



**CHICAGO METROPOLITAN AGENCY
FOR PLANNING
CHICAGO, ILLINOIS**

**ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT**

For the Years Ended June 30, 2017 and 2016

SIKICH.COM

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CHICAGO, ILLINOIS
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CHICAGO, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman
and Members of the Board
Chicago Metropolitan Agency for Planning
233 South Wacker, Suite 800
Chicago, Illinois 60606

We have audited the accompanying financial statements of the Chicago Metropolitan Agency for Planning, Chicago, Illinois (the Agency) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Chicago Metropolitan Agency for Planning, Chicago, Illinois as of June 30, 2017 and 2016, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is also not a required part of the basic financial statements. The supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2017 on our consideration of the Agency's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
November 9, 2017

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

Chicago Metropolitan Agency for Planning Management's Discussion and Analysis (Unaudited) June 30, 2017

Background

The Chicago Metropolitan Agency for Planning (CMAP) was created in 2005 as the comprehensive regional planning organization for the northeastern Illinois counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will. Through the Regional Planning Act (Public Act 094-510) in 2005, there was a merger of the Northeastern Illinois Planning Commission (NIPC) and the Chicago Area Transportation Study (CATS) to create the new Regional Planning Board, which was renamed as Chicago Metropolitan Agency for Planning (CMAP) in 2006. The merger was completed at the end of fiscal year 2007.

By state and federal law, CMAP is responsible for producing the region's official, integrated plan for land use and transportation. The agency projects that metropolitan Chicago will gain 2.8 million new residents and 1.8 million jobs in the next three decades. CMAP developed and now leads the implementation of *GO TO 2040*, metropolitan Chicago's first comprehensive regional plan in more than 100 years. To address the anticipated population growth, *GO TO 2040* was adopted on October 13, 2010 to establish coordinated strategies that help the region's 284 communities address transportation, housing, economic development, open space, the environment, and other quality-of-life issues. The agency and its partners are now developing *ON TO 2050*, the new comprehensive regional plan slated for adoption in 2018.

CMAP has published an annual report highlighting the accomplishments for fiscal year 2016-2017. A copy of the CMAP annual report can be obtained at www.cmap.illinois.gov.

Management's Discussion and Analysis

This section of CMAP's financial statements presents management's discussion and analysis (MD&A) of the financial activities of CMAP during the fiscal year ended June 30, 2017. Please read it in conjunction with the basic financial statements, including the accompanying notes to financial statements, which follow this section.

Financial Highlights

The fiscal year 2017 expenses focused on facilitating the implementation of *GO TO 2040* and the development of *ON TO 2050*, the new comprehensive regional plan slated for adoption in 2018. The agency partnered with stakeholder organizations and individuals on a wide range of planning strategies set forth in the region's comprehensive plan. Fiscal year 2017 expenses also focused on studying heavy multi-jurisdictional trucking and logistic routes to determine the most efficient ways to manage the traffic demands, developing a travel demand survey and related data modeling activities to enhance CMAP's travel demand model, and development of a new website for *ON TO 2050* with enhancements to content management and design functionality. These projects will enhance the quality of CMAP's data output for internal and external use and will provide the platform to develop more sophisticated models in the future.

Government-wide Financial Statements

The two main components to the government-wide financial statements are: (1) the statement of net position and (2) the statement of revenues, expenses and changes in net position. These are the two major statements that are analyzed in terms of obtaining a broad overview of the finances, value and annual operations of CMAP.

Chicago Metropolitan Agency for Planning Management's Discussion and Analysis (Unaudited) June 30, 2017

Generally, government-wide statements can present two different components: governmental activities, which are operations primarily supported by tax revenues, and business-type activities, which are those activities that are self-funded. All the operations of CMAP are considered to be business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. CMAP uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. CMAP is unique to many governments since it is an entity with only one fund, proprietary in nature.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of the entity's financial position. The following tables highlight the increase in net position of the entity from \$(2,690,786) as of June 30, 2016 to \$(1,529,886) an increase of \$1,160,900. In 2016 the increase in net position of the entity changed from \$(2,810,914) as of June 30, 2015 to \$(2,690,786) which resulted in an increase of \$120,128. The Agency's negative net position was the result of the adoption in 2015 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which establishes standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses. With the adoption of GASB No. 68 and 71, the Agency was required to retroactively record the net pension liability and related deferred inflows and outflows of resources related to its participation in the Illinois Municipal Retirement Fund (IMRF) and the State Employees' Retirement System (SERS).

**Chicago Metropolitan Agency for Planning
Management's Discussion and Analysis (Unaudited)
June 30, 2017**

| <i>Table 1</i> | | | |
|--|----------------------|------------------|------------------|
| <i>Condensed Statement of Net Position</i> | | | |
| <i>(in thousands)</i> | | | |
| | <i>Business-type</i> | | |
| | <i>Activities</i> | | |
| | 2015 | 2016 | 2017 |
| Current and other assets | \$6,588 | \$7,939 | \$7,543 |
| Long-Term assets | <u>\$1,735</u> | \$969 | <u>\$820</u> |
| Total assets | <u>\$8,323</u> | <u>\$8,908</u> | <u>\$8,363</u> |
| Deferred Outflow | \$2,481 | \$3,531 | \$3,677 |
| Current liabilities | \$3,308 | \$4,648 | \$3,610 |
| Long-Term liabilities | <u>\$8,104</u> | <u>\$7,801</u> | <u>\$7,094</u> |
| Total liabilities | <u>\$11,412</u> | <u>\$12,449</u> | <u>\$10,704</u> |
| Deferred Inflow | \$2,203 | \$2,681 | \$2,866 |
| Net position | | | |
| Investment in capital assets | \$1,264 | \$863 | \$704 |
| Unrestricted | <u>\$(4,075)</u> | <u>\$(3,554)</u> | <u>\$(2,234)</u> |
| Total net position | <u>\$(2,811)</u> | <u>\$2,691</u> | <u>\$(1,530)</u> |

The statement of net position is a snapshot as of the end of the fiscal year, reporting information on all of CMAP's assets and deferred outflows of resources as well as liabilities and deferred inflows of resources, with the difference between the two reported as net position. The net position may serve over time as a useful indicator of whether the financial position of an organization is improving or deteriorating. CMAP reported \$(1,529,886) net position as of June 30, 2017, as compared to net position of \$(2,690,786) as of June 30, 2016 an increase of \$1,160,900 or 43%. This compares to an increase of \$120,128 or 4% in 2016. The largest component of net position reflects CMAP's unrestricted funds. Investment in capital assets represents the book value of capital assets.

NIPC entered into a new office lease in the fiscal year ended June 30, 2006. As an incentive to enter into the lease, NIPC was granted rent abatements for certain months throughout the term of the lease, including the first twelve months of the lease, two months in FY 08, three months in FY 09, and three months in FY 10. The benefit of these abatements is being recognized evenly over the life of the lease. Consequently, a liability is reported ("rent abatement") for the portion of the abatements received since the beginning of the lease that will be recognized over the remaining lease term. As part of the enabling legislation, CMAP assumed all of NIPC obligations and is now responsible for the office lease.

The largest component of the assets is cash and accounts receivable, which account for 86% of the total assets in 2017. In 2016, the largest component of assets was cash and accounts receivable, which accounted for 87% of the total assets. The largest components of the total liabilities are accounts payable, which had a balance of \$3,582,858 and \$2,226,986 at June 30, 2016 and 2017, respectively, and the value of the rent abatement of \$615,012 and \$444,278 on June 30, 2016 and 2017, respectively. In comparison to last year's accounts payable, which had a balance of \$2,228,503 and \$3,582,858 as of June 30, 2015 and 2016, along with the associated 2015 and 2016 rent abatement values of \$785,746 and \$615,012, respectively.

**Chicago Metropolitan Agency for Planning
Management's Discussion and Analysis (Unaudited)
June 30, 2017**

| <i>Table 2 Changes in Net Position (in thousands)</i> | | | | | | |
|---|-----------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|
| | <i>2015</i> | <i>% of Total</i> | <i>2016</i> | <i>% of Total</i> | <i>2017</i> | <i>% of Total</i> |
| Operating revenues | | | | | | |
| Grant revenue | | | | | | |
| Federal | \$16,839 | 74% | \$17,901 | 87% | \$17,569 | 76% |
| State | \$3,890 | 17% | \$949 | 5% | \$2,929 | 13% |
| Other | \$1,543 | 7% | \$1,587 | 8% | \$1,715 | 7% |
| Contributions | \$495 | 2% | \$88 | 0% | \$902 | 4% |
| Miscellaneous | <u>\$22</u> | <u>0%</u> | <u>\$21</u> | <u>0%</u> | <u>\$102</u> | <u>0%</u> |
| Total Operating revenues | <u>\$22,789</u> | 100% | <u>\$20,546</u> | 100% | <u>\$23,217</u> | 100% |
| Operating expenses | | | | | | |
| Personnel services | \$10,385 | 47% | \$9,417 | 47% | \$10,020 | 45% |
| Operating expenses | \$1,844 | 8% | \$1,743 | 9% | \$1,911 | 9% |
| Commodities | \$569 | 3% | \$232 | 1% | \$400 | 2% |
| In-kind expenses | \$1,246 | 5% | \$1,258 | 6% | \$1,356 | 6% |
| Contractual services | \$7,820 | 35% | \$7,151 | 35% | \$ 8,030 | 36% |
| Subcontractor expense | \$0 | 0% | \$0 | 0% | \$0 | 0% |
| Depreciation expense | <u>\$399</u> | <u>2%</u> | <u>\$405</u> | <u>2%</u> | <u>\$345</u> | <u>2%</u> |
| Total operating expenses | <u>\$22,263</u> | 100% | <u>\$20,206</u> | 100% | <u>\$22,062</u> | 100% |
| Non-operating income | | | | | | |
| Interest | <u>\$3</u> | <u>100%</u> | <u>\$5</u> | <u>100%</u> | <u>\$6</u> | <u>100%</u> |
| Total Non-operating income | <u>\$3</u> | <u>100%</u> | <u>\$5</u> | <u>100%</u> | <u>\$6</u> | <u>100%</u> |
| Increase (decrease) in net position | \$529 | | \$345 | | \$1,161 | |

The largest component of operating revenues is federal grants. For its core operating activities, federal grants are passed to CMAP through the appropriate state agency—primarily the Illinois Department of Transportation and Illinois Environmental Protection Agency. The FY17 budget was developed with grants awarded to CMAP to support its 9 programs. Primary funding for CMAP is from the Unified Work Program (UWP) for transportation planning for northeastern Illinois programs with metropolitan planning funds from the Federal Transit Administration (FTA), the Federal Highway Administration (FHWA), and state and local sources.

In 2007, the Regional Planning Act was amended and included the creation of the Comprehensive Regional Planning Fund (CRPF), of which \$3.5 million was allocated to CMAP. The CRPF was used for matching grant funds and other comprehensive regional planning purposes before it was eliminated in FY 12. Since that time the Illinois state budget has annually provided up to \$3.5 million in state transportation funds in lieu of funding for the CRPF.

Chicago Metropolitan Agency for Planning

Management's Discussion and Analysis (Unaudited)

June 30, 2017

The operating expenses of \$20,205,808 and \$22,061,934 at June 30, 2016 and June 30, 2017 increased by \$1,856,126 or 9% as compared to the operating expenses of \$22,262,866 and \$20,205,808 at June 30, 2015 and June 30, 2016 which decreased by \$2,057,058 or 9%.

Capital Assets

The capital assets are the furniture, office equipment, leasehold improvements and software owned by CMAP. The capital assets of \$863,504 and \$704,308 at June 30, 2016 and 2017, respectively, decreased by \$159,196, or 18%. This compares to the decreased of \$400,981, or 32% which occurred in 2016. Further capital asset information can be found in Note 3 of the notes to the financial statements.

Summary and Future Considerations

In 2007, CMAP initiated the development of the Regional Comprehensive Plan, now known as the *GO TO 2040* plan. The plan has guided growth and investment for Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will Counties since its inception. In addition to land use and transportation, *GO TO 2040* also addresses the full range of quality-of-life issues including housing, economic development, open space, and the environment. The *GO TO 2040* Plan was adopted on October 13, 2010. After the adoption of the Plan, CMAP has focused on implementing the Plan recommendations. The development of the next comprehensive regional plan, *ON TO 2050*, is currently underway. It is slated for adoption in 2018.

Requests for Information

The financial report is designed to provide a general overview of the financial operations of the Chicago Metropolitan Agency for Planning. Questions concerning any of the information in this report or requests for additional information should be sent to the Deputy Executive Director for Finance and Administration, Chicago Metropolitan Agency for Planning, 233 South Wacker Drive, 8th Floor, Chicago, Illinois 60606.

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

STATEMENTS OF NET POSITION

June 30, 2017 and 2016

| | 2017 | 2016 |
|---|-----------------------|-----------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 3,070,585 | \$ 2,286,265 |
| Receivables | 4,149,189 | 5,493,642 |
| Prepaid expenses | 323,330 | 159,420 |
| | 7,543,104 | 7,939,327 |
| LONG-TERM ASSETS | | |
| Net other postemployment benefit asset | 115,171 | 105,201 |
| Capital assets, net of accumulated depreciation | 704,308 | 863,504 |
| | 819,479 | 968,705 |
| Total long-term assets | 819,479 | 968,705 |
| Total assets | 8,362,583 | 8,908,032 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension items - IMRF | 2,353,571 | 2,748,795 |
| Pension items - SERS | 1,323,242 | 781,835 |
| | 3,676,813 | 3,530,630 |
| Total deferred outflows of resources | 3,676,813 | 3,530,630 |
| Total assets and deferred outflows of resources | 12,039,396 | 12,438,662 |
| CURRENT LIABILITIES | | |
| Accounts payable | 2,226,986 | 3,582,858 |
| Accrued payroll | 382,297 | 342,868 |
| Compensated absences | 435,713 | 388,303 |
| Unearned revenue | 564,570 | 333,812 |
| | 3,609,566 | 4,647,841 |
| Total current liabilities | 3,609,566 | 4,647,841 |
| LONG-TERM LIABILITIES | | |
| Net pension liability - IMRF | 947,551 | 1,136,018 |
| Net pension liability - SERS | 5,702,285 | 6,049,769 |
| Rent abatement | 444,278 | 615,012 |
| | 7,094,114 | 7,800,799 |
| Total long-term current liabilities | 7,094,114 | 7,800,799 |
| Total liabilities | 10,703,680 | 12,448,640 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension items - IMRF | 333,915 | 469,742 |
| Pension items - SERS | 2,531,687 | 2,211,066 |
| | 2,865,602 | 2,680,808 |
| Total deferred inflows of resources | 2,865,602 | 2,680,808 |
| Total liabilities and deferred inflows of resources | 13,569,282 | 15,129,448 |
| NET POSITION | | |
| Investment in capital assets | 704,308 | 863,504 |
| Unrestricted (deficit) | (2,234,194) | (3,554,290) |
| | \$ (1,529,886) | \$ (2,690,786) |
| TOTAL NET POSITION (DEFICIT) | \$ (1,529,886) | \$ (2,690,786) |

See accompanying notes to financial statements.

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

**STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

For the Years Ended June 30, 2017 and 2016

| | 2017 | 2016 |
|--|----------------|----------------|
| OPERATING REVENUES | | |
| Grant revenue | | |
| Federal | \$ 17,569,194 | \$ 17,900,618 |
| State | 2,928,900 | 949,409 |
| Other | 1,714,354 | 1,586,723 |
| Contributions | 902,258 | 87,653 |
| Miscellaneous | 101,946 | 21,727 |
| | 23,216,652 | 20,546,130 |
| OPERATING EXPENSES | | |
| Personnel services | 10,020,125 | 9,417,281 |
| Operating expenses | 1,911,115 | 1,742,919 |
| Commodities | 399,420 | 231,559 |
| In-kind expenses | 1,356,247 | 1,258,506 |
| Contractual services | 8,029,710 | 7,150,723 |
| Depreciation expense | 345,317 | 404,820 |
| | 22,061,934 | 20,205,808 |
| OPERATING INCOME | 1,154,718 | 340,322 |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Investment income | 6,182 | 4,899 |
| | 1,160,900 | 345,221 |
| CHANGE IN NET POSITION | | |
| NET POSITION (DEFICIT), BEGINNING OF YEAR | (2,690,786) | (2,810,914) |
| Prior period adjustment | - | (225,093) |
| | (2,690,786) | (3,036,007) |
| NET POSITION (DEFICIT), END OF YEAR | \$ (1,529,886) | \$ (2,690,786) |

See accompanying notes to financial statements.

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|----------------------------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Received from other local governments | \$ 1,234,962 | \$ 57,962 |
| Received from operating grants | 22,200,654 | 16,601,589 |
| Paid to suppliers for goods and services | (12,030,761) | (7,948,197) |
| Paid to employees for services | (10,440,596) | (9,944,744) |
| | <u>964,259</u> | <u>(1,233,390)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| None | <u>-</u> | <u>-</u> |
| Net cash from noncapital financing activities | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition of capital assets | <u>(186,121)</u> | <u>(3,839)</u> |
| Net cash from capital and related financing activities | <u>(186,121)</u> | <u>(3,839)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>6,182</u> | <u>4,899</u> |
| Net cash from investing activities | <u>6,182</u> | <u>4,899</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 784,320 | (1,232,330) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>2,286,265</u> | <u>3,518,595</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 3,070,585</u> | <u>\$ 2,286,265</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating income | \$ 1,154,718 | \$ 340,322 |
| Adjustments to reconcile operating income to net cash from operating activities | | |
| Noncash activity | | |
| Depreciation expense | 345,317 | 404,820 |
| Deferred rent credit | (170,734) | (170,734) |
| Changes in | | |
| Receivables | 1,344,453 | (2,576,655) |
| Prepaid expenses | (163,910) | (6,617) |
| Accounts payable | (1,355,872) | 1,354,355 |
| Accrued payroll | 39,429 | 68,421 |
| Compensated absences payable | 47,410 | (31,661) |
| Unearned revenue | 230,758 | (51,418) |
| Deferred pension items | 38,611 | (571,906) |
| Net pension asset/liability | (535,951) | 17,545 |
| Net other postemployment benefit asset | (9,970) | (9,862) |
| | <u>(190,459)</u> | <u>(1,573,712)</u> |
| NET CASH FROM OPERATING ACTIVITIES | <u>\$ 964,259</u> | <u>\$ (1,233,390)</u> |
| NONCASH TRANSACTIONS | | |
| Contribution of subcontractor services | <u>\$ 1,356,247</u> | <u>\$ 1,258,506</u> |

See accompanying notes to financial statements.

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2017 and 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On August 8, 2005, the Illinois state legislature approved the Regional Planning Act (the Act) to create a Regional Planning Board, also known as the Chicago Metropolitan Agency for Planning (the Agency). The Act called for the merger of the functions of the Chicago Area Transportation Study (CATS), the region's federally designated metropolitan planning organization, and the Northeastern Illinois Planning Commission (NIPC). Effective July 1, 2007, these entities were merged to form the Agency. These financial statements for the Agency reflect this broadened organization. No assets, liabilities, and net position from CATS were acquired or combined as a result of the merger. Before the merger, CATS was supported entirely by the Illinois Department of Transportation. All assets, liabilities, and net assets from NIPC were assumed by the Agency during the merger. The Agency is a unit of local government incorporated under the Illinois State Statutes as a "special agency" form of government. The Agency is the comprehensive regional planning organization and is responsible for producing the integrated plan for land use and transportation for the northeastern Illinois counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will.

The financial statements of the Agency have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

a. Reporting Entity

The Agency is considered to be a primary government pursuant to GASB Statement No. 61 since it is legally separate and fiscally independent. These financial statements include all functions, programs, and activities under the control of the Board of Directors of the Agency.

b. Fund Accounting

Governmental resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Agency utilizes a single proprietary fund (enterprise fund) to account for its operations.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Enterprise Fund

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the Agency is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the Agency has decided that periodic determination of revenues earned, expenses incurred, and net income or loss is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

c. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Operating revenues/expenses include all revenues/expenses directly related to providing proprietary fund services. Incidental revenues/expenses are reported as non-operating.

The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

d. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

e. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments with an original maturity of three months or less when purchased, including bank money market accounts and Illinois Funds accounts, to be cash equivalents.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Investments

Investments, if any, with a maturity date greater than one year from the date of purchase are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Agency held no investments at June 30, 2017 or 2016.

g. Accounts Receivable

Accounts receivable, which primarily represent amounts due from other federal, state, and local governments in the form of grant payments, totaled \$4,149,189 at June 30, 2017 and \$5,493,642 at June 30, 2016. Accounts receivable are stated at the amount billed to the grantor or government. The Agency has determined that an allowance for doubtful accounts is not necessary at June 30, 2017 and 2016, based on management's evaluation of the aged accounts receivable. This evaluation of the collectability of accounts receivable is based on prior experience, known and inherent risks in the accounts, adverse situations that may affect the grantor's or government's ability to pay, and current economic conditions. Amounts deemed uncollectible are charged to expense.

h. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report, if any, are recorded as prepaid expenses.

i. Capital Assets

Capital assets consist of furniture and fixtures, office equipment, leasehold improvements, and software with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of one year. Capital assets are capitalized at cost when purchased or constructed and at acquisition value when donated. Major additions are capitalized, while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets are expensed in the period incurred. Interest

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

incurred during the construction phase is reflected in the capitalized value of the asset constructed. Depreciation is computed over their estimated useful lives and is charged as an expense against operations. Depreciation is computed on a straight-line basis and accumulated depreciation is reported as a deduction from asset cost in the balance sheet. Estimated useful lives used by the Agency are as follows:

| | Years |
|------------------------|-------|
| Furniture and fixtures | 5-15 |
| Office equipment | 3-6 |
| Software | 3 |

Leasehold improvements had been amortized using the straight-line method over the term of the related leases.

j. Compensated Absences Payable

The Agency accrues for vesting and accumulated unused sick leave and vacation time. Sick leave is earned at a rate of one day per month for full-time employees, and a pro-rated amount for regular part-time staff based on the percentage of time worked. There is no limit on the overall amount of sick leave that can be accrued. Upon termination, the sick leave accrued balance will be credited towards pension service, in accordance with the guidelines of the Illinois Municipal Retirement Fund (IMRF) and the State Employees' Retirement System (SERS or the System). Vacation is earned by full-time employees at a rate of one day per month for the first three years, 1.33 days per month for the next three years, and 1.66 days per month thereafter. Up to 30 days of unused vacation can be carried forward. Vacation must be used within 18 months of when it is earned, unless approved by the Executive Director. Compensated absences payable at June 30, 2017 and 2016 were \$435,713 and \$388,303, respectively.

k. Unearned Rent Credit

The Agency has recognized a liability for the rent abatements received in the current year under the office lease, and will recognize the benefit of the current and future rent abatement over the life of the lease.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Net Position

Net position is classified into three components: Investment in capital assets; restricted; and unrestricted. Investment in capital assets represents the book value of capital assets. Restricted net position is legally restricted by outside parties for a specific purpose. Unrestricted net position does not meet the definition of restricted or invested in capital assets.

m. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

n. Federal and State Agency Grant Revenues

Project funds authorized under federal and state agency grants are requisitioned from such agencies, either on an advance basis, or for reimbursement of eligible costs incurred, up to maximum amounts established under each grant. Revenues are generally recognized as eligible costs are incurred or requirements have been met. A local matching contribution is required for many federal and state grants. The Agency requests, and has been successful in the past in obtaining, contributions from local government agencies to provide for the local matching portions of the grants. Such contributions are generally recognized as revenue when received. Grants receivable represents amounts earned under grant agreements but not yet received. The balance in accounts receivable at June 30, 2017 and 2016 includes \$4,144,535 and \$5,491,423, respectively, of grants receivable.

o. Reclassifications

Certain reclassifications have been made to the June 30, 2016 basic financial statements. These reclassifications are to conform to the June 30, 2017 basic financial statement presentation and did not adjust the change in net position for the year ended June 30, 2017.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments - The Agency's investment policy authorizes the Agency to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government, or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds, and Illinois Metropolitan Investment Fund.

It is the policy of the Agency to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Agency and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy is safety of principal, liquidity, maximum rate of return, and public trust.

Interest Rate Risk

The Agency limits its exposure to interest rate risk, the risk that changes in interest rates will adversely affect the fair value of investments, by remaining sufficiently liquid to meet all operating costs, which may be reasonably anticipated. The investment policy does not limit the maximum maturity length of investments. The Agency held no investments at June 30, 2017 and 2016.

Concentration of Credit Risk

Concentration of credit risk is the risk that the Agency has a high percentage of its investments in one type of investment. The Agency places no limit on the amount that may be invested in any one issuer. The Agency held no investments at June 30, 2017 and 2016.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency's investment policy strives to limit it custodial credit risk by not maintaining amounts in excess of Federal Deposit Insurance Corporation limits and by securing bank balances in excess of these limits by collateral held at an independent third party institution in the name of the Agency.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Agency will not be able to recover the value of its investments that are in possession of an outside party. The Agency's investment policy does not specifically address custodial credit risk for investments. The Agency held no investments subject to custodial credit risk at June 30, 2017 and 2016.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

A summary of changes in capital assets follows:

| | 2017 | | | Balances June 30 |
|---|---------------------|---------------------|-------------|---------------------|
| | Balances July 1 | Additions | Retirements | |
| Capital assets being depreciated | | | | |
| Furniture | \$ 904,269 | \$ - | \$ - | \$ 904,269 |
| Office equipment | 2,328,759 | 186,121 | - | 2,514,880 |
| Leasehold improvements | 870,758 | - | - | 870,758 |
| Software | 448,784 | - | - | 448,784 |
| Total capital assets being depreciated | 4,552,570 | 186,121 | - | 4,738,691 |
| Less accumulated depreciation for | | | | |
| Furniture | 813,599 | 22,667 | - | 836,266 |
| Office equipment | 2,032,976 | 223,426 | - | 2,256,402 |
| Leasehold improvements | 418,238 | 87,077 | - | 505,315 |
| Software | 424,253 | 12,147 | - | 436,400 |
| Total accumulated depreciation | 3,689,066 | 345,317 | - | 4,034,383 |
| Total capital assets being depreciated, net | 863,504 | (159,196) | - | 704,308 |
| CAPITAL ASSETS, NET | \$ 863,504 | \$ (159,196) | \$ - | \$ 704,308 |
| | | | | |
| | 2016 | | | Balances June 30 |
| | Balances July 1 | Additions | Retirements | |
| Capital assets being depreciated | | | | |
| Furniture | \$ 904,269 | \$ - | \$ - | \$ 904,269 |
| Office equipment | 2,325,510 | 3,249 | - | 2,328,759 |
| Leasehold improvements | 870,758 | - | - | 870,758 |
| Software | 448,194 | 590 | - | 448,784 |
| Total capital assets being depreciated | 4,548,731 | 3,839 | - | 4,552,570 |
| Less accumulated depreciation for | | | | |
| Furniture | 790,932 | 22,667 | - | 813,599 |
| Office equipment | 1,756,088 | 276,888 | - | 2,032,976 |
| Leasehold improvements | 331,161 | 87,077 | - | 418,238 |
| Software | 406,065 | 18,188 | - | 424,253 |
| Total accumulated depreciation | 3,284,246 | 404,820 | - | 3,689,066 |
| Total capital assets being depreciated, net | 1,264,485 | (400,981) | - | 863,504 |
| CAPITAL ASSETS, NET | \$ 1,264,485 | \$ (400,981) | \$ - | \$ 863,504 |

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illness of employees; and natural disasters. Those risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

5. INDIRECT COSTS

To facilitate equitable distribution of common purpose costs that benefit more than one direct cost objective, the Agency has established an agency-wide indirect cost allocation plan. Rates are based on a percentage of direct wages.

6. CONTINGENCIES

The Agency has received significant financial assistance from federal and state agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and may be subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Agency. The Agency is not aware of any disallowed claims.

7. ILLINOIS MUNICIPAL RETIREMENT FUND

The Agency's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF is an agent multi-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Plan Membership

At December 31, 2016, IMRF membership consisted of:

| | |
|--|---------|
| Inactive employees or their beneficiaries currently receiving benefits | 83 |
| Inactive employees entitled to but not yet receiving benefits | 47 |
| Active employees | 92 |
| TOTAL | 222 |

Benefits

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Employees participating in IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The Agency is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2017 and 2016 was 8.81% and 10.44%, respectively, of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

Actuarial Assumptions

The Agency's net pension liability was measured as of December 31, 2016 and 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same dates using the following actuarial methods and assumptions.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Actuarial Assumptions (Continued)

| | |
|--------------------------|-------------------------------|
| Actuarial valuation date | December 31, 2016 and 2015 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Price inflation | 2.75% |
| Salary increases | 3.75% to 14.50% |
| Interest rate | 7.50% |
| Cost of living increases | 3.00% |
| Asset valuation method | Market value |

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.5% at December 31, 2016 and 2015. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Agency contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Changes in the Net Pension Liability (Asset)

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability (Asset) |
|--|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2016 | \$ 25,668,466 | \$ 24,532,448 | \$ 1,136,018 |
| Changes for the period | | | |
| Service cost | 605,958 | - | 605,958 |
| Interest | 1,888,864 | - | 1,888,864 |
| Difference between expected and actual experience | 201,427 | - | 201,427 |
| Changes in assumptions | - | - | - |
| Employer contributions | - | 607,640 | (607,640) |
| Employee contributions | - | 294,338 | (294,338) |
| Net investment income | - | 1,693,805 | (1,693,805) |
| Benefit payments and refunds | (1,573,189) | (1,573,189) | - |
| Administrative expense/other | - | 288,933 | (288,933) |
| Net changes | 1,123,060 | 1,311,527 | (188,467) |
| BALANCES AT DECEMBER 31, 2016 | \$ 26,791,526 | \$ 25,843,975 | \$ 947,551 |
| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability (Asset) |
| BALANCES AT JANUARY 1, 2015, RESTATED | \$ 24,329,104 | \$ 24,478,812 | \$ (149,708) |
| Changes for the period | | | |
| Service cost | 629,735 | - | 629,735 |
| Interest | 1,792,628 | - | 1,792,628 |
| Difference between expected and actual experience | 401,518 | - | 401,518 |
| Changes in assumptions | - | - | - |
| Employer contributions | - | 773,024 | (773,024) |
| Employee contributions | - | 289,402 | (289,402) |
| Net investment income | - | 121,339 | (121,339) |
| Benefit payments and refunds | (1,484,519) | (1,484,519) | - |
| Administrative expense/other | - | 354,390 | (354,390) |
| Net changes | 1,339,362 | 53,636 | 1,285,726 |
| BALANCES AT DECEMBER 31, 2015 | \$ 25,668,466 | \$ 24,532,448 | \$ 1,136,018 |

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the years ended June 30, 2017 and 2016, the Agency recognized pension expense of \$666,487 and \$461,790, respectively. At June 30, 2017, the Agency reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 408,703 | \$ 333,915 |
| Changes in assumption | 414,652 | - |
| Agency contributions subsequent to the measurement date | 273,044 | - |
| Net difference between projected and actual earnings on pension plan investments | 1,257,172 | - |
| TOTAL | \$ 2,353,571 | \$ 333,915 |

\$273,044 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

| Year Ending June 30, | |
|-------------------------|---------------------|
| 2018 | \$ 581,141 |
| 2019 | 581,140 |
| 2020 | 501,093 |
| 2021 | 83,238 |
| 2022 | - |
| Thereafter | - |
| TOTAL | \$ 1,746,612 |

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Agency calculated using the discount rate of 7.5% as well as what the Agency's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

2017

| | 1% Decrease (6.5%) | Current Discount Rate (7.5%) | 1% Increase (8.5%) |
|-------------------------------|-----------------------|------------------------------------|-----------------------|
| Net pension liability (asset) | \$ 4,125,785 | \$ 947,551 | \$ (1,637,674) |

2016

| | 1% Decrease (6.5%) | Current Discount Rate (7.5%) | 1% Increase (8.5%) |
|-------------------------------|-----------------------|------------------------------------|-----------------------|
| Net pension liability (asset) | \$ 4,226,931 | \$ 1,136,018 | \$ (1,382,386) |

8. STATE EMPLOYEES' RETIREMENT SYSTEM

As of September 2008, employees who were eligible to participate in the State Employees' Retirement System under Chicago Area Transportation Study were allowed to participate in SERS, a pension trust fund in the State of Illinois (the State) reporting entity. CATS merged with the Northeastern Illinois Planning Commission (NIPC) to create the current agency. SERS is a single-employer defined benefit Public Employee Retirement System (PERS) in which state employees, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems, participate. Although SERS is a single-employer defined benefit plan, the Agency's participation in SERS is considered to be that of a cost-sharing, multiple employer pension plan. The financial position and results of operations of SERS for fiscal year 2016 are included in the State's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017. SERS issues separate financial statements that may be obtained by writing to SERS, 2101 South Veterans Parkway, Springfield, Illinois 62794-9255 or at www.srs.illinois.gov.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

Plan Administration

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting, the same basis as they are reported by SERS. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable. Investments are reported at fair value.

Benefits Provided

The System is governed by Chapter 40, Article 5/14 of the ILCS. Vesting and benefit provisions of the System are defined in the ILCS. The retirement annuity is based on the member's final average compensation and the number of years of service credit that have been established. The retirement benefit formula available to general state employees is 1.67% for each year of covered service and 2.2% for each year of noncovered service. Alternative formula employees have a formula of 2.5% for covered service and 3% for noncovered service. The maximum retirement annuity payable is 75% of final average compensation for regular employees and 80% for alternative formula employees. The minimum retirement annuity payable is \$15 for each year of covered employment and \$25 for each year of noncovered employment.

Contributions

Employees participating in SERS are required to contribute 4% of their annual salary. The member rate is established by state statute. The Agency pays employer retirement contributions based upon an actuarial determined percentage of their payroll. For fiscal year 2017 and 2016, the employer contribution rate was 44.57% and 45.60%, respectively. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion of retirement of most state agencies (including the Agency) with employees covered by the State Employees' and Teachers' Retirement Systems. However, effective with the fiscal year 2004 budget, the State opted to stop paying the portion of the retirement for any state agencies (including the Agency) for certain classes of employees covered by the State Employees' and Teachers' Retirement Systems. The pickup, when applicable, is subject to sufficient annual appropriations and those employees covered may vary across employee groups and state agencies. For the year ended June 30, 2017 and 2016, salaries totaling \$711,151 and \$700,819, respectively, were paid that required employer contributions of \$316,947 and \$319,580, respectively, which was equal to the Agency's actual contributions.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

Net Pension Liability

At June 30, 2017 and 2016, the District reported a liability of \$5,702,285 and \$6,049,769, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Agency's proportion of the net pension liability was based on the Agency's actual contributions to the System for the years ended June 30, 2016 and 2015 plan relative to the contributions of all participating employers, actuarially determined. At June 30, 2017 and 2016, the Agency's proportion was 0.0167% and 0.0216%, respectively.

Actuarial Assumptions

The Agency's net pension liability was measured as of June 30, 2016 and 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date, using the following actuarial methods and assumptions.

| Actuarial valuation date | June 30, 2016 | June 30, 2015 |
|----------------------------|---|---|
| Actuarial cost method | Entry-age normal | Entry-age normal |
| Assumptions | | |
| Inflation | 2.75% | 3.00% |
| Salary increases | Various | Various |
| Investment rate of return | 7.00% | 7.25% |
| Cost of living adjustments | Tier 1 - 3.00% Tier 2 - 3.00% or ½ of CPI, whichever is less | Tier 1 - 3.00% Tier 2 - 3.00% or ½ of CPI, whichever is less |
| Asset valuation method | Market value | Market value |

For June 30, 2016, mortality was assumed to be 105% of the RP2014 Health Annuitant mortality table, sex distinct, with rates projected to 2015; generational mortality improvement factors were added for the 2016 valuation.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (Continued)

For June 30, 2015, mortality was assumed to be 105% of the RP2014 Health Annuitant mortality table, sex distinct, with rates projected to 2015.

The long-term expected real rate of return on pension plan investments was determined based on information provided by the Illinois State Board of Investment (ISBI) in conjunction with its investment consultant, Marquette Associates, Inc. The ISBI and Marquette Associates, Inc. provided the simulated average 20-year annualized geometric return for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2016, the 20-year simulated real rates of return are summarized in the following table:

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|----------------------|--------|--|
| U.S. Equity | 23% | 5.8% |
| Fixed Income | 30% | 1.3% - 4.8% |
| Hedge Funds | 3% | 3.6% |
| International Equity | 20% | 6.1% - 8.5% |
| Real Estate | 10% | 4.5% |
| Infrastructure | 5% | 5.9% |
| Private Equity | 9% | 7.4% |

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

Discount Rate

A single discount rate of 6.64% (7.02% in 2015) was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.85% (3.80% in 2015), based on an index of 20-year general obligation bonds with an average AA credit rating as published by the Federal Reserve. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2072. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2072, and the municipal bond rate was applied to all benefits payments after that date.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the years ended June 30, 2017 and 2016, the Agency recognized pension expense of \$(251,323) and \$(25,116), respectively. At June 30, 2017, the Agency reported deferred outflows of resources and deferred inflows of resources related to SERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 8,730 | \$ 139,447 |
| Changes in assumption | 876,506 | - |
| Agency contributions subsequent to the measurement date | 316,947 | - |
| Net difference between projected and actual earnings on pension plan investments | 121,059 | - |
| Changes in proportion | - | 2,392,240 |
| TOTAL | \$ 1,323,242 | \$ 2,531,687 |

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

\$316,947 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | |
|---------------------------------|------------------------------|
| 2018 | \$ (669,669) |
| 2019 | (565,739) |
| 2020 | (251,708) |
| 2021 | (38,276) |
| 2022 | - |
| Thereafter | - |
| TOTAL | <u>\$ (1,525,392)</u> |

Discount Rate Sensitivity

The following is a sensitivity analysis of the Agency's proportionate share of the net pension liability to changes in the discount rate. The table below presents the proportionate share of the net pension liability of the Agency calculated using the discount rate of 6.64% as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.64%) or 1 percentage point higher (7.64%) than the current rate:

2017

| | <u>1% Decrease (5.64%)</u> | <u>Current Discount Rate (6.64%)</u> | <u>1% Increase (7.64%)</u> |
|---|--------------------------------|--|--------------------------------|
| Agency's proportionate share of the net pension liability | \$ 6,882,120 | \$ 5,702,285 | \$ 4,739,505 |

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

Discount Rate Sensitivity (Continued)

2016

| | 1% Decrease (6.02%) | Current Discount Rate (7.02%) | 1% Increase (8.02%) |
|---|------------------------|-------------------------------------|------------------------|
| Agency's proportionate share of the net pension liability | \$ 7,282,917 | \$ 6,049,769 | \$ 5,026,160 |

Pension Plan Fiduciary Net Position

Detailed information about SERS' fiduciary net position is available in the separately issued SERS financial report.

Amounts Due to SERS

At June 30, 2017 and 2016, amounts due and payable to SERS was \$16,002 and 16,979, respectively.

9. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Agency provides other postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions, and employer contributions are governed by the Agency and can be amended by the Agency through its personnel manual. Certain benefits are controlled by state laws and can only be changed by the Illinois legislature. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report.

b. Benefits Provided

The Agency provides pre and post-Medicare postretirement health insurance to retirees, their spouses, and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under the Agency's IMRF retirement plan. The retirees pay 100% of the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Agency's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At June 30, 2015 (census date), membership consisted of:

| | |
|--|-------|
| Retirees and beneficiaries currently receiving benefits | 2 |
| Terminated employees entitled to benefits but not yet receiving them | - |
| Active vested plan members | 8 |
| Active nonvested plan members | 82 |
| | <hr/> |
| TOTAL | 92 |
| | <hr/> |
| Participating employers | 1 |
| | <hr/> |

d. Funding Policy

The Agency is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation (asset) was as follows:

| Fiscal Year Ended | Annual OPEB Cost | Employer Contributions | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation (Asset) |
|-------------------------|------------------------|---------------------------|---|-----------------------------------|
| <hr/> | | | | |
| 2014 | \$ 22,826 | \$ 52,630 | 227.24% | \$ (88,411) |
| 2015 | 20,470 | 27,398 | 134.84% | (95,339) |
| 2016 | 17,536 | 27,398 | 156.24% | (105,201) |
| 2017 | 17,428 | 27,398 | 157.21% | (115,171) |

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation (asset) as of June 30, 2017 was calculated as follows:

| | |
|---|----------------------------|
| Annual required contribution | \$ 19,090 |
| Interest on net OPEB obligation | (4,208) |
| Adjustment to annual required contribution | <u>2,546</u> |
| Annual OPEB cost | 17,428 |
| Contributions made | <u>27,398</u> |
| Increase in net OPEB obligation (asset) | (9,970) |
| Net OPEB obligation (asset), beginning of year | <u>(105,201)</u> |
| NET OPEB OBLIGATION (ASSET), END OF YEAR | <u>\$ (115,171)</u> |

The net OPEB obligation (asset) as of June 30, 2016 was calculated as follows:

| | |
|---|----------------------------|
| Annual required contribution | \$ 19,090 |
| Interest on net OPEB obligation | (3,814) |
| Adjustment to annual required contribution | <u>2,260</u> |
| Annual OPEB cost | 17,536 |
| Contributions made | <u>27,398</u> |
| Increase in net OPEB obligation (asset) | (9,862) |
| Net OPEB obligation (asset), beginning of year | <u>(95,339)</u> |
| NET OPEB OBLIGATION (ASSET), END OF YEAR | <u>\$ (105,201)</u> |

Funded Status and Funding Progress: The funded status of the Plan as of June 30, 2015 (the most recent information available) was as follows:

| | |
|---|--------------|
| Actuarial accrued liability (AAL) | \$ 158,889 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | 158,889 |
| Funded ratio (actuarial value of plan assets/AAL) | 0.00% |
| Covered payroll (active plan members) | \$ 6,548,364 |
| UAAL as a percentage of covered payroll | 2.43% |

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions - projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation (the most recent information available), the projected unit credit actuarial cost method was used. The actuarial assumptions included as investment rate of return of 4.0% and an initial healthcare cost trend rate of 6.2% to 7.9% with an ultimate healthcare inflation rate of 5.0%. The actuarial value of assets was not determined as the Agency has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized on the level dollar method on an open, 30-year basis.

10. OPERATING LEASE COMMITMENTS

The Agency conducts its operations in facilities rented under a noncancelable operating lease entered into September 1, 2005. The lease period extends through August 31, 2020. Under the Agency agreement with the landlord, the rent was abated for the first 12 months of the term of the lease as well as months 23, 24, 37, 38, 39, 49, 50, and 51. The Agency will recognize the benefit of the rent abatements over the life of the lease. The following schedule reflects the Agency's gross commitment for the future minimum annual rental payments. The schedule below does not reflect the proportionate share of any increase in expenses or taxes for those years.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OPERATING LEASE COMMITMENTS (Continued)

| Year Ending June 30, | Agency Payments |
|-------------------------|---------------------|
| 2018 | \$ 1,553,543 |
| 2019 | 1,579,507 |
| 2020 | 1,605,472 |
| 2021 | 1,631,436 |
| 2022 | <u>272,627</u> |
| TOTAL | <u>\$ 6,642,585</u> |

REQUIRED SUPPLEMENTARY INFORMATION

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Six Fiscal Years

| Actuarial Valuation Date July 1 | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry-Age Normal | (3) Funded Ratio (1) / (2) | (4) Unfunded (AAL) (UAAL) (2) - (1) | (5) Active Members Covered Payroll | (6) UAAL as a Percentage of Covered Payroll (4) / (5) |
|--|--|---|---|--|---|--|
| 2012 | \$ - | \$ 209,308 | 0.00% | \$ 209,308 | \$ 5,403,686 | 3.87% |
| 2013 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2014 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2015 | - | 158,889 | 0.00% | 158,889 | 6,548,364 | 2.43% |
| 2016 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2017 | N/A | N/A | N/A | N/A | N/A | N/A |

Notes to Required Supplementary Information

N/A - Actuarial valuation not performed.

(See independent auditor's report.)

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Three Fiscal Years

| FISCAL YEAR ENDED JUNE 30, | 2015 | 2016 | 2017 |
|--|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 825,900 | \$ 671,455 | \$ 595,557 |
| Contributions in relation to the actuarially determined contribution | 825,900 | 671,455 | 595,557 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ 6,123,410 | \$ 6,431,154 | \$ 6,761,637 |
| Contributions as a percentage of covered-employee payroll | 13.49% | 10.44% | 8.81% |

Notes to Required Supplementary Information

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of pay, closed, and the remaining amortization period was ten years rolling; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, and postretirement benefit increases of 3% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
STATE EMPLOYEES' RETIREMENT SYSTEM

Last Three Fiscal Years

| FISCAL YEAR ENDED JUNE 30, | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|
| Contractually required contribution | \$ 396,441 | \$ 319,580 | \$ 316,947 |
| Contributions in relation to the contractually required contribution | 396,441 | 319,580 | 316,947 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ 936,342 | \$ 700,819 | \$ 711,151 |
| Contributions as a percentage of covered-employee payroll | 42.34% | 45.60% | 44.57% |

Notes to Required Supplementary Information

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Six Fiscal Years

| Fiscal Year | Employer Contributions | Annual Required Contribution (ARC) | Percentage Contributed |
|------------------------|-----------------------------------|---|-----------------------------------|
| 2012 | \$ 52,630 | \$ 23,492 | 224.03% |
| 2013 | 52,630 | 23,492 | 224.03% |
| 2014 | 52,630 | 23,492 | 224.03% |
| 2015 | 27,398 | 19,090 | 143.52% |
| 2016 | 27,398 | 19,090 | 143.52% |
| 2017 | 27,398 | 19,090 | 143.52% |

(See independent auditor's report.)

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

| MEASUREMENT DATE DECEMBER 31, | 2014, Restated | 2015 | 2016 |
|---|---------------------------|----------------------|----------------------|
| TOTAL PENSION LIABILITY | | | |
| Service cost | \$ 675,097 | \$ 629,735 | \$ 605,958 |
| Interest | 1,709,161 | 1,792,628 | 1,888,864 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (741,396) | 401,518 | 201,427 |
| Changes of assumptions | 920,656 | - | - |
| Benefit payments, including refunds of member contributions | (1,371,360) | (1,484,519) | (1,573,189) |
| Net change in total pension liability | 1,192,158 | 1,339,362 | 1,123,060 |
| Total pension liability - beginning | 23,136,946 | 24,329,104 | 25,668,466 |
| TOTAL PENSION LIABILITY - ENDING | \$ 24,329,104 | \$ 25,668,466 | \$ 26,791,526 |
| PLAN FIDUCIARY NET POSITION | | | |
| Contributions - employer | \$ 838,907 | \$ 773,024 | \$ 607,640 |
| Contributions - member | 282,021 | 289,402 | 294,338 |
| Net investment income | 1,446,147 | 121,339 | 1,693,805 |
| Benefit payments, including refunds of member contributions | (1,371,360) | (1,484,519) | (1,573,189) |
| Administrative expense/other | (549,452) | 354,390 | 288,933 |
| Net change in plan fiduciary net position | 646,263 | 53,636 | 1,311,527 |
| Plan fiduciary net position - beginning | 23,832,549 | 24,478,812 | 24,532,448 |
| PLAN FIDUCIARY NET POSITION - ENDING | \$ 24,478,812 | \$ 24,532,448 | \$ 25,843,975 |
| EMPLOYER'S NET PENSION LIABILITY (ASSET) | \$ (149,708) | \$ 1,136,018 | \$ 947,551 |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 100.62% | 95.57% | 96.46% |
| Covered-employee payroll | \$ 6,123,410 | \$ 6,431,154 | \$ 6,540,849 |
| Employer's net pension liability (asset) as a percentage of covered-employee payroll | (2.44%) | 17.66% | 14.49% |

Notes to Required Supplementary Information

The 2014 changes in assumptions related to retirement age and mortality were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

SCHEDULE OF THE EMPLOYERS' PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
STATE EMPLOYEES' RETIREMENT SYSTEM

Last Three Fiscal Years

| MEASUREMENT DATE JUNE 30, | 2014 | 2015 | 2016 |
|--|--------------|--------------|--------------|
| Employer's proportion of the net pension liability | 0.0270% | 0.0216% | 0.0167% |
| Employer's proportionate share of the net pension liability | \$ 7,317,950 | \$ 6,049,769 | \$ 5,702,285 |
| Employer's covered-employee payroll | 1,118,007 | 936,342 | 700,819 |
| Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 654.55% | 646.11% | 813.66% |
| Plan fiduciary net position as a percentage of the total pension liability | 34.98% | 35.27% | 30.58% |

Notes to Required Supplementary Information

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended June 30, 2017 with Comparative 2106 Actual

| | 2017 | | 2016 |
|---|--------------------------------------|-----------------------|-----------------------|
| | Original and Final Budget | Actual | Actual |
| REVENUES | | | |
| Grants | \$ 28,518,971 | \$ 20,856,201 | \$ 19,178,244 |
| Contributions | 195,938 | 902,258 | 87,653 |
| Product sales, fees, and interest income | 8,000 | 16,149 | 13,988 |
| In-kind contributions | 2,105,770 | 1,356,247 | 1,258,506 |
| Miscellaneous | 2,000 | 91,979 | 12,638 |
| Total revenues | 30,830,679 | 23,222,834 | 20,551,029 |
| EXPENSES | | | |
| Personnel services | 11,510,411 | 10,517,464 | 9,746,549 |
| Operating expenses | 413,760 | 328,370 | 268,824 |
| Commodities | 515,110 | 399,420 | 231,559 |
| Occupancy expense | 1,761,250 | 1,753,479 | 1,644,829 |
| Contractual services | 14,174,378 | 8,029,710 | 7,150,723 |
| Capital outlay | 350,000 | 186,121 | 3,839 |
| In-kind services | 2,105,770 | 1,356,247 | 1,258,506 |
| Total expenses | 30,830,679 | 22,570,811 | 20,304,829 |
| CHANGE IN BUDGETARY NET POSITION | \$ - | 652,023 | 246,200 |
| NET POSITION, BEGINNING OF YEAR | | (2,690,786) | (2,810,914) |
| Prior period adjustment | | - | (225,093) |
| NET POSITION, BEGINNING OF YEAR, RESTATED | | (2,690,786) | (3,036,007) |
| BUDGETARY NET POSITION, END OF YEAR | | (2,038,763) | (2,789,807) |
| BUDGET TO GAAP RECONCILIATION | | | |
| Depreciation and amortization | | (345,317) | (404,820) |
| Amortization - rent abatement | | 170,734 | 170,734 |
| Pension expense | | 497,339 | 329,268 |
| Capital outlay capitalized | | 186,121 | 3,839 |
| Net increase in net position, budget to GAAP | | 508,877 | 99,021 |
| NET POSITION, END OF YEAR | | \$ (1,529,886) | \$ (2,690,786) |

(See independent auditor's report.)

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

SCHEDULE OF GRANT RECEIPTS, EXPENSES, AND BALANCES

For the Year Ended June 30, 2017

| Grant. No. | Grantor | Grant Period From To | | Total Project Amount | Grant Amount | Grant Receipts | | | | Expenses | | | Grant Balance 6/30/2017 | Status |
|---------------|--------------|-------------------------|------------|----------------------------|-----------------|----------------------------|-------------------|-------------------------|--------|---------------------------------|--------------------------------|----------------------|-------------------------------|--------|
| | | | | | | Prior FY 17 Receipts | FY 17 Receipts | Receivable 6/30/2017 | Refund | Remaining Grant 6/30/2017 | Prior FY 17 Expenditures | FY 17 Expenditure | | |
| | | | | | | | | | | | | | | |
| S736 | IDOT | 7/11/2011 | 6/30/2016 | \$ 4,038,750 | \$ 4,038,750 | \$ 3,751,542 | \$ 174,929 | \$ 80,822 | \$ - | \$ 31,457 | \$ 3,751,542 | \$ 255,751 | \$ 31,457 | Closed |
| S746 | IDOT | 7/1/2012 | 6/30/2017 | 3,452,282 | 2,761,826 | 2,476,837 | 139,822 | 26,819 | - | 118,348 | 2,476,836 | 166,642 | 118,348 | Open |
| S751 | ILAG | 1/1/2014 | 12/31/2016 | 596,213 | 448,448 | 413,078 | 35,166 | - | - | 204 | 413,078 | 35,166 | 204 | Closed |
| S756 | IDOT | 7/1/2013 | 6/30/2018 | 4,079,730 | 3,606,784 | 1,667,981 | 612,620 | 529,734 | - | 796,449 | 1,667,981 | 1,142,353 | 796,450 | Open |
| S760 | CCT | 10/10/2014 | 6/30/2017 | 150,000 | 150,000 | 78,733 | 71,267 | - | - | - | 78,733 | 71,267 | - | Closed |
| S761 | MacArthur | 1/1/2015 | 12/31/2016 | 250,000 | 250,000 | 205,223 | 8,842 | - | 36,577 | 35,935 | 205,611 | 8,454 | 35,935 | Closed |
| S766 | IDOT | 7/1/2014 | 6/30/2019 | 2,827,500 | 2,415,000 | 698,120 | 591,403 | 147,587 | - | 977,890 | 698,120 | 738,990 | 977,890 | Open |
| S767 | IEPA | 2/15/2017 | 12/31/2018 | 300,000 | 300,000 | - | 18,506 | 25,512 | - | 255,982 | 44,018 | - | 255,982 | Open |
| S769 | IEPA | 1/1/2015 | 12/31/2016 | 360,000 | 360,000 | 240,338 | 95,340 | 24,106 | - | 216 | 240,338 | 119,446 | 216 | Closed |
| S770 | Cook Cty/HUD | 7/1/2015 | 12/31/2018 | 500,000 | 500,000 | 189,686 | 50,763 | 102,160 | - | 157,391 | 189,686 | 152,922 | 157,392 | Open |
| S771 | IEPA | 10/1/2015 | 12/31/2017 | 256,400 | 256,400 | 33,786 | 125,147 | 18,054 | - | 79,413 | 33,786 | 143,201 | 79,413 | Open |
| S772 | CCT | 2/1/2016 | 1/31/2017 | 150,000 | 150,000 | - | 22,385 | - | - | 127,615 | - | 22,385 | 127,615 | Open |
| S775 | IDOT | 7/1/2015 | 6/30/2017 | 18,710,358 | 17,761,089 | 15,381,650 | 715,969 | 496,445 | - | 1,167,025 | 15,381,650 | 1,212,413 | 1,167,026 | Open |
| S776 | IDOT | 7/1/2015 | 6/30/2020 | 2,445,000 | 2,196,000 | 70,075 | 177,559 | 119,039 | - | 1,829,327 | 70,075 | 296,598 | 1,829,327 | Open |
| S777 | IDOT | 7/1/2015 | 6/30/2018 | 300,636 | 300,636 | - | - | - | - | 300,636 | - | - | 300,636 | Open |
| S782 | CCT | 6/10/2016 | 8/1/2017 | 100,000 | 100,000 | - | 87,058 | - | - | 12,942 | - | 87,058 | 12,942 | Open |
| S787 | IDOT | 3/16/2017 | 6/30/2019 | 224,151 | 224,151 | - | - | - | - | 224,151 | - | - | 224,151 | Open |
| S785 | IDOT | 7/1/2016 | 6/30/2017 | 19,307,781 | 18,358,512 | - | 13,628,683 | 2,539,982 | - | 2,189,847 | - | 16,168,665 | 2,189,847 | Open |
| S786 | IDOT | 7/1/2016 | 6/30/2021 | 2,231,250 | 2,231,250 | - | - | 11,427 | - | 2,219,823 | - | 11,427 | 2,219,823 | Open |

(See independent auditor's report.)

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

**COMPUTATION OF FRINGE BENEFITS RATE
AND STATEMENT OF FRINGE BENEFITS**

For the Years Ended June 30, 2017 and 2016

| | 2017 | 2016 |
|--|--------------|--------------|
| Computation of fringe benefits rate | | |
| Total fringe benefits | \$ 2,640,751 | \$ 2,634,755 |
| Total salaries | 7,903,714 | 7,370,353 |
| Fringe benefits rate | 33.41% | 35.75% |
| Statement of fringe benefits | | |
| Medicare | 107,861 | 102,076 |
| FICA | 447,282 | 426,728 |
| IMRF | 595,557 | 671,455 |
| SERS | 316,947 | 319,580 |
| Life insurance | 47,666 | 45,180 |
| Medical/dental/vision | 1,067,319 | 984,656 |
| Workers' compensation | 20,166 | 19,113 |
| Unemployment compensation | - | 3,351 |
| Other benefits | 37,953 | 62,616 |
| | \$ 2,640,751 | \$ 2,634,755 |

(See independent auditor's report.)

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

COMPUTATION OF INDIRECT COST RATE

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| Total indirect costs | | |
| Management and administrative salaries and leave | \$ 1,330,250 | \$ 1,387,487 |
| Other indirect costs | 2,030,420 | 1,848,406 |
| | <u>\$ 3,360,670</u> | <u>\$ 3,235,893</u> |
| Total base costs | | |
| Direct salaries, leave, and fringe benefits | <u>\$ 8,716,876</u> | <u>\$ 8,633,049</u> |
| Computation of indirect cost rate | | |
| Total indirect costs | \$ 3,360,670 | \$ 3,235,893 |
| Total base costs | <u>8,716,876</u> | <u>8,633,049</u> |
| Indirect cost rate | 38.55% | 37.48% |

(See independent auditor's report.)

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

SCHEDULES OF OTHER INDIRECT COSTS

For the Years Ended June 30, 2017 and 2016

| | 2017 | 2016 |
|--|---------------------|---------------------|
| Breakroom supplies | \$ - | \$ 15,257 |
| Publications | 462 | 445 |
| Equipment - small value | 2,173 | 1,595 |
| Office supplies | 10,699 | 7,041 |
| Copy room supplies | 11,816 | 7,748 |
| Furniture - small value | 1,590 | - |
| Audit services | 38,850 | 37,350 |
| Office equipment leases | 7,779 | 7,995 |
| Fiscal management maintenance/licenses | 41,211 | 43,909 |
| Professional services | 33,973 | 9,774 |
| Consulting services | 45,815 | 3,040 |
| Office equipment maintenance | 36,982 | 34,289 |
| Web-based software licenses | 2,899 | 3,000 |
| Staff association memberships | - | 365 |
| CMAP association memberships | 195 | 195 |
| Postage/postal services | 379 | 4,179 |
| Storage | 6,265 | 6,527 |
| Miscellaneous | 1,129 | 1,090 |
| Recruitment expenses | 7,800 | 5,695 |
| General insurance | 41,897 | 37,591 |
| Legal services | - | 868 |
| Bank services fees | 7,272 | 4,297 |
| Conference registrations | 620 | - |
| Training and education reimbursement | 2,075 | - |
| Travel expenses | 1,569 | 872 |
| Office maintenance | 5,555 | 6,265 |
| Rent | 1,607,748 | 1,498,928 |
| Telecommunications | 50,580 | 45,752 |
| Utilities | 57,207 | 58,459 |
| Willis Tower parking | 5,880 | 5,880 |
| TOTAL | \$ 2,030,420 | \$ 1,848,406 |

(See independent auditor's report.)

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

DESCRIPTION OF GRANTS

For the Year Ended June 30, 2017

| CMAP No. | Pass-Through Agency | Grant Number | Description |
|---|---------------------|-----------------------------------|---|
| <u>Illinois Attorney General</u> | | | |
| S-751 | | 13-003 | Housing Counseling & Community Revitalization |
| <u>United States Environmental Protection Agency</u> | | | |
| S-769 | IEPA | 604141 | Water Quality Management Program |
| S-767 | IEPA | 604161 | Water Quality Management Program |
| S-771 | IEPA | 604151 | Lower Salt Creek Watershed-Based Plan |
| <u>United States Department of Housing and Urban Development</u> | | | |
| S-770 | Cook County/ HUD | | Disaster Recovery Program |
| <u>United States Department of Transportation</u> | | | |
| S-736 | IDOT | MPO CMAP 3C 12BOB33 | FY2012 Unified Work Program Contracts |
| S-746 | IDOT | MPO CMAP 3-C Core FY13 13BOB24 | FY2013 Unified Work Program Contracts |
| S-756 | IDOT | MPO CMAP Competitive | FY2014 Unified Work Program Contracts |
| S-766 | IDOT | MPO-CMAP UPP 30C 2015BOBS876 | FY2015 Unified Work Program Contracts |

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

DESCRIPTION OF GRANTS (Continued)

For the Year Ended June 30, 2017

| CMAP No. | Pass-Through Agency | Grant Number | Description |
|--|---------------------|--|--|
| <u>United States Department of Transportation (Continued)</u> | | | |
| S-775 | IDOT | MPO-CMAP Operations UPP 3-C Plan1575104001 | FY2016 Unified Work Program Contracts |
| S-776 | IDOT | MPO-CMAP UPP Competitive 3-C Plan 1575103801 | FY2016 Unified Work Program Contracts |
| S-777 | IDOT | MPO-CMAP Planning 3-C Community Planning & Research 1575104101 | FY2016 State Planning Grant |
| S-785 | IDOT | MPO-CMAP Planning 3-C Operations 1675105101 | FY2017 Operations |
| S-786 | IDOT | MPO-CMAP Planning 3-C Competitive 1675105201 | FY2017 Unified Work Program Contracts |
| S-787 | IDOT | MPO Community Planning & Research 1775103301 | FY2017 State Planning Grant |
| <u>The Chicago Community Trust</u> | | | |
| S-760 | | C2014-01322 | Sustainable Development |
| S-772 | | C2016-10171 | Sustainable Development |
| S-782 | | C2017-12201 | Sustainable Development |
| <u>MacArthur Foundation</u> | | | |
| S-761 | | 14-107642 | Stormwater Management Models |

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

NOTES TO SUPPLEMENTARY INFORMATION

June 30, 2017

BUDGETS

The Executive Director presents an annual operating budget, first to the Finance Committee, and later to the full Board of Directors. The Board of Directors approves the budget prior to the beginning of the fiscal year. The Executive Committee serves as the audit and finance committee for the Board of Directors and approves revisions to the annual budget. At a minimum, the Executive Committee considers revisions when reviewing the six month financial report. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that the Agency budgets for capital outlay expenses and does not budget for depreciation and amortization. The various funding sources have different beginning and ending dates funding the activities. The budget was approved on June 8, 2016.

SINGLE AUDIT INFORMATION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Chairman
and Members of the Board
Chicago Metropolitan Agency for Planning
Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Chicago Metropolitan Agency for Planning, Chicago, Illinois (the Agency) as of and for the year ended June 30, 2017, and the related notes to financial statements, and have issued our report thereon dated November 9, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
November 9, 2017

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Chairman
and Members of the Board
Chicago Metropolitan Agency for Planning
Chicago, Illinois 60606

Report on Compliance for Each Major Federal Program

We have audited the Chicago Metropolitan Agency for Planning, Chicago, Illinois' (the Agency) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Chicago Metropolitan Agency for Planning complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 a type of requirement of a federal program 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 reasonably possibility that material noncompliance with a type of compliance requirement of a federal program 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 with a type of compliance requirement of a federal program 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.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
November 9, 2017

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

| Federal Grantor/ Pass-through Grantor/ Program Title | Federal CFDA Number | Agency or Pass-Through Number | Federal Expenditure | Amount Provided to Subrecipients |
|---|---------------------------|---|------------------------|--|
| MAJOR PROGRAMS | | | | |
| U.S. Department of Transportation | | | | |
| Direct Awards | | | | |
| Highway Planning and Construction - Council of Mayors | 20.205 | MPO CMAP Operations UPP 3-C 1675104001 | \$ 1,327,874 | \$ 1,327,874 |
| Total direct awards | | | <u>1,327,874</u> | <u>1,327,874</u> |
| Pass-through programs from: | | | | |
| Illinois Department of Transportation | | | | |
| Unified Work Program for Planning and Programming Transportation Planning Activities | 20.205 | MPO-CMAP Operations UPP 3-C Plan 1675104001 | 9,932,105 | - |
| Unified Work Program for Planning and Programming Transportation Planning Activities | 20.205 | MPO-CMAP Operations UPP 3-C Plan 1575104001 | 1,212,413 | - |
| Unified Work Program Consulting Services | 20.205 | MPO CMAP Competitive 3-C FY12 | <u>201,796</u> | <u>-</u> |
| Total pass-through awards | | | <u>11,346,314</u> | <u>-</u> |
| Total U.S. Department of Transportation | | | <u>12,674,188</u> | <u>1,327,874</u> |
| Total major programs | | | <u>12,674,188</u> | <u>1,327,874</u> |
| NONMAJOR PROGRAMS | | | | |
| U.S. Environmental Protection Agency | | | | |
| Pass-through programs from: | | | | |
| Illinois Environmental Protection Agency: | | | | |
| Water Quality Management Planning | 66.454 | 604141 ((604(b))) | 119,446 | - |
| Lower Salt Creek Watershed-Based Plan | 66.454 | 604151 ((604(b))) | 143,201 | - |
| Water Quality Management Planning | 66.454 | 604161 ((604(b))) | <u>44,018</u> | <u>-</u> |
| Total U.S. Environmental Protection Agency | | | <u>306,665</u> | <u>-</u> |

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2017

| Federal Grantor/ Pass-through Grantor/ Program Title | Federal CFDA Number | Agency or Pass-Through Number | Federal Expenditure | Amount Provided to Subrecipients |
|--|---------------------------|--|------------------------|--|
| NONMAJOR PROGRAMS (Continued) | | | | |
| U.S. Department of Housing and Urban Development | | | | |
| Pass-through programs from: | | | | |
| Cook County CDBG | | | | |
| Disaster Recovery Program | 14.269 | DR-PL-R2-01 | \$ 152,922 | \$ - |
| Total U.S. Department of Housing and Urban Development | | | <u>152,922</u> | <u>-</u> |
| U.S. Department of Transportation | | | | |
| Pass-through programs from: | | | | |
| Illinois Department of Transportation: | | | | |
| Unified Work Program for Planning and Programming | | | | |
| Transportation Planning Activities - | | | | |
| Other Agencies | 20.505 | MPO-CMAP Operations UPP 3-C Plan 1675105101 | 1,527,476 | 1,527,476 |
| Unified Work Program for Planning and Programming | | | | |
| Transportation Planning Activities | | | | |
| | 20.505 | MPO-CMAP Operations UPP 3-C Plan 1675105101 | 718,546 | - |
| Unified Work Program Consulting Services | 20.505 | MPO-CMAP UPP Competitive 3-C Plan 1675105201 | 9,141 | - |
| Unified Work Program Consulting Services | 20.505 | MPO-CMAP UPP Competitive 3-C Plan 1675105201 | - | - |
| Unified Work Program Consulting Services | 20.505 | MPO-CMAP UPP Competitive 3-C Plan 1575103801 | 24,713 | - |
| Unified Work Program Consulting Services - | | | | |
| Other Agencies | 20.505 | MPO_CMAP UPP 3-C Plan 1575103801 | 271,886 | 271,886 |
| Unified Work Program Consulting Services | 20.505 | MPO_CMAP UPP 30C 2015Bobs876 | 250,814 | - |
| Unified Work Program Consulting Services - | | | | |
| Other Agencies | 20.505 | MPO_CMAP UPP 30C 2015Bobs876 | 425,472 | 425,472 |
| Unified Work Program Consulting Services | 20.505 | MPO-CMAP UPP 3-C 14BOB22 | 413,797 | - |
| Unified Work Program Consulting Services - | | | | |
| Other Agencies | 20.505 | MPO-CMAP Competitive 3-C 14BOB22 | 627,232 | 627,232 |
| Unified Work Program Consulting Services - | | | | |
| Other Agencies | 20.505 | MPO-CMAP 3-C Core FY13 | 166,342 | 166,342 |
| Total pass-through awards | | | <u>4,435,419</u> | <u>3,018,408</u> |
| Total U.S. Department of Transportation | | | <u>4,435,419</u> | <u>3,018,408</u> |
| Total nonmajor programs | | | <u>4,895,006</u> | <u>3,018,408</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 17,569,194</u> | <u>\$ 4,346,282</u> |

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2017

Note A - Significant Accounting Policies

The accompanying schedules of expenditures of federal awards have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). It is a summary of the activity of the Agency's federal awards program prepared on the accrual basis of accounting. Accordingly, expenditures are recognized when the fund liability has been incurred and revenues are recognized when the qualifying expenditure has been incurred.

Note B - Nonmonetary Assistance

The Agency neither received nor disbursed federal awards in the form of nonmonetary assistance during the fiscal year ended June 30, 2017.

Note C - Insurance and Loans or Loan Guarantees

During the year ended June 30, 2017, the Agency received no insurance, loans, loan guarantees, or other federal assistance for the purposes of administering federal programs.

Note D - Oversight Agency

The U.S. Department of Transportation has been designated as the Agency's oversight agency for the single audit.

Note E - Indirect Cost Rate

The Agency did not elect to use the 10% de minimus indirect cost rate.

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:
Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:
Material weakness(es) identified? yes no

Significant deficiency(ies) identified yes none reported

Type of auditor's report issued on compliance
for major federal programs: *unmodified opinion on
Highway Planning and Construction*

Any audit findings disclosed that are required
to be reported in accordance with
2 CFR 200.516(a)? yes no

Identification of major federal programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 20.205 | Highway Planning and Construction |

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes no

**CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2017

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Award Findings and Questioned Costs

None