employee Handbook* by ensuring employees receive timely performance evaluations.

**BOARD RESPONSE**

The Board accepts this finding. Board Human Resources staff will contact supervisory staff with a list of past due evaluations with the goal of getting them completed and up-to-date within 90 calendar days of this response.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

**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 2018

- Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2017

- 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 Operations (Not Examined):

- Agency Functions and Planning Program (Not Examined)

- Analysis of Significant Variations in Expenditures (Not Examined)

- Analysis of Significant Variations in Receipts (Not Examined)

- Analysis of Significant Lapse Period Spending (Not Examined)

- Analysis of Accounts Receivable (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 2017 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, 2018, and June 30, 2017, accompanying supplementary information in Schedules 1 through 5. 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 2018

For the Fifteen Months Ended September 30, 2018

	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to September 30	Approximate Expenditures 15 Months Ended September 30	Balances Lapsed
Public Act 100-0021					
<b>FISCAL YEAR 2018</b>					
<b><u>APPROPRIATED FUNDS</u></b>					
<b><u>PERSONAL PROPERTY TAX REPLACEMENT FUND - 802</u></b>					
Personal Services	\$ 2,814,800	\$ 2,234,167	\$ 98,407	\$ 2,332,574	\$ 482,226
State Contributions to State					
Employees' Retirement System	1,297,400	1,133,124	46,662	1,179,786	117,614
State Contributions to Social Security	215,400	164,733	7,231	171,964	43,436
Group Insurance	864,000	601,951	25,696	627,647	236,353
Contractual Services	67,900	29,836	6,521	36,357	31,543
Travel	30,000	12,466	1,384	13,850	16,150
Commodities	9,600	1,887	205	2,092	7,508
Printing	4,200	53	2,816	2,869	1,331
Equipment	4,400	-	-	-	4,400
Electronic Data Processing	43,200	40,779	-	40,779	2,421
Telecommunications Services	30,000	19,206	6,691	25,897	4,103
Operation of Automotive Equipment	6,000	1,217	386	1,603	4,397
Costs Associated with the Appeal Process and the					
Reestablishment of a Cook County Office	200,000	118,512	62,139	180,651	19,349
Refunds	200	-	-	-	200
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<b>\$ 5,587,100</b>	<b>\$ 4,357,931</b>	<b>\$ 258,138</b>	<b>\$ 4,616,069</b>	<b>\$ 971,031</b>

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2018

For the Fifteen Months Ended September 30, 2018

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and have been reconciled to Board records.

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

Note 3: Approximate Lapse Period expenditures do not include interest payments approved for payment by the Office and submitted to the State Comptroller after September 30, 2018.

Note 4: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Board to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 29 includes information from Board management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Board submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

Public Act 99-0524 & Continuing Appropriations	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Expenditures 15 Months Ended September 30	Balances Lapsed
FISCAL YEAR 2017					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Refund of Erroneous Fees	\$ 326	\$ 326	\$ -	\$ 326	\$ -
Subtotal - Fund 001	<u>\$ 326</u>	<u>\$ 326</u>	<u>\$ -</u>	<u>\$ 326</u>	<u>\$ -</u>
<u>PERSONAL PROPERTY TAX REPLACEMENT FUND - 802</u>					
Personal Services	\$ 2,650,200	\$ 2,393,367	\$ 100,470	\$ 2,493,837	\$ 156,363
State Contributions to State					
Employees' Retirement System	1,208,500	1,044,949	44,886	1,089,835	118,665
State Contributions to Social Security	202,800	176,153	7,419	183,572	19,228
Group Insurance	864,000	664,739	27,300	692,039	171,961
Contractual Services	67,900	58,423	1,057	59,480	8,420
Travel	30,000	14,040	2,351	16,391	13,609
Commodities	9,600	9,377	223	9,600	-
Printing	4,200	3,825	375	4,200	-
Equipment	4,400	1,000	-	1,000	3,400
Electronic Data Processing	43,200	42,985	-	42,985	215
Telecommunications Services	30,000	24,692	5,154	29,846	154
Operation of Automotive Equipment	6,000	1,213	455	1,668	4,332
Costs Associated with the Appeal Process and the					
Reestablishment of a Cook County Office	200,000	115,884	45,806	161,690	38,310
Refunds	200	-	-	-	200
Subtotal - Fund 802	<u>\$ 5,321,000</u>	<u>\$ 4,550,647</u>	<u>\$ 235,496</u>	<u>\$ 4,786,143</u>	<u>\$ 534,857</u>
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<u>\$ 5,321,326</u>	<u>\$ 4,550,973</u>	<u>\$ 235,496</u>	<u>\$ 4,786,469</u>	<u>\$ 534,857</u>

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

- Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to Board records.
- Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment to the vendor.
- Note 3: Public Act 99-0524 authorized the Board to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 29 includes information from Board management about the number of invoices and the total dollar amount of invoices held by the Board submitted against its Fiscal Year 2017 appropriation.
- Note 4: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Board to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 29 includes information from Board management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Board which were submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.
- Note 5: The refund paid from the General Fund was pursuant to the continuing appropriation authority established by the State Officers and Employees Money Disposition Act (30 ILCS 230/2e).

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2018	Fiscal Year 2017	2016
	Public Act 100-0021	Public Act 99-0524 & Continuing Appropriations	Public Act 99-0524 & Court-Ordered Expenditures
<b>APPROPRIATED FUNDS</b>			
<b>General Revenue Fund - 001</b>			
Expenditure Authority (Net of Transfers)	\$ -	\$ 326	\$ -
Expenditures			
Refund of Erroneous Fees	\$ -	\$ 326	\$ -
Total Expenditures - Fund 001	\$ -	\$ 326	\$ -
Lapsed Balances	\$ -	\$ -	\$ -
<b>Personal Property Tax Replacement Fund - 802</b>			
Expenditure Authority (Net After Transfers)	\$ 5,587,100	\$ 5,321,000	\$ 5,321,000
Expenditures			
Personal Services	\$ 2,332,574	2,493,837	\$ 2,431,508
State Contributions to State			
Employees' Retirement System	1,179,786	1,089,835	1,110,801
State Contributions to Social Security	171,964	183,572	178,275
Group Insurance	627,647	692,039	732,958
Contractual Services	36,357	59,480	44,040
Travel	13,850	16,391	10,380
Commodities	2,092	9,600	3,348
Printing	2,869	4,200	942
Equipment	-	1,000	-
Electronic Data Processing	40,779	42,985	38,219
Telecommunications Services	25,897	29,846	29,035
Operation of Automotive Equipment	1,603	1,668	907
Costs Associated with the Appeal Process and the Reestablishment of a Cook County Office	180,651	161,690	69,225
Refunds	-	-	-
Total Expenditures - Fund 802	\$ 4,616,069	\$ 4,786,143	\$ 4,649,638
Lapsed Balances	\$ 971,031	\$ 534,857	\$ 671,362
<b>TOTAL - ALL APPROPRIATED FUNDS</b>			
Expenditure Authority (Net of Transfers)	\$ 5,587,100	\$ 5,321,326	\$ 5,321,000
Total Expenditures	\$ 4,616,069	\$ 4,786,469	\$ 4,649,638
Lapsed Balances	\$ 971,031	\$ 534,857	\$ 671,362

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2018	Fiscal Year	
	Public Act 100-0021	2017 Court-Ordered Expenditures	2016 Court-Ordered Expenditures
<b>STATE OFFICERS' SALARIES</b>			
<b>General Revenue Fund - 001</b>			
Appropriations	\$ 273,600		
Expenditures			
Chair	\$ 64,703	\$ 64,631	\$ 15,999
Four Members	208,716	200,532	218,067
Total Expenditures	<u>\$ 273,419</u>	<u>\$ 265,163</u>	<u>\$ 234,066</u>
Lapsed Balances	<u>\$ 181</u>		

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and September 30, 2017, and have been reconciled to Board records.

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

Note 3: Approximate Lapse Period expenditures do not include interest payments approved for payment by the Office and submitted to the State Comptroller after September 30, 2018.

Note 4: Public Act 99-0524 authorized the Board to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 29 includes information from Board management about the number of invoices and the total dollar amount of invoices held by the Board submitted against its Fiscal Year 2017 appropriation.

Note 5: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Board to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 29 includes information from Board management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Board which were submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

Note 6: The refund paid from the General Fund was pursuant to the continuing appropriation authority established by the State Officers and Employees Money Disposition Act (30 ILCS 230/2e).

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2018

	<u>Equipment</u>
Balance at July 1, 2016	\$ 189,930
Additions	1,817
Deletions	-
Net Transfers	<u>(1,074)</u>
Balance at June 30, 2017	<u>\$ 190,673</u>
Balance at July 1, 2017	\$ 190,673
Additions	3,087
Deletions	-
Net Transfers	<u>(14,397)</u>
Balance at June 30, 2018	<u>\$ 179,363</u>

Note: This schedule has been derived from Board records, which has been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF  
CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Fiscal Year Ended June 30,

<b>General Revenue Fund - 001</b>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Photocopying Charges	\$ 222	\$ 739	\$ 3,724
Reimbursements, Jury Duty, and Recoveries	39	48	120
Prior Year Refunds	-	-	20
Total Cash Receipts per Board Records	<u>261</u>	<u>787</u>	<u>3,864</u>
Add: Deposits in Transit, Beginning of Year	23	348	32
Less: Deposits in Transit, End of Year	-	23	348
Total Cash Receipts per State Comptroller's Records	<u><u>\$ 284</u></u>	<u><u>\$ 1,112</u></u>	<u><u>\$ 3,548</u></u>

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2018  
(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 Chair.

The members of the Board as of June 30, 2018 were:

- Mauro Glorioso, Chair
- Kevin Freeman
- Jim Bilotta
- Robert Steffen
- Dana Kinion

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 Chair and the members of the Board with respect to the overall Board operations, attends all board meetings, and serves as the Board's Clerk. He also acts as the Board's General Counsel and as liaison to the Executive, Legislative, and Judicial branches of government.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**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. Staff prepare 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 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 of contested appeals; resolve appeals in a timely fashion by issuing impartial decisions based upon equity and the weight of 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  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017**

**Personal Property Tax Replacement Fund - 802**

Contractual Services

The decrease was due to a reduction in temporary staffing levels and in the overall number of hours worked by temporary services staff during Fiscal Year 2018.

Commodities

The decrease was due to a reduction in supply orders in an effort to save money and deplete the on-hand commodities inventory.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016**

**Personal Property Tax Replacement Fund - 802**

Contractual Services

The increase was due to the Board employing more contractual workers during Fiscal Year 2017 in an effort to reduce the backlog of appeals.

Travel

The increase was due to the Board's Hearing Officers conducting more appeal hearings Statewide during Fiscal Year 2017.

Commodities

The increase was due to restocking office supplies in Fiscal Year 2017 after the depletion of the supplies from Fiscal Year 2016.

Costs Associated with the Appeal Process and the Reestablishment of a Cook County Office

The increase was due to employing more temporary employees to assist with the backlog of appeals during Fiscal Year 2017.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2018 AND 2017**

There were no significant variations in receipts between Fiscal Year 2018 and Fiscal Year 2017.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2017 AND 2016**

**General Revenue Fund – 001**

Photocopying Charges

The decrease was due to the Board utilizing and maintaining more electronic files during Fiscal Year 2017, which resulted in fewer photocopying charges.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

**FISCAL YEAR 2018**

**Personal Property Tax Replacement Fund - 802**

Printing

The Board purchased paper supplies near the end of the fiscal year. The related invoices were received and processed during the Lapse Period.

Telecommunications

Four Technology Management Revolving Fund invoices for telecommunications charges were received and processed during the Lapse Period.

**FISCAL YEAR 2017**

**Personal Property Tax Replacement Fund - 802**

Costs Associated with the Appeal Process and the Reestablishment of a Cook County Office

Invoices for various items, such as Department of Innovation and Technology charges, contractual employee payroll, commodities supplies, and telecommunications charges, were received and processed during the Lapse Period.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**BUDGET IMPASSE DISCLOSURES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

Payment of Prior Year Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Board to pay Fiscal Year 2016 costs using the Board's Fiscal Year 2017 appropriations for non-payroll expenditures. The Board 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. Therefore, the Board did not use its Fiscal Year 2017 appropriations to pay its Fiscal Year 2016 costs.

In addition, Article 998 of Public Act 100-0021 authorized the Board to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Board's Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Board did not have any outstanding invoices from Fiscal Year 2017 unpaid after the closure of the Fiscal Year 2017 Lapse Period on September 30, 2017. Therefore, the Board did not use its Fiscal Year 2017 appropriations to pay its Fiscal Year 2016 costs and does not intend to use either its Fiscal Year 2017 or Fiscal Year 2018 appropriations to pay its Fiscal Year 2016 or Fiscal Year 2017 costs.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND  
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

Transactions Involving the Illinois Finance Authority

The Board and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Board's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Year 2017.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**INTEREST COSTS ON FISCAL YEAR 2017 INVOICES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

Prompt Payment Interest Costs

The Board did not incur any prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540). The Board's vendors were paid within 90 days.

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**AVERAGE NUMBER OF EMPLOYEES**  
For the Two Years Ended June 30, 2018  
(NOT EXAMINED)

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

<u>Function</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Administration	18	21	21
Hearing Officers	<u>11</u>	<u>11</u>	<u>13</u>
Total Average Full-Time Employees	<u>29</u>	<u>32</u>	<u>34</u>

STATE OF ILLINOIS  
PROPERTY TAX APPEAL BOARD  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Two Years Ended June 30, 2018  
(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, 2016*	7,732	50,308	58,040
New Appeals Filed	6,767	23,880	30,647
Property Appeals Closed	<u>(6,237)</u>	<u>(25,270)</u>	<u>(31,507)</u>
Property Appeals Pending - June 30, 2017	8,262	48,918	57,180
New Appeals Filed	7,373	25,821	33,194
Property Appeals Closed	<u>(5,618)</u>	<u>(22,679)</u>	<u>(28,297)</u>
Property Appeals Pending - June 30, 2018	<u>10,017</u>	<u>52,060</u>	<u>62,077</u>

\*Numbers as of June 30, 2016, were updated by the Board during the engagement period.

