

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

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

For the Year Ended  
June 30, 2016



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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 year ended June 30, 2016, and the related notes to 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 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 financial statements are free of 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, 2016, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

The Agency adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurements. The statement modifies certain disclosures in the notes to financial statements. Our opinion is not modified with respect to this matter.

## **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 audit was 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. 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2016 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  
October 21, 2016

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# Chicago Metropolitan Agency for Planning Management's Discussion and Analysis (Unaudited) June 30, 2016

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## 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. 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. A copy of the CMAP annual report can be obtained at [www.cmap.illinois.gov](http://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, 2016. 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 2016 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 2016 expenses also focused on upgrading the technology associated with transportation project management and reporting, data modeling and website design and functionality. The upgrade of these systems will be instrumental in providing information and public engagement activities to inform the next plan.

## 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.

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.



# Chicago Metropolitan Agency for Planning Management's Discussion and Analysis (Unaudited) June 30, 2016

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## **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 \$(2,810,914) as of June 30, 2015 to \$(2,690,786) 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, 2016**

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<i>Table 1 Condensed Statement of Net Position (in thousands)</i>		
	<i>Business-type Activities</i>	
	2015	2016
Current and other assets	\$6,588	\$7,939
Long-Term assets	<u>\$1,735</u>	<u>\$969</u>
Total assets	<u>\$8,323</u>	<u>\$8,908</u>
Deferred Outflow	\$2,481	\$3,531
Current liabilities	\$3,308	\$4,648
Long-Term liabilities	<u>\$8,104</u>	<u>\$7,801</u>
Total liabilities	<u>\$11,412</u>	<u>\$12,449</u>
Deferred Inflow	\$2,203	\$2,681
Net position		
Invested in capital assets	\$1,264	\$863
Restricted for grant projects	\$385	\$334
Unrestricted	<u>\$(4,460)</u>	<u>\$(3,888)</u>
Total net position	<u>\$(2,811)</u>	<u>\$(2,691)</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 \$(2,690,786) net position as of June 30, 2016, as compared to net position of \$(2,810,914) as of June 30, 2015 an increase of \$120,128. The largest component of net position, unrestricted, reflects CMAP's adoption of GASB No. 68 and 71 for pension reporting in 2015. Restricted net position represents those grant projects that have provided advance funds for restricted purposes. Invested 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 87% of the total assets.

**Chicago Metropolitan Agency for Planning  
Management's Discussion and Analysis (Unaudited)  
June 30, 2016**

The largest components of the total liabilities are accounts payable, which had a balance of \$2,228,503 and \$3,582,858 at June 30, 2015 and 2016, respectively, and the value of the rent abatement of \$785,746 and \$615,012 on June 30, 2015 and 2016, respectively.

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

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. The FY16 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.

# Chicago Metropolitan Agency for Planning

## Management's Discussion and Analysis (Unaudited)

### June 30, 2016

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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.

The operating expenses of \$22,262,866 and \$20,205,808 at June 30, 2015 and 2016, respectively, 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 \$1,264,485 and \$863,504 at June 30, 2015 and 2016, respectively, decreased by \$400,981, or 32%. 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 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. 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, 8<sup>th</sup> Floor, Chicago, Illinois 60606.

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

STATEMENT OF NET POSITION

June 30, 2016

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**CURRENT ASSETS**

Cash and cash equivalents	\$ 2,286,265
Receivables	5,493,642
Prepaid expenses	<u>159,420</u>
Total current assets	<u>7,939,327</u>

**LONG-TERM ASSETS**

Net other postemployment benefit asset	105,201
Capital assets, net of accumulated depreciation	<u>863,504</u>
Total long-term assets	<u>968,705</u>
Total assets	<u>8,908,032</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension items - IMRF	2,748,795
Pension items - SERS	<u>781,835</u>
Total deferred outflows of resources	<u>3,530,630</u>
Total assets and deferred outflows of resources	<u>12,438,662</u>

**CURRENT LIABILITIES**

Accounts payable	3,582,858
Accrued payroll	342,868
Compensated absences	388,303
Unearned revenue	<u>333,812</u>
Total current liabilities	<u>4,647,841</u>

**LONG-TERM LIABILITIES**

Net pension liability - IMRF	1,136,018
Net pension liability - SERS	6,049,769
Rent abatement	<u>615,012</u>
Total long-term current liabilities	<u>7,800,799</u>
Total liabilities	<u>12,448,640</u>

**DEFERRED INFLOWS OF RESOURCES**

Pension items - IMRF	469,742
Pension items - SERS	<u>2,211,066</u>
Total deferred inflows of resources	<u>2,680,808</u>
Total liabilities and deferred inflows of resources	<u>15,129,448</u>

**NET POSITION**

Investment in capital assets	863,504
Restricted for grant projects	333,812
Unrestricted	<u>(3,888,102)</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ (2,690,786)</u></u>

See accompanying notes to financial statements.

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

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

For the Year Ended June 30, 2016

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**OPERATING REVENUES**

Grant revenue	
Federal	\$ 17,900,618
State	949,409
Other	1,586,723
Contributions	87,653
Miscellaneous	<u>21,727</u>
 Total operating revenues	 <u>20,546,130</u>

**OPERATING EXPENSES**

Personnel services	9,417,281
Operating expenses	1,742,919
Commodities	231,559
In-kind expenses	1,258,506
Contractual services	7,150,723
Depreciation expense	<u>404,820</u>
 Total operating expenses	 <u>20,205,808</u>

OPERATING INCOME 340,322

**NON-OPERATING REVENUES (EXPENSES)**

Investment income	<u>4,899</u>
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CHANGE IN NET POSITION 345,221

NET POSITION, BEGINNING OF YEAR (2,810,914)

Prior period adjustment (225,093)

NET POSITION, BEGINNING OF YEAR, RESTATED (3,036,007)

**NET POSITION, END OF YEAR** \$ (2,690,786)

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2016

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from other local governments	\$ 57,962
Received from operating grants	16,601,589
Paid to suppliers for goods and services	(7,948,197)
Paid to employees for services	<u>(9,944,744)</u>
Net cash from operating activities	<u>(1,233,390)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	<u>(3,839)</u>
Net cash from capital and related financing activities	<u>(3,839)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>4,899</u>
Net cash from investing activities	<u>4,899</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,232,330)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,518,595</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 2,286,265</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 340,322
Adjustments to reconcile operating income to net cash from operating activities	
Noncash activity	
Depreciation expense	404,820
Deferred rent credit	(170,734)
Changes in	
Receivables	(2,576,655)
Prepaid expenses	(6,617)
Accounts payable	1,354,355
Accrued payroll	68,421
Compensated absences payable	(31,661)
Unearned revenue	(51,418)
Deferred pension items	(571,906)
Net pension asset/liability	17,545
Net other postemployment benefit asset	<u>(9,862)</u>
Total adjustments	<u>(1,573,712)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ (1,233,390)</u></u>
<b>NONCASH TRANSACTIONS</b>	
Contribution of subcontractor services	<u><u>\$ 1,258,506</u></u>

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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**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)

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**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 balance sheet. 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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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, 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 \$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, 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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 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:

	<u>Years</u>
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, 2016 were \$388,303.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

l. Net Position

Net position is classified into three components: Net investment in capital assets; restricted; and unrestricted. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt principal issued to construct or acquire 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, 2016 includes \$5,491,423 of grants receivable.

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

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**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, 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, 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.

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

**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	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
<b>CAPITAL ASSETS, NET</b>	<b>\$ 1,264,485</b>	<b>\$ (400,981)</b>	<b>\$ -</b>	<b>\$ 863,504</b>

**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.

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

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**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](http://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.

*Plan Membership*

At December 31, 2015, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	90
Inactive employees entitled to but not yet receiving benefits	39
Active employees	<u>86</u>
<b>TOTAL</b>	<u><b>215</b></u>

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

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

*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 calendar year 2015 was 12.02% 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, 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.



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

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

*Actuarial Assumptions* (Continued)

Actuarial valuation date	December 31, 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 2014). 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 2014). 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 2014). 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%. 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, 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 year ended June 30, 2016, the Agency recognized pension expense of \$461,790. At June 30, 2016, 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	\$ 324,550	\$ 469,742
Changes in assumption	583,320	-
Agency contributions subsequent to the measurement date	284,520	-
Net difference between projected and actual earnings on pension plan investments	1,556,405	-
<b>TOTAL</b>	<u>\$ 2,748,795</u>	<u>\$ 469,742</u>

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 <u>June 30,</u>	
2017	\$ 798,996
2018	514,476
2019	514,475
2020	434,428
2021	16,678
Thereafter	<u>-</u>
<b>TOTAL</b>	<u>\$ 2,279,053</u>

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

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**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:

	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 2015 are included in the State's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016. 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](http://www.srs.illinois.gov).

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

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**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 2016, the employer contribution rate was 45.60%. 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, 2016, salaries totaling \$700,819 were paid that required employer contributions of \$319,580, which was equal to the Agency's actual contributions.

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

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**8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)**

*Net Pension Liability*

At June 30, 2016, the District reported a liability of \$6,049,769 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on the Agency's actual contributions to the System for the year ended June 30, 2015 plan relative to the contributions of all participating employers, actuarially determined. At June 30, 2016, the Agency's proportion was 0.0216%, which was a decrease from its proportion of 0.0270% measured as of June 30, 2015.

*Actuarial Assumptions*

The Agency's net pension liability was measured as of June 30, 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, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	3.00%
Salary increases	Various
Interest rate	7.25%
Cost of living adjustments	Tier 1 - 3.00% Tier 2 - 3.00% or ½ of CPI, whichever is less
Asset valuation method	Market value

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

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**8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)**

*Actuarial Assumptions (Continued)*

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 10-year annualized geo-metric 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. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2015, the 10-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	30%	5.69%
Fixed Income	20%	1.62%
Hedge Funds	10%	4.00%
International Equity	20%	6.23%
Real Estate	10%	5.50%
Infrastructure	5%	6.00%
Private Equity	5%	10.10%

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

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**8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)**

*Discount Rate*

A single discount rate of 7.02% (7.09% in 2014) 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 7.25% and a municipal bond rate of 3.80%, 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 2067. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2067, 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 year ended June 30, 2016, the Agency recognized pension expense of \$(25,116). At June 30, 2016, 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
	<u>          </u>	<u>          </u>
Difference between expected and actual experience	\$ 18,400	\$ 78,541
Changes in assumption	443,855	-
Agency contributions subsequent to the measurement date	319,580	-
Net difference between projected and actual earnings on pension plan investments	-	91,629
Changes in proportion	-	2,040,896
	<u>          </u>	<u>          </u>
TOTAL	\$ 781,835	\$ 2,211,066



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

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**8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)**

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to SERS will be recognized in pension expense as follows:

<u>Year Ending</u> <u>June 30,</u>	
2017	\$ (238,759)
2018	(558,339)
2019	(468,879)
2020	(163,254)
2021	-
Thereafter	<u>-</u>
<b>TOTAL</b>	<b><u>\$ (1,429,231)</u></b>

*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 7.02% 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 (6.02%) or 1 percentage point higher (8.02%) than the current rate:

	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

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

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**8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)**

*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, 2016, amounts due and payable to SERS was \$16,979.

**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)

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**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	<u>82</u>
 TOTAL	 <u><u>92</u></u>
 Participating employers	 <u><u>1</u></u>

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)
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)

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

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**9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

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>
<b>NET OPEB OBLIGATION (ASSET), END OF YEAR</b>	<b><u>\$ (105,201)</u></b>

Funded Status and Funding Progress: The funded status of the Plan as of June 30, 2014 (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%

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.

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

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**9. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

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, 2014 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% and an initial healthcare cost trend rate of 6.2% to 7.9% with an ultimate healthcare inflation rate of 5%. 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
2017	\$ 1,553,543
2018	1,579,507
2019	1,605,472
2020	1,631,436
2021	<u>272,627</u>
<b>TOTAL</b>	<b><u>\$ 6,642,585</u></b>

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

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**11. PRIOR PERIOD ADJUSTMENT**

The Agency's beginning net position was restated by \$(225,093) to correct differences in the prior year fiduciary net position as reported by IMRF.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

SCHEDULE OF FUNDING PROGRESS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

June 30, 2016

Actuarial Valuation Date June 30	(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	-	158,889	0.00%	158,889	6,548,364	2.43%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A

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

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**

June 30, 2016

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 671,455	\$ 825,900
Contributions in relation to the actuarially determined contribution	<u>671,455</u>	<u>825,900</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 6,431,154	\$ 6,123,410
Contributions as a percentage of covered-employee payroll	10.44%	13.49%

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 7.5% annually, projected salary increases assumption of 4.4% to 16% compounded annually, and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
STATE EMPLOYEES' RETIREMENT SYSTEM**

June 30, 2016

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	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 396,441	\$ 319,580
Contributions in relation to the contractually required contribution	<u>396,441</u>	<u>319,580</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 936,342	\$ 700,819
Contributions as a percentage of covered-employee payroll	42.34%	45.60%

(See independent auditor's report.)

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

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

June 30, 2016

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<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
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%

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

June 30, 2016

	<b>December 31, 2015</b>	<b>December 31, 2014, Restated</b>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 629,735	\$ 675,097
Interest	1,792,628	1,709,161
Changes of benefit terms	-	-
Differences between expected and actual experience	401,518	(741,396)
Changes of assumptions	-	920,656
Benefit payments, including refunds of member contributions	(1,484,519)	(1,371,360)
	1,339,362	1,192,158
Net change in total pension liability	1,339,362	1,192,158
Total pension liability - beginning	24,329,104	23,136,946
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 25,668,466</b>	<b>\$ 24,329,104</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 773,024	\$ 838,907
Contributions - member	289,402	282,021
Net investment income	121,339	1,446,147
Benefit payments, including refunds of member contributions	(1,484,519)	(1,371,360)
Administrative expense/other	354,390	(549,452)
	53,636	646,263
Net change in plan fiduciary net position	53,636	646,263
Plan fiduciary net position - beginning	24,478,812	23,832,549
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 24,532,448</b>	<b>\$ 24,478,812</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 1,136,018</b>	<b>\$ (149,708)</b>
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.57%	100.62%
Covered-employee payroll	\$ 6,431,154	\$ 6,123,410
Employer's net pension liability (asset) as a percentage of covered-employee payroll	17.66%	(2.44%)

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

(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**

June 30, 2016

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	<u>2015</u>	<u>2016</u>
Employer's proportion of the net pension liability	0.0270%	0.0216%
Employer's proportionate share of the net pension liability	\$ 7,317,950	\$ 6,049,769
Employer's covered-employee payroll	936,342	700,819
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	781.55%	863.24%
Plan fiduciary net position as a percentage of the total pension liability	34.98%	35.27%

The amounts presented each year were determined as of June 30 of the previous year.

(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, 2016

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Grants	\$ 21,847,937	\$ 19,178,244
Contributions	188,130	87,653
Product sales, fees, and interest income	13,000	13,988
In-kind contributions	1,318,992	1,258,506
Miscellaneous	5,000	12,638
	<b>23,373,059</b>	<b>20,551,029</b>
<b>EXPENSES</b>		
Personnel services	11,477,330	9,746,549
Operating expenses	402,575	268,824
Commodities	515,244	231,559
Occupancy expense	1,710,000	1,644,829
Contractual services	7,798,918	7,150,723
Capital outlay	150,000	3,839
In-kind services	1,318,992	1,258,506
	<b>23,373,059</b>	<b>20,304,829</b>
<b>CHANGE IN BUDGETARY NET POSITION</b>	<b>\$ -</b>	<b>246,200</b>
<b>NET POSITION, BEGINNING OF YEAR</b>		<b>(2,810,914)</b>
Prior period adjustment		<b>(225,093)</b>
<b>NET POSITION, BEGINNING OF YEAR, RESTATED</b>		<b>(3,036,007)</b>
<b>BUDGETARY NET POSITION, END OF YEAR</b>		<b>(2,789,807)</b>
<b>BUDGET TO GAAP RECONCILIATION</b>		
Depreciation and amortization		(404,820)
Amortization - rent abatement		170,734
Pension expense		329,268
Capital outlay capitalized		3,839
Net increase in net position, budget to GAAP		<b>99,021</b>
<b>NET POSITION, END OF YEAR</b>		<b>\$ (2,690,786)</b>

(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, 2016

Grant. No.	Grantor	Grant Period		Total Project Amount	Grant Amount	Grant Receipts				Expenses			Grant Balance 6/30/2016	Status
		From	To			Prior FY 16 Receipts	FY 16 Receipts	Receivable 6/30/2016	Refund	Remaining Grant 6/30/2016	Prior FY 16 Expenditures	FY 16 Expenditure		
S736	IDOT	7/11/2011	6/30/2016	\$ 4,038,750	\$ 4,038,750	\$ 3,007,805	\$ 152,558	\$ 591,179	\$ -	\$ 287,208	\$ 3,160,363	\$ 591,179	\$ 287,208	Open
S746	IDOT	7/1/2012	6/30/2017	3,452,282	2,761,826	1,910,371	280,000	286,466	-	284,989	2,190,371	286,465	284,990	Open
S750	IEPA	9/4/2013	12/31/2015	244,000	244,000	168,141	75,859	-	-	-	178,165	65,835	-	Closed
S751	ILAG	1/1/2014	12/31/2016	596,213	448,448	224,224	149,483	39,371	-	35,370	294,611	118,467	35,370	Open
S752	DOC	10/1/2013	9/30/2015	400,000	200,000	109,380	90,620	-	-	-	200,000	-	-	Closed
S754	IDNR	4/1/2014	3/31/2016	250,000	250,000	250,000	-	-	-	-	145,880	-	104,120	Returned Funds
S756	IDOT	7/1/2013	6/30/2018	4,079,730	3,263,784	770,268	8,611	899,102	-	1,585,803	778,879	899,102	1,585,803	Open
S759	IDNR	4/19/2014	10/18/2015	75,000	75,000	65,416	9,584	-	-	-	75,000	-	-	Closed
S760	CCT	10/10/2014	12/1/2015	150,000	150,000	17,377	61,356	-	-	71,267	17,377	61,356	71,267	Open
S761	MacArthur	1/1/2015	12/31/2015	250,000	250,000	75,561	129,662	-	-	44,777	75,561	130,050	44,389	Open
S762	HUD/McHen	6/1/2015	6/30/2016	65,000	65,000	-	65,000	-	-	-	-	65,000	-	Closed
S765	IDOT	7/1/2014	6/30/2015	18,477,858	17,508,589	14,113,346	2,285,290	158,878	-	951,075	16,361,396	196,118	951,075	Closed
S766	IDOT	7/1/2014	6/30/2015	2,827,500	2,415,000	118,675	13,250	566,195	-	1,716,880	131,925	566,195	1,716,880	Open
S769	IEPA	1/1/2015	12/31/2016	360,000	360,000	44,546	172,037	23,755	-	119,662	57,480	182,858	119,662	Open
S770	Cook Cty/HU	7/1/2015	6/30/2018	750,000	750,000	-	108,726	80,960	-	560,314	-	189,686	560,314	Open
S771	IEPA	10/1/2015	12/31/2017	256,400	256,400	-	27,410	6,376	-	222,614	-	33,786	222,614	Open
S772	CCT	2/1/2016	1/31/2017	150,000	150,000	-	-	-	-	150,000	-	-	150,000	Open
S775	IDOT	7/1/2015	6/30/2017	18,710,358	17,761,089	-	12,574,410	2,807,240	-	2,379,439	-	15,381,650	2,379,439	Open
S776	IDOT	7/1/2015	6/30/2020	2,445,000	2,196,000	-	45,894	24,181	-	2,125,925	-	70,075	2,125,925	Open
S777	IDOT	7/1/2015	6/30/2017	300,636	300,636	-	-	-	-	300,636	-	-	300,636	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 Year Ended June 30, 2016

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Computation of fringe benefits rate:		
Total fringe benefits	\$ 2,634,755	35.75%
Total salaries	<u>7,370,353</u>	
Statement of fringe benefits:		
Medicare	102,076	
FICA	426,728	
IMRF	671,455	
SERS	319,580	
Life insurance	45,180	
Medical/dental/vision	984,656	
Workers' compensation	19,113	
Unemployment compensation	3,351	
Other benefits	<u>62,616</u>	
	<u>\$ 2,634,755</u>	

(See independent auditor's report.)

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

**COMPUTATION OF INDIRECT COST RATE**

For the Year Ended June 30, 2016

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Total indirect costs:			
Management and administrative salaries and leave	\$	1,387,487	
Other indirect costs		<u>1,848,406</u>	
		<u>\$ 3,235,893</u>	
Total base costs:			
Direct salaries, leave, and fringe benefits	\$	<u>8,633,049</u>	
Indirect cost rate:			
Total indirect costs	\$	<u>3,235,893</u>	37.48%
Total base costs		<u>8,633,049</u>	

(See independent auditor's report.)

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

**SCHEDULE OF OTHER INDIRECT COSTS**

For the Year Ended June 30, 2016

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Breakroom supplies	\$ 15,257
Publications	445
Equipment - small value	1,595
Office supplies	7,041
Copy room supplies	7,748
Audit services	37,350
Office equipment leases	7,995
Fiscal management maintenance/licenses	43,909
Professional services	9,774
Consulting services	3,040
Office equipment maintenance	34,289
Web-based software licenses	3,000
Staff association memberships	365
CMAP association memberships	195
Postage/postal services	4,179
Storage	6,527
Miscellaneous	1,090
Recruitment expenses	5,695
General insurance	37,591
Legal services	868
Bank services fees	4,297
Travel expenses	872
Office maintenance	6,265
Rent	1,498,928
Telecommunications	45,752
Utilities	58,459
Willis Tower parking	5,880
<b>TOTAL</b>	<b>\$ 1,848,406</b>

(See independent auditor's report.)

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

DESCRIPTION OF GRANTS

For the Year Ended June 30, 2016

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CMAP No.	Pass-Through Agency	Grant Number	Description
<b><u>Illinois Attorney General</u></b>			
S-751		13-003	Housing Counseling & Community Revitalization
<b><u>United States Environmental Protection Agency</u></b>			
S-750	IEPA	604131	Boone Creek Watershed-Based Plan
S-769	IEPA	604141	Water Quality Management Program
S-771	IEPA	604151	Lower Salt Creek Watershed-Based Plan
<b><u>United States Department of Housing and Urban Development</u></b>			
S-762	HUD		Regional Housing Initiative
S-770	Cook County/HUD		Disaster Recovery Program
<b><u>Department of Commerce</u></b>			
S-752		06-79-05857	Economic Development Local Technical Assistance
S-759	IDNR	14-032-N13-15	Local Technical Assistance Sustainable Coastal Planning
<b><u>United States Department of Transportation</u></b>			
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

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

DESCRIPTION OF GRANTS (Continued)

For the Year Ended June 30, 2016

<b>CMAP No.</b>	<b>Pass-Through Agency</b>	<b>Grant Number</b>	<b>Description</b>
<b><u>United States Department of Transportation (Continued)</u></b>			
S-756	IDOT	MPO CMAP Competitive	FY2014 Unified Work Program Contracts
S-765	IDOT	MPO-CMAP Operations UPP 3-C 2015BOBS874	FY2015 Unified Work Program Contracts
S-766	IDOT	MPO-CMAP UPP 30C 2015BOBS876	FY2015 Unified Work Program Contracts
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 UPP Community Planning & Research 1575104101	FY2016 Unified Work Program Contracts
<b><u>The Chicago Community Trust</u></b>			
S-760		C2014-01322	Sustainable Development
S-772		C2016-10171	Sustainable Development
<b><u>MacArthur Foundation</u></b>			
S-761		14-107642	Stormwater Management Models
<b><u>Illinois Department of Natural Resources</u></b>			
S-754			Regional Water Supply Planning

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

**NOTES TO SUPPLEMENTARY INFORMATION**

June 30, 2016

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**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 24, 2015.

## **SINGLE AUDIT INFORMATION**



**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, 2016, and the related notes to financial statements, and have issued our report thereon dated October 21, 2016.

**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  
October 21, 2016



1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

Certified Public Accountants & Advisors  
Members of American Institute of Certified Public Accountants

**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, 2016. 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, 2016.

### **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  
October 21, 2016

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2016

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditure	Amount Provided to Subrecipients
<b>MAJOR PROGRAMS</b>				
<b>U.S. Department of Transportation</b>				
Direct Awards				
Unified Work Program for Planning and Programming Transportation Planning Activities - Other Agencies	20.505	MPO-CMAP Operations UPP 3-C Plan 1575104001	\$ 1,195,482	\$ 1,195,482
Unified Work Program for Planning and Programming Transportation Planning Activities	20.505	MPO-CMAP Operations UPP 3-C Plan 1575104001	886,563	-
Unified Work Program Consulting Services - Other Agencies	20.505	MPO-CMAP UPP Competitive 3-C Plan 1575103801	45,894	45,894
Total Direct awards			<u>2,127,939</u>	<u>1,241,376</u>
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 1575104001	326,526	326,526
Unified Work Program for Planning and Programming Transportation Planning Activities - Other Agencies	20.505	MPO CMAP Operation UPP 3-C 2015BOBS874	158,879	158,879
Unified Work Program Consulting Services - Other Agencies	20.505	MPO-CMAP UPP Competitive 3-C Plan 1575103801	11,568	11,568
Unified Work Program Consulting Services	20.505	MPO_CMAP UPP 30C 2015BobS876	358,147	-
Unified Work Program Consulting Services - Other Agencies	20.505	MPO_CMAP UPP 30C 2015BobS876	118,511	118,511
Unified Work Program Consulting Services	20.505	MPO-CMAP UPP 3-C 14BOB22	215,414	-
Unified Work Program Consulting Services - Other Agencies	20.505	MPO-CMAP Competitive 3-C 14BOB22	629,834	629,834
Unified Work Program Consulting Services - Other Agencies	20.505	MPO-CMAP 3-C Core FY13	286,465	286,465
Total Pass-through awards			<u>2,105,344</u>	<u>1,531,783</u>
Total U.S. Department of Transportation			<u>4,233,283</u>	<u>2,773,159</u>

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2016

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditure	Amount Provided to Subrecipients
<b>MAJOR PROGRAMS (Continued)</b>				
<b>U.S. Environmental Protection Agency</b>				
Pass-through programs from:				
Illinois Environmental Protection Agency:				
Boone Creek Watershed-Based Plan	66.454	604131 ((604(b))	\$ 65,835	\$ -
Water Quality Management Planning	66.454	604141 ((604(b))	182,858	-
Lower Salt Creek Watershed-Based Plan	66.454	604151 ((604(b))	33,786	-
			<hr/>	
Total U.S. Environmental Protection Agency			282,479	-
			<hr/>	
Total major programs			4,515,762	2,773,159
			<hr/>	
<b>NONMAJOR PROGRAMS</b>				
<b>U.S. Department of Housing and Urban Development</b>				
Pass-through programs from:				
McHenry County Housing Authority				
Regional Housing Initiative	41.871	RHI 2015	65,000	-
Pass-through programs from:				
Cook County CDBG				
Disaster Recovery Program	14.269	DR-PL-R2-01	189,686	-
			<hr/>	
Total U.S. Department of Housing and Urban Development			254,686	-
			<hr/>	
<b>U.S. Department of Transportation</b>				
Direct Awards				
Highway Planning and Construction -				
Council of Mayors	20.205	MPO CMAP Operations UPP 3-C 1575104001	1,122,369	1,122,369
Unified Work Program for Planning and Programming				
Transportation Planning Activities	20.205	MPO-CMAP Operations UPP 3-C Plan 1575104001	10,810,198	-
			<hr/>	
Total Direct awards			11,932,567	1,122,369
			<hr/>	

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2016

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditure	Amount Provided to Subrecipients
<b>NONMAJOR PROGRAMS (Continued)</b>				
<b>U.S. Department of Transportation (Continued)</b>				
Pass-through programs from:				
Illinois Department of Transportation				
Highway Planning and Construction - Council of Mayors	20.205	MPO CMAP Operations UPP 3-C 1575104001	\$ 198,858	\$ 198,858
Unified Work Program for Planning and Programming Transportation Planning Activities	20.205	MPO-CMAP Operations UPP 3-C Plan 1575104001	496,010	-
Unified Work Program for Planning and Programming Transportation Planning Activities	20.205	MPO CMAP Operation UPP 3-C 2015BOBS874	29,792	-
Unified Work Program Consulting Services -	20.205	MPO CMAP Competitive 3-C FY12	472,943	-
Total Pass-through awards			1,197,603	198,858
Total U.S. Department of Transportation			13,130,170	1,321,227
Total nonmajor programs			13,384,856	1,321,227
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 17,900,618	\$ 4,094,386

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2016

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**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, 2016.

**Note C - Insurance and Loans or Loan Guarantees**

During the year ended June 30, 2016, 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, 2016

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**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  
Metropolitan Transportation Planning  
unmodified opinion on  
Water Quality Management Planning*

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>
20.505	Metropolitan Transportation Planning
66.454	Water Quality Management Planning

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, 2016

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**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