CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended
June 30, 2012

Sikich

Certified Public Accountants & Advisors

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
TABLE OF CONTENTS

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
TABLE OF CONTENTS

Certified Public Accountants & Advisors

Sikich®

Members of American Institute of
Certified Public Accountants

1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the Chicago Metropolitan Agency for Planning, Chicago, Illinois as of and for the year ended June 30, 2012, as listed in the table of contents. These basic financial statements are the responsibility of the Chicago Metropolitan Agency for Planning, Chicago, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit 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 audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Chicago Metropolitan Agency for Planning, Chicago, Illinois, as of June 30, 2012, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2012 on our consideration of the Chicago Metropolitan Agency for Planning, Chicago, Illinois' 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* and should be considered in assessing the results of our audit.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chicago Metropolitan Agency for Planning Chicago, Illinois' basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* 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. The 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.

Naperville, Illinois
October 12, 2012

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

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 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. See www.cmap.illinois.gov and www.goto2040.org for more information.

CMAP has published an annual report highlighting the accomplishments for fiscal year 2012. 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, 2012. 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 2012 expenses focused on facilitating the aggressive implementation of GO TO 2040. In addition to MetroPulse, CMAP Local Technical Assistance (LTA) program funded by the U.S. Department of Housing and Urban Development (HUD), and formation of the Energy Impact Illinois (EI2) alliance for building retrofits with funding from the U.S. Department of Energy (DOE), the agency staff is partnering with stakeholder organizations and individuals on a wide range of planning strategies set forth in the region's new comprehensive plan.

Government-wide Financial Statements

The two main components to the government-wide financial statements are: (1) the statement of net assets and (2) the statement of revenues, expenses and changes in net assets. 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.

Generally, governmental-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 entity-wide and fund 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 assets may serve over time as a useful indicator of the entity's financial position. The following tables highlight the decrease in net assets of the entity from $2,695,365 for June 30, 2011 to $2,449,742 as of June 30, 2012 (a decrease of $245,623 or 10%).

Table 1
Condensed Statement of Net Assets
(in thousands)

	Business-type Activities	
	2011	2012
Current and other assets	$14,635	$4,756
Long-Term assets	1,191	1,154
Total assets	$15,826	$5,910
Current liabilities	$11,662	$2,162
Long-Term liabilities	$1,469	$1,298
Total liabilities	$13,131	$3,460
Net assets		
Invested in capital assets	$1,191	$1,125
Restricted for grant projects	650	727
Unrestricted	854	598
Total net assets	$2,695	$2,450

The statement of net assets is a snapshot as of the end of the fiscal year, reporting information on all of CMAP's assets and liabilities, with the difference between the two reported as net assets. The net assets may serve over time as a useful indicator of whether the financial position of an organization is improving or deteriorating. The assets of CMAP exceeded liabilities by $2,449,742 as of June 30, 2012, as compared to net assets of $2,695,365 as of June 30, 2011 a decrease of $245,623 or 10%. The largest component of net assets reflects CMAP's capital assets. Restricted net assets represent those grant projects that have provided advance funds for restricted purposes.

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 78% of the total assets.

The largest components of the total liabilities are accounts payable, which had a balance of $10,705,113 and $1,367,488 at June 30, 2011 and 2012, respectively, and the value of the rent abatement of $1,468,681 and $1,297,948 on June 30, 2011 and 2012, respectively.

Table 2
Changes in Net Assets
(in thousands)

	2011	*% of Total*	*2012*	*% of Total*
Operating revenues				
Grant revenue				
Federal	$27,347	84%	$20,387	79%
State	3,500	11%	3,359	13%
Other	1,203	4%	1,706	7%
Contributions	261	1%	277	1%
Miscellaneous	35	0%	67	0%
Total Operating revenues	$32,346	100%	$25,796	100%
Operating expenses				
Personnel services	$9,266	29%	10,250	39%
Operating expenses	1,840	6%	1,667	6%
Commodities	477	2%	489	2%
In-kind expenses	812	3%	1,498	5%
Contractual services	16,657	53%	11,690	45%
Subcontractor expense	1,940	6%	93	1%
Depreciation expense	334	1%	357	2%
Capital expense	12	0%	0	0%
Miscellaneous	22	0%	0	0%
Total operating expenses	$31,360	100%	$26,044	100%
Non-operating income				
Interest	$2	100%	$2	100%
Total Non-operating income	$2	100%	$2	100%
Increase (decrease) in net assets	$988		($246)	

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 Illinois Department of Transportation and Illinois Environmental Protection Agency. In FY 12, CMAP received federal funding for the special grant programs for the LTA program directly from the U.S. Department of Housing and Urban Development and for the EI2 alliance directly from the U.S. Department of Energy. The federal and state grants of $30,846,694 and $23,745,585 at June 30, 2011 and 2012, respectively, decreased by $7,101,109, or 23%.

In 2007, the Regional Planning Act was amended and included the creation of the Comprehensive Regional Planning Fund (CRPF). The CRPF distributes 70% of its annual General Revenue Fund allocation to CMAP. The CRPF is used for matching grant funds and other comprehensive regional planning purposes. For FY 11 and FY 12, the Illinois state budget provided up to $3.5 million in state transportation funds in lieu of funding for the CRPF.

The operating expenses of $31,360,129 and $26,043,581 at June 30, 2011 and 2012, respectively, decreased by $5,316,548 or 17%.

Capital Assets

The capital assets are the furniture, office equipment, leasehold improvements and software owned by CMAP. The capital assets of $1,190,984 and $1,124,721 at June 30, 2011 and 2012, respectively, decreased by $66,263, or 6%. 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 will guide growth and investment for Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will Counties for the rest of this century. In addition to land use and transportation, *GO TO 2040* also addresses the full range of quality-of-life issues, including the natural environment, economic development, housing, and human services such as education, health care and other social services. 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.

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

STATEMENT OF NET ASSETS

June 30, 2012

CURRENT ASSETS		
Cash and cash equivalents	$	2,895,138
Receivables		1,724,516
Prepaid expenses		136,165
Total current assets		4,755,819
LONG-TERM ASSETS		
Net other postemployment benefit asset		29,138
Capital assets, net of accumulated depreciation		1,124,721
Total long-term assets		1,153,859
Total assets		5,909,678
CURRENT LIABILITIES		
Accounts payable		1,367,488
Accrued payroll		372,278
Accrued payroll liabilities		397,222
Deferred revenue		25,000
Total current liabilities		2,161,988
LONG-TERM LIABILITIES		
Rent abatement		1,297,948
Total long-term current liabilities		1,297,948
Total liabilities		3,459,936
NET ASSETS		
Invested in capital assets		1,124,721
Restricted for grant projects		726,855
Unrestricted		598,166
TOTAL NET ASSETS	$	2,449,742

See accompanying notes to financial statements.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2012

OPERATING REVENUES	
Grant revenue	
Federal	$ 20,386,766
State	3,358,819
Other	1,706,635
Contributions	277,083
Miscellaneous	66,721
Total operating revenues	25,796,024
OPERATING EXPENSES	
Personnel services	10,250,311
Operating expenses	1,666,846
Commodities	488,541
In-kind expenses	1,498,364
Contractual services	11,690,134
Subcontractor expense	92,559
Depreciation expense	356,826
Total operating expenses	26,043,581
OPERATING INCOME (LOSS)	(247,557)
NONOPERATING REVENUES (EXPENSES)	
Investment income	1,934
CHANGE IN NET ASSETS	(245,623)
NET ASSETS, BEGINNING OF YEAR	2,695,365
NET ASSETS, END OF YEAR	$ 2,449,742

See accompanying notes to financial statements.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Received from other local governments	$ 368,804
Received from operating grants	33,831,856
Paid to suppliers for goods and services	(23,420,269)
Paid to employees for services	(10,467,323)
Net cash from operating activities	313,068
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	-
Net cash from noncapital financing activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(290,563)
Net cash from capital and related financing activities	(290,563)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,933
Net cash from investing activities	1,933
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,438
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,870,700
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,895,138
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	$ (247,557)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Noncash activity	
Depreciation expense	356,826
Deferred rent credit	(170,733)
Changes in	
Receivables	9,878,000
Prepaid expenses	26,168
Accounts payable	(9,337,624)
Accrued payroll	(188,705)
Compensated absences payable	831
Deferred revenue	25,000
Net other postemployment benefit asset	(29,138)
Total adjustments	560,625
NET CASH FROM OPERATING ACTIVITIES	$ 313,068
NONCASH TRANSACTIONS	
Contribution of subcontractor services	$ 1,498,364

See accompanying notes to financial statements.

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 assets 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. 14 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

PROPRIETARY FUND

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.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the Agency has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989, to account for the Enterprise Fund.

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 and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Operating revenues/expenses include all revenues/expenses directly related to providing proprietary fund services. Incidental revenues/expenses are reported as nonoperating.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Budgets

The Executive Director presents an annual operating budget, first to the Finance Committee, and later to the full Board of Directors. The Board approves the budget prior to the beginning of the fiscal year. The Executive Committee serves as the audit and finance committee for the Board 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, 2011.

f. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments, including bank money market accounts and Illinois Funds accounts, to be cash equivalents.

g. Investments

Investments, if any, with a maturity date greater than one year from the date of purchase are recorded at fair value.

h. Accounts Receivable

Accounts receivable, which primarily represent amounts due from other federal, state and local governments in the form of grant payments, totaled $1,724,516 at June 30, 2012. 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, 2012, 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.

i. Prepaid Expenses

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets

Capital assets, which consists of furniture and fixtures, office equipment, and leasehold improvements 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 an estimated fair market 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 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:

Furniture and fixtures	5 - 15 years
Office equipment	3 - 6 years
Software	3 years

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

k. 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 and the State Employees' Retirement 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, 2012 were $397,222.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Deferred 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.

m. Net Assets

Net assets are classified into three components: Invested in capital assets; restricted; and unrestricted. Invested in capital assets, net of related debt represents the book value of capital assets less long-term debt principal outstanding issued to construct or acquire capital assets. Restricted net assets are legally restricted by outside parties for a specific purpose. Unrestricted net assets do not meet the definition of restricted or invested in capital assets.

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, 2012 includes $1,720,066 of grants receivable.

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, 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.

2. DEPOSITS AND INVESTMENTS (Continued)

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 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, 2012.

Concentration of Credit Risk

The Agency places no limit on the amount that may be invested in any one issuer. The Agency held no investments at June 30, 2012.

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.

3. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balances July 1	Additions	Retirements	Balances June 30
Capital assets being depreciated				
Furniture	$ 904,269	$ -	$ -	$ 904,269
Office equipment	1,163,627	249,603	-	1,413,230
Leasehold improvements	580,716	-	-	580,716
Software	367,567	40,960	-	408,527
Total capital assets being depreciated	3,016,179	290,563	-	3,306,742

3. CAPITAL ASSETS (Continued)

	Balances July 1	Additions	Retirements	Balances June 30
Less accumulated depreciation for				
Furniture	$ 700,264	$ 22,667	$ -	$ 722,931
Office equipment	794,014	211,471	-	1,005,485
Leasehold improvements	64,663	58,072	-	122,735
Software	266,254	64,616	-	330,870
Total accumulated depreciation	1,825,195	356,826	-	2,182,021
Total capital assets being depreciated, net	1,190,984	(66,263)	-	1,124,721
CAPITAL ASSETS, NET	$ 1,190,984	$ (66,263)	$ -	$ 1,124,721

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 (IMRF)

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 multiple-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 required supplementary information for the plan as a whole but not by individual employer. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

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.

Employees participating in IMRF are required to contribute 4.50% 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 calendar year 2011 was 18.13% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open, ten-year basis.

For June 30, 2012, the Agency's annual pension cost of $1,029,570 was equal to the Agency's required and actual contributions. The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year attributable to inflation, (c) additional projected salary increases ranging from 0.40% to 10.00% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3.00% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor.

7. ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) (Continued)

Employer annual pension costs (APC), actual contributions, and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Fiscal Year	Illinois Municipal Retirement
Annual pension cost (APC)	2010	$ 636,129
	2011	949,090
	2012	1,029,570
Actual contributions	2010	$ 636,129
	2011	949,090
	2012	1,029,570
Percentage of APC contributed	2010	100.00%
	2011	100.00%
	2012	100.00%
NPO	2010	$ -
	2011	-
	2012	-

Funded Status and Funding Progress

The funded status and funding progress of the plan as of December 31, 2011 was as follows:

Actuarial accrued liability (AAL)	$ 6,388,604
Actuarial value of plan assets	3,432,917
Unfunded actuarial accrued liability (UAAL)	2,955,687
Funded ratio (actuarial value of plan assets/AAL)	53.74%
Covered payroll (active plan members)	$ 5,403,686
UAAL as a percentage of covered payroll	54.70%

The schedule of funding progress, presented in the required supplementary information following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

8. STATE EMPLOYEES' RETIREMENT SYSTEM (SERS)

As of September 2008, employees who were eligible to participate in the State Employees' Retirement System (SERS) under Chicago Area Transportation Study (CATS) were allowed to participate in SERS, a pension trust fund in the State of Illinois reporting entity. CATS merged with the Northeastern Illinois Planning Commission (NIPC) to create the current Chicago Metropolitan Agency for Planning (the 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. The financial position and results of operations of SERS for fiscal year 2012 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2012. SERS issues a separate CAFR that may be obtained by writing to SERS, 2101 South Veterans Parkway, Springfield, Illinois 62794-9255.

A summary of SERS benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of SERS CAFR. Also included is a discussion of employer and employee obligations to contribute and the authority under which those obligations are established.

Employees participating in SERS are required to contribute 4.00% 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 2012, the employer contribution rate was 34.190%. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion of retirement or 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, 2012, salaries totaling $1,414,752 were paid that required employer contributions of $481,959, which was equal to the Agency's actual contributions.

9. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Agency provides 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.

c. Membership

At June 30, 2012, membership consisted of:

Retirees and beneficiaries currently receiving benefits	6
Terminated employees entitled to benefits but not yet receiving them	-
Active vested plan members	4
Active nonvested plan members	79
TOTAL	89
Participating employers	1

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.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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) for 2012 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2012	$ 23,492	$ 52,630	224.03%	$ (29,138)

The net OPEB obligation (asset) as of June 30, 2012 was calculated as follows:

Annual required contribution	$ 23,492
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	23,492
Contributions made	52,630
Increase in net OPEB obligation (asset)	(29,138)
Net OPEB obligation (asset), beginning of year	-
NET OPEB OBLIGATION (ASSET), END OF YEAR	$ (29,138)

Funded Status and Funding Progress: The funded status of the Plan as of June 30, 2012 was as follows:

Actuarial accrued liability (AAL)	$ 209,308
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	209,308
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	$ 5,403,686
UAAL as a percentage of covered payroll	3.87%

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, 2012 actuarial valuation, 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 7.9% to 8.6% 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.

Year Ending June 30	Agency Payments
2013	$ 1,445,357
2014	1,475,649
2015	1,501,614
2016	1,527,578
2017	1,579,507
2018 - 2021	5,063,078
TOTAL	$ 12,592,783

REQUIRED SUPPLEMENTARY INFORMATION

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2012

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2006	$ 3,134,172	$ 4,366,139	71.78%	$ 1,231,967	$ 2,578,591	47.78%
2007	2,122,735	4,023,886	52.75%	1,901,151	4,933,248	38.54%
2008	793,972	4,821,010	16.47%	4,027,038	4,326,589	93.08%
2009	1,824,462	5,686,918	32.08%	3,862,456	4,908,407	78.69%
2010	2,966,575	6,330,158	46.86%	3,363,583	4,659,256	72.19%
2011	3,432,917	6,388,604	53.74%	2,955,687	5,403,686	54.70%

(See independent auditor's report.)

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

June 30, 2012

Actuarial Valuation Date April 30	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (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%

The Agency implemented GASB Statement No. 45 for the fiscal year ended June 30, 2012. Information for prior years is not available.

(See independent auditor's report.)

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

June 30, 2012

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2007	$ 357,443	$ 357,443	100.00%
2008	706,935	706,935	100.00%
2009	734,105	734,105	100.00%
2010	636,129	636,129	100.00%
2011	949,090	949,090	100.00%
2012	1,029,570	1,029,570	100.00%

(See independent auditor's report.)

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

June 30, 2012

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2012	$ 52,630	$ 23,492	224.03%

The Agency implemented GASB Statement No. 45 for the fiscal year ended June 30, 2012. Information for prior years is not available.

SUPPLEMENTARY INFORMATION

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

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

For the Year Ended June 30, 2012

	Original and Final Budget	Actual
REVENUES		
Grants	$ 22,703,198	$ 23,953,857
Contributions	62,000	277,083
Product sales, fees, and interest income	15,000	33,117
In-kind contributions	11,091,600	1,498,364
Miscellaneous	20,000	35,537
Total revenues	33,891,798	25,797,958
EXPENSES		
Personnel services	10,444,538	10,250,311
Operating expenses	414,752	320,785
Commodities	442,118	488,541
Occupancy expense	1,615,000	1,516,795
Contractual services	8,393,189	11,690,134
Capital outlay	446,001	290,563
In-kind services	11,091,600	1,498,364
Pass through grants	1,055,000	92,559
Total expenses	33,902,198	26,148,052
CHANGE IN BUDGETARY NET ASSETS	$ (10,400)	(350,094)
NET ASSETS, BEGINNING OF YEAR		2,695,365
BUDGETARY NET ASSETS, END OF YEAR		2,345,271
Budget to GAAP reconciliation		
Depreciation and amortization		(356,826)
Amortization - rent abatement		170,734
Capital outlay		290,563
Net increase in net assets, budget to GAAP		104,471
NET ASSETS, END OF YEAR		$ 2,449,742

(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, 2012

Grant. No.	Grantor	Grant Period From	Grant Period To	Total Project Amount	Grant Amount	Grant Receipts: Prior FY 12 Receipts	Grant Receipts: FY 12 Receipts	Grant Receipts: Receivable 6/30/2012	Grant Receipts: Refund	Grant Receipts: Remaining Grant 6/30/2012	Expenses: Prior FY 12 Expenditures	Expenses: FY 12 Expenditure	Expenses: Grant Balance 6/30/2012	Status
S615	Cook Co. Forest PD	7/1/2003	12/31/2011	$ 173,840	$ 173,840	$ 137,436	$ 21,271	$ 15,132	$ -	$ 1	$ 146,061	$ 27,779	$ -	Closed
S694	IDOT	7/23/2007	open	110,000	110,000	108,087	1,913	-	-	-	110,000	-	-	Closed
S706	IEPA	8/21/2008	12/31/2011	2,302,677	1,247,622	957,902	289,719	-	-	1	973,159	274,462	1	Closed
S712	IEPA	5/18/2009	8/1/2011	791,245	672,996	540,088	130,952	-	-	1,956	662,960	8,080	1,956	Closed
S716	IDOT	7/1/2009	6/30/2013	1,763,535	1,666,828	915,476	532,703	37,476	-	181,173	1,204,343	281,312	181,173	
S719	IEPA	1/14/2010	12/31/2012	1,125,968	1,125,968	479,122	489,364	24,254	-	133,228	587,330	405,410	133,228	
S720	IL Institute of Technology	11/19/2009	5/18/2011	45,000	45,000	29,554	3,400	-	-	12,046	32,954	-	12,046	Closed
S721	DOE	5/19/2010	5/18/2013	25,000,000	25,000,000	4,202,161	15,884,127	-	-	4,913,712	13,511,668	7,250,667	4,237,665	
S722	IDOT	5/6/2010	6/30/2013	600,000	480,000	9,577	197,788	-	-	272,635	9,577	197,788	272,635	
S725	IDOT	7/1/2010	6/30/2011	12,164,790	12,164,790	10,720,745	1,291,680	-	-	152,365	12,012,424	-	152,366	Closed
S726	IDOT	7/1/2010	6/30/2014	1,594,920	1,457,420	3,362	477,833	33,431	-	942,794	34,203	480,424	942,793	
S727	IDOT	8/19/2010	8/18/2012	885,558	885,558	885,558	-	-	-	-	235,367	650,191	-	
S728	IDOT	7/1/2010	6/30/2011	1,513,914	1,211,131	919,902	256,402	-	-	34,827	1,176,304	-	34,827	Closed
S732	HUD	1/15/2011	1/14/2014	8,730,850	4,250,000	274,137	1,384,572	213,999	-	2,377,292	428,333	1,444,375	2,377,292	
S735	IDOT	7/1/2011	6/30/2012	12,117,283	12,117,283	-	10,559,019	1,064,327	-	493,937	-	11,623,346	493,937	Closed
S736	IDOT	7/11/2011	6/30/2015	4,038,750	4,038,750	-	215,969	39,132	-	3,783,649	-	255,101	3,783,649	
S737	IDOT	8/24/2011	8/23/2013	893,543	893,543	-	893,543	-	-	-	-	166,688	726,855	
S738	IDOT	7/1/2011	6/30/2012	1,685,218	1,348,174	-	1,014,810	292,315	-	41,049	-	1,307,125	41,049	Closed
S739	Chicago Community Trust	6/10/2011	8/1/2012	141,000	141,000	-	141,000	-	-	-	-	141,000	-	Closed
S740	IDOT	7/1/2011	6/30/2014	200,000	160,000	-	-	-	-	160,000	-	-	160,000	

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

COMPUTATION OF FRINGE BENEFITS RATE AND STATEMENT OF FRINGE BENEFITS

For the Year Ended June 30, 2012

Computation of fringe benefits rate:		
Total fringe benefits	$ 3,035,599	41.82%
Total salaries	7,258,358	
Statement of fringe benefits:		
Medicare	99,973	
FICA	414,149	
IMRF	1,029,570	
SERS	481,959	
Life insurance	41,201	
Medical/dental/vision	888,570	
Workers' compensation	21,735	
Unemployment compensation	21,911	
Other benefits	36,531	
	$ 3,035,599	

(See independent auditor's report.)

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

COMPUTATION OF INDIRECT COST RATE

For the Year Ended June 30, 2012

Total indirect costs:		
Management and administrative salaries and leave	$ 1,364,906	
Other indirect costs	1,774,827	
	$ 3,139,733	
Total base costs:		
Direct salaries, leave, and fringe benefits	$ 8,929,050	
Indirect cost rate:		
Total indirect costs	$ 3,139,733	35.16%
Total base costs	8,929,050	

(See independent auditor's report.)

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF OTHER INDIRECT COSTS

For the Year Ended June 30, 2012

Breakroom supplies	$	18,200
Equipment - small value		3,282
Office supplies		14,136
Copy room supplies		10,942
Furniture - small value		1,364
Audit services		33,781
Office equipment leases		1,278
Software maintenance/licenses		562
Fiscal management maintenance/licenses		38,625
Professional services		9,754
Office equipment maintenance		90,865
Staff association memberships		340
CMAP association memberships		195
Postage/postal services		16,397
Storage		3,595
Miscellaneous		367
Meeting expenses		425
Recruitment expenses		4,800
General insurance		28,355
Legal services		3,507
Printing services		20
Bank services fees		2,268
Conference regisrtations		380
Training and education reimbursement		1,347
Travel expenses		149
Cell phone expenses		810
Office maintenance		7,322
Rent		1,373,558
Telecommunications		44,963
Utilities		57,600
Sears Tower parking		5,640
TOTAL	$	1,774,827

(See independent auditor's report.)

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

DESCRIPTION OF GRANTS

For the Year Ended June 30, 2012

CMAP No.	Pass-Through Agency	Grant Number	Description
Cook County Forest Preserve District			
S615		22009	Maple Lake Phase 2 Implementation
Illinois Department of Transportation			
S-694		P35-029-07	Local Crash Data Collection
S-727		MPO CMAP/CRP	Livable Communities Technical Assistance
		11-12/11BOB43	Go to 2040
S-737		MPO CMAP 3-C	Continuous, Coordinated, and Comprehensive
		Core FY12 12BOB52 (3-C)	Transportation planning activities
Illinois Institute of Technology			
S-720		DTFH61-10-C-00009	Development and Application of the Transims Toolbox for Transportation Operations Management
United States Department of Energy			
S-721		DE-EE0003561	Chicago Region Retrofit Ramp-Up (CR3)
United States Environmental Protection Agency			
S-706	IEPA	3190806	Fox River Watershed Restoration & Education
S-712	IEPA	6040905	Watershed Planning and Monitoring
S-719	IEPA	604101	Water Quality Management Planning
United States Department of Housing and Urban Development			
S-732	HUD	ILRIP00013-10	Sustainable Communities

(This schedule is continued on the following page.)

DESCRIPTION OF GRANTS (Continued)

For the Year Ended June 30, 2012

CMAP No.	Pass-Through Agency	Grant Number	Description
United States Department of Transportation			
S-716	IDOT	MPO/CMAP PL10	FY2010 Unified Work Program DuPage Lake Contracts Competitive Program
S-722	IDOT	MPO-CMAP Cook	Cook/DuPage Technical Studies Grant
S-725	IDOT	MPO-CMAP 3C Core UWP	FY2011 Unified Work Program
S-726	IDOT	MPO CMAP 3C 11BOB19	FY2011 Unified Work Program Contracts
S-728	IDOT	MPO CMAP RCOM	FY2011 Unified Work Program Contracts
S-735	IDOT	MPO CMAP 3C Core UWP	FY2012 Unified Work Program
S-736	IDOT	MPO CMAP 3C 12BOB33	FY2012 Unified Work Program Contracts
S-738	IDOT	MPO CMAP RCOM	FY2012 Council of Mayors
S-740	IDOT	MPO CMAP Will Co. 12BOB15	FY2012 Unified Work Program Contracts Will County
The Chicago Community Trust			
S-739		C2011-01951	Community Development

SINGLE AUDIT INFORMATION

Sikich®

Members of American Institute of
Certified Public Accountants

1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

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 Board Members
Chicago Metropolitan Agency for Planning
223 South Wacker, Suite 800
Chicago, Illinois 60606

We have audited the basic financial statements of the Chicago Metropolitan Agency for Planning, Chicago, Illinois (the Agency) as of and for the year ended June 30, 2012, and have issued our report thereon dated October 12, 2012. We conducted our audit 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.

Internal Control Over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Agency's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free of 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*.

We noted certain matters that we reported to management of the Agency, in a separate letter dated October 12, 2012.

This report is intended for the information and use of the Agency's management, board members, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
October 12, 2012

Certified Public Accountants & Advisors

Sikich®

Members of American Institute of Certified Public Accountants

1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

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) Circular A-133, *Compliance Supplement,* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination on the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and the use of the Agency's management, board members, others within the entity, the federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
October 12, 2012

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditure
MAJOR PROGRAMS			
U.S. Department of Energy			
Direct Programs:			
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	DE-EE0003561/000	$ 7,250,667
Total U.S. Department of Energy			7,250,667
U.S. Department of Housing and Urban Development			
Direct Programs:			
Sustainable Communities Reginonal Planning Grant Program	14.703	LLRIP00013-10	1,444,375
Total U.S. Department of Housing and Urban Development			1,444,375
U.S. Department of Transportation			
Pass-through programs from:			
Illinois Department of Transportation:			
Highway Planning and Construction - Council of Mayors	20.205	MPO CMAP Council of Mayors 3-C FY 12	1,307,125
Highway Planning and Construction - Unified Work Program for Planning and Programming Transportation Planning Activities	20.205	MPO-CMAP 3C Croe FY 12	8,324,697
Highway Planning and Construction - Unified Work Program Consulting Services	20.205	MPO/CMAP DuPage, Lake 10-11	225,050
Highway Planning and Construction - Unified Work Program Consulting Services	20.205	MPO CMAP 3C 11BOB19	236,793
Highway Planning and Construction - Unified Work Program Consulting Services	20.205	MPO-CMAP Competitive 3-C FY 12	255,101
Total U.S. Department of Transportation			10,348,766
Total major programs			19,043,808
NONMAJOR PROGRAMS			
U.S. Environmental Protection Agency			
Pass-through programs from:			
Illinois Environmental Protection Agency:			
Fox River Watershed Planning, Restoration, and Protection - Phase 4	66.460	3190806	274,462
Watershed Planning and Monitoring	66.454	6040905 ((604(b))	8,080
Water Quaility Management Planning - '10	66.454	604101 ((604(b))	405,410
Total U.S. Environmental Protection Agency			687,952

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2012

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditure
NONMAJOR PROGRAMS (Continued)			
U.S. Department of Transportation			
Pass-through programs from:			
Illinois Department of Transportation:			
Unified Work Program for Planning and Programming Transportation Planning Activities	20.505	MPO-CMAP 3C Core FY 12	$ 974,000
Unified Work Program Consulting Services	20.505	MPO CMAP Competitive 3-C FY 12	210,286
Technical Studies Grant	20.505	Cook/DuPage Cooridor Study	197,788
Total U.S. Department of Transportation			1,382,074
Total nonmajor programs			2,070,026
Total expenditures of federal awards			$ 21,113,834

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2012

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 Chicago Metropolitan Agency for Planning's (the Agency) 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 - Subrecipients

For the year ended June 30, 2012, the Agency provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Highway Planning and Construction:		
Council of Mayors	20.205	$ 1,307,125
Unified Work Program Consulting Services	20.205	103,416
Nonpoint Source Implementation Grants:		
Fox River Watershed Planning, Restoration, and Protections – Phase 4	66.460	258,104
Nonpoint Source Implementation Grants:		
Watershed Planning and Monitoring	66.454	8,080
Energy Efficiency and Conservation Block Grants:		
Energy Retrofit Ramp-Up (CR3)	81.128	6,487,551
Metropolitan Transportation Planning:		
Unified Work Program Consulting Services	20.505	210,286
Technical Studies Grant	20.505	197,788

Note C - Nonmonetary Assistance

The Agency neither received nor disbursed federal awards in the form of nonmonetary assistance during the fiscal year ended June 30, 2012.

Note D - Insurance and Loans or Loan Guarantees

During the year ended June 30, 2012, the Agency received no insurance, loans, loan guarantees, or other federal assistance for the purposes of administering federal programs.

Note E - Nonmonetary Assistance

The U.S. Environmental Protection Agency has been designated as the Agency's oversight agency for the single audit.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*unqualified*
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes __x__ no
Significant deficiency(ies) identified?	_____ yes __x__ no
Noncompliance material to financial statements noted?	_____ yes __x__ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ yes __x__ no
Significant deficiency(ies) identified	_____ yes __x__ no
Type of auditor's report issued on compliance for major programs:	*unqualified opinion on* Energy Efficiency and Conservation Block Grant Program *unqualified opinion on* Sustainable Communities Regional Planning Grant Program *unqualified opinion on* Highway Planning and Construction
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	_____ yes __x__ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results (Continued)

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
81.128	Energy Efficiency and Conservation Block Grant Program
14.703	Sustainable Communities Regional Planning Grant Program
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: $ 633,415

Auditee qualified as low-risk auditee? _____ yes __x__ no

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