SIKICH

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended June 30, 2019 and 2018

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CHICAGO, ILLINOIS
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SUPPLEMENTARY INFORMATION

SINGLE AUDIT INFORMATION

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Chicago Metropolitan Agency for Planning, Chicago, Illinois (the Agency) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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, 2019 and 2018, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The Agency adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2018, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information as discussed in Note 11 to the basic 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by the Uniform Guidance and is also not a required part of the basic financial statements. The supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 January 6, 2020 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
January 6, 2020

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Background

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

By state and federal law, CMAP is responsible for producing the region's official, integrated plan for land use and transportation. The agency projects that metropolitan Chicago will gain 2.8 million new residents and 1.8 million jobs in the next three decades. On October 13, 2010, CMAP adopted *GO TO 2040*, metropolitan Chicago's first comprehensive regional plan in more than 100 years to address the anticipated population growth, and 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. On October 10, 2018, the agency adopted *ON TO 2050*, the new comprehensive regional plan for metropolitan Chicago that addresses three overarching principles: Inclusive Growth, Resilience and Prioritized Investment. These principles will provide the region guidance for future progress.

CMAP has published an annual report highlighting the accomplishments for fiscal year 2018-2019. A copy of the CMAP annual report can be obtained at www.cmap.illinois.gov.

Management's Discussion and Analysis

This section of CMAP's financial statements presents management's discussion and analysis (MD&A) of the financial activities of CMAP during the fiscal year ended June 30, 2019. 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 2019 expenses focused on the development and launch of *ON TO 2050*, the new comprehensive regional plan that was adopted by the CMAP Board and MPO Committee on October 10, 2018. Fiscal year 2019 expenses also focused on developing a new-shared fund model for the local Surface Transportation Program (STP) for municipalities and regional partners to undertake larger, more transformative transportation projects. This program resulted in 2019 expenses related to the continuation of the pavement management project, which primary objectives are to collect or assemble existing pavement condition data for CMAP region federal-aid local jurisdiction roads and complete pavement management asset plans for a select number of municipalities. Other ongoing expenses were related to the travel demand survey and related data modeling activities to enhance CMAP's travel demand model, and development of a new website for ONTO 2050 with enhancements to content management and design functionality. These projects will enhance the quality of CMAP's data output for internal and external use and will provide the platform to develop more sophisticated models in the future.

Government-wide Financial Statements

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

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 (deficit) of the entity from $(720,992) as of June 30, 2018 to $474,945 as of June 30, 2019, an increase of $1,195,937. In 2018 the increase in net position of the entity changed from $(1,529,886) as of June 30, 2017 to $(720,992) which resulted in an increase of $808,894. 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). In addition, the Agency implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* in fiscal year 2018, which required the Agency to retroactively record the total OPEB liability and write off the net OPEB asset. This resulted in a restatement of beginning net position of $(254,820).

Table 1 *Condensed Statement of Net Position* *(in thousands)*			
		Business-type Activities	
	2017	2018	2019
Current and other assets	$7,543	$7,580	$8,401
Long-Term assets	$820	$2,424	$1,627
Total assets	$8,363	$10,004	$10,028
Deferred Outflow	$3,677	$3,135	$4,045
Current liabilities	$3,610	$2,772	$4,328
Long-Term liabilities	$7,094	$6,136	$7,322
Total liabilities	$10,704	$8,908	$11,650
Deferred Inflow	$2,866	$4,952	$1,947
Net position			
Investment in capital assets	$704	$437	$427
Unrestricted	$(2,234)	$(1,158)	$48
Total net position	$(1,530)	$(721)	$475

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 $474,945 net position as of June 30, 2019, as compared to net position (deficit) of $(720,992) as of June 30, 2018 an increase of $1,195,937 or 166%. This compares to an increase of $808,894 or 53% in 2018. The largest component of net position reflects CMAP's investment in capital assets, which 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 81% of the total assets in 2019. In 2018, the largest component of assets was cash and accounts receivable, which accounted for 73% of the total assets. The largest components of the total liabilities are accounts payable, which had a balance of $1,478,569 and $2,815,843 at June 30, 2018 and 2019, respectively, and the value of the rent abatement of $273,544 and $102,811 on June 30, 2018 and 2019, respectively. In comparison to last year's accounts payable, which had a balance of $2,226,986 and $1,478,569 as of June 30, 2017 and 2018, along with the associated 2017 and 2018 rent abatement values of $444,278 and 273,544, respectively.

Table 2
Changes in Net Position
(in thousands)

	2017	*% of Total*	*2018*	*% of Total*	*2019*	*% of Total*
Operating revenues						
Grant revenue						
Federal	$17,569	76%	$16,754	70%	$20,437	73%
State	$2,929	13%	$4,833	20%	$4,303	16%
Other	$1,715	7%	$1,527	6%	$2,062	7%
Contributions	$902	4%	$937	4%	$903	3%
Miscellaneous	$102	0%	$12	0%	$110	1%
Total Operating revenues	$23,217	100%	$24,063	100%	$27,815	100%
Operating expenses						
Personnel services	$10,020	45%	$10,346	45%	$9,933	37%
Operating expenses	$1,911	9%	$2,034	9%	$2,231	9%
Commodities	$400	2%	$462	2%	$478	2%
In-kind expenses	$1,356	6%	$1,150	5%	$1,420	5%
Contractual services	$8,030	36%	$8,745	38%	$ 12,368	46%
Subcontractor expense	$0	0%	$0	0%	$0	0%
Depreciation expense	$345	2%	$271	1%	$206	1%
Total operating expenses	$22,062	100%	$23,008	100%	$26636	100%
Non-operating income						
Interest	$6	100%	$9	100%	$17	100%
Total Non-operating income	$6	100%	$9	100%	$17	100%
Increase (decrease) in net position	$1,161		$1,064		$1,196	

The largest component of operating revenues is federal grants. For its core operating activities, federal grants are passed to CMAP through the appropriate state agency—primarily the Illinois Department of Transportation and Illinois Environmental Protection Agency. The FY19 budget was developed with grants awarded to CMAP to support its nine programs. Primary funding for CMAP is from the Unified Work Program (UWP) for transportation planning for northeastern Illinois programs with metropolitan planning funds from the Federal Transit Administration (FTA), the Federal Highway Administration (FHWA), and state and local sources.

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

The operating expenses of $23,008,004 and $26,636,358 at June 30, 2018 and June 30, 2019 increased by $3,628,354 or 16% as compared to the operating expenses of $22,061,934 and $23,008,004 at June 30, 2017 and June 30, 2018, which increased by $946,070 or 4%.

Capital Assets

The capital assets are the furniture, office equipment, leasehold improvements and software owned by CMAP. The capital assets of $436,480 and $427,177 at June 30, 2018 and 2019, respectively, decreased by $9,303, or 2%. This compares to the decrease of $267,828, or 38%, which occurred in 2018. 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 addressed the full range of quality-of-life issues including housing, economic development, open space, and the environment. The *GO TO 2040* Plan was adopted on October 13, 2010. After the adoption of the Plan, CMAP focused on implementing the Plan recommendations. On October 10, 2018, CMAP adopted *ON TO 2050*, the new comprehensive regional plan for metropolitan Chicago that addresses three overarching principles: Inclusive Growth, Resilience and Prioritized Investment. These principles will provide the region guidance for future progress.

Requests for Information

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

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

STATEMENTS OF NET POSITION

June 30, 2019 and 2018

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	$ 3,079,075	$ 3,439,619
Receivables	5,061,981	3,835,476
Prepaid expenses	259,661	304,452
Total current assets	8,400,717	7,579,547
LONG-TERM ASSETS		
Restricted cash	1,200,000	-
Net pension asset - IMRF	-	1,987,464
Capital assets, net of accumulated depreciation	427,177	436,480
Total long-term assets	1,627,177	2,423,944
Total assets	10,027,894	10,003,491
DEFERRED OUTFLOWS OF RESOURCES		
IMRF pension items	3,349,165	2,020,843
SERS pension items	695,455	1,073,865
OPEB items	-	40,045
Total deferred outflows of resources	4,044,620	3,134,753
Total assets and deferred outflows of resources	14,072,514	13,138,244
CURRENT LIABILITIES		
Accounts payable	2,815,843	1,478,569
Accrued payroll	346,600	385,420
Compensated absences	429,159	434,073
Unearned revenue	736,680	474,104
Total current liabilities	4,328,282	2,772,166
LONG-TERM LIABILITIES		
Net pension liability - IMRF	1,958,902	-
Net pension liability - SERS	5,090,687	5,692,915
Total OPEB liability	169,585	169,079
Rent abatement	102,811	273,544
Total long-term liabilities	7,321,985	6,135,538
Total liabilities	11,650,267	8,907,704
DEFERRED INFLOWS OF RESOURCES		
IMRF pension items	612,122	3,204,868
SERS pension items	1,335,180	1,736,449
OPEB items	-	10,215
Total deferred inflows of resources	1,947,302	4,951,532
Total liabilities and deferred inflows of resources	13,597,569	13,859,236
NET POSITION		
Investment in capital assets	427,177	436,480
Unrestricted (deficit)	47,768	(1,157,472)
TOTAL NET POSITION (DEFICIT)	$ 474,945	$ (720,992)

See accompanying notes to financial statements.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION

For the Years Ended June 30, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Grant revenue		
Federal	$ 20,436,467	$ 16,754,450
State	4,303,128	4,833,289
Other	2,062,259	1,526,654
Contributions	903,338	936,544
Miscellaneous	110,375	11,696
Total operating revenues	27,815,567	24,062,633
OPERATING EXPENSES		
Personnel services	9,933,234	10,345,635
Operating expenses	2,231,123	2,034,064
Commodities	478,333	461,636
In-kind expenses	1,420,305	1,150,367
Contractual services	12,367,646	8,745,362
Depreciation expense	205,717	270,940
Total operating expenses	26,636,358	23,008,004
OPERATING INCOME	1,179,209	1,054,629
NON-OPERATING REVENUES (EXPENSES)		
Investment income	16,728	9,085
CHANGE IN NET POSITION	1,195,937	1,063,714
NET POSITION (DEFICIT), BEGINNING OF YEAR	(720,992)	(1,529,886)
Prior period adjustment	-	(254,820)
NET POSITION (DEFICIT), BEGINNING OF YEAR, RESTATED	(720,992)	(1,784,706)
NET POSITION (DEFICIT), END OF YEAR	$ 474,945	$ (720,992)

See accompanying notes to financial statements.

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from other local governments	$ 1,276,289	$ 857,774
Received from operating grants	24,155,044	22,277,739
Paid to suppliers for goods and services	(13,865,158)	(12,141,335)
Paid to employees for services	(10,547,033)	(10,631,117)
Net cash from operating activities	1,019,142	363,061
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
None	-	-
Net cash from noncapital financing activities	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(196,414)	(3,112)
Net cash from capital and related financing activities	(196,414)	(3,112)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	16,728	9,085
Net cash from investing activities	16,728	9,085
NET INCREASE IN CASH AND CASH EQUIVALENTS	839,456	369,034
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,439,619	3,070,585
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,279,075	$ 3,439,619
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 1,179,209	$ 1,054,629
Adjustments to reconcile operating income to net cash from operating activities		
Noncash activity		
Depreciation expense	205,717	270,940
Deferred rent credit	(170,733)	(170,734)
Changes in		
Receivables	(1,226,505)	313,713
Prepaid expenses	44,791	18,878
Accounts payable	1,337,886	(748,417)
Accrued payroll	(38,820)	3,123
Compensated absences payable	(4,914)	(1,640)
Unearned revenue	262,576	(90,466)
Deferred pension items	(3,914,097)	2,657,820
Deferred other postemployment benefit items	29,830	(29,830)
Net pension asset/liability	3,344,138	(2,944,385)
Net other postemployment benefit asset/liability	(29,936)	29,430
Total adjustments	(160,067)	(691,568)
NET CASH FROM OPERATING ACTIVITIES	$ 1,019,142	$ 363,061
NONCASH TRANSACTIONS		
Contribution of subcontractor services	$ 1,420,305	$ 1,150,367

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On August 8, 2005, the Illinois state legislature approved the Regional Planning Act (the Act) to create a Regional Planning Board, also known as the Chicago Metropolitan Agency for Planning (the Agency). The Act called for the merger of the functions of the Chicago Area Transportation Study (CATS), the region's federally designated metropolitan planning organization, and the Northeastern Illinois Planning Commission (NIPC). Effective July 1, 2007, these entities were merged to form the Agency. These financial statements for the Agency reflect this broadened organization. No assets, liabilities, and net 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Enterprise Fund

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

c. Measurement Focus and Basis of Accounting

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

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

d. Accounting Estimates

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

e. Cash and Cash Equivalents

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Investments

Investments, if any, with a maturity date greater than one year from the date of purchase are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Agency categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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, 2019 or 2018.

g. Accounts Receivable

Accounts receivable, which primarily represent amounts due from other federal, state, and local governments in the form of grant payments, totaled $5,061,981 at June 30, 2019 and $3,835,476 at June 30, 2018. 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, 2019 and 2018, based on management’s evaluation of the aged accounts receivable. This evaluation of the collectability of accounts receivable is based on prior experience, known and inherent risks in the accounts, adverse situations that may affect the grantor’s or government’s ability to pay, and current economic conditions. Amounts deemed uncollectible are charged to expense.

h. Prepaid Expenses

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

i. Capital Assets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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

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

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

j. Compensated Absences Payable

The Agency accrues for vesting and accumulated unused sick leave and vacation time. Sick leave is earned at a rate of one day per month for full-time employees, and a pro-rated amount for regular part-time staff based on the percentage of time worked. There is no limit on the overall amount of sick leave that can be accrued. Upon termination, the sick leave accrued balance will be credited towards pension service, in accordance with the guidelines of the Illinois Municipal Retirement Fund (IMRF) and the State Employees' Retirement System (SERS or the System). Vacation is earned by full-time employees at a rate of one day per month for the first three years, 1.33 days per month for the next three years, and 1.66 days per month thereafter. Up to 30 days of unused vacation can be carried forward. Vacation must be used within 18 months of when it is earned, unless approved by the Executive Director. Compensated absences payable at June 30, 2019 and 2018 were $429,159 and $434,073, respectively.

k. Unearned Rent Credit

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Net Position

Net position is classified into three components: investment in capital assets; restricted; and unrestricted. Investment in capital assets represents the book value of capital assets. Restricted net position, if any, 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. If restricted or unrestricted funds are available for spending, the restricted funds are spent first.

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, 2019 and 2018 includes $5,057,360 and $3,833,223, respectively, of grants receivable.

2. DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments - The Agency's investment policy authorizes the Agency to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States 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, The 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, 2019 and 2018.

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, 2019 and 2018.

Custodial Credit Risk - Deposits

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

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Agency will not be able to recover the value of its investments that are in possession of an outside party. The Agency's investment policy does not specifically address custodial credit risk for investments. The Agency held no investments subject to custodial credit risk at June 30, 2019 and 2018.

3. CAPITAL ASSETS

A summary of changes in capital assets follows:

	2019			
	Balances July 1	Additions	Retirements	Balances June 30
Capital assets being depreciated				
Furniture	$ 904,269	$ -	$ -	$ 904,269
Office equipment	2,517,992	136,687	-	2,654,679
Leasehold improvements	870,758	59,727	-	930,485
Software	448,784	-	-	448,784
Total capital assets being depreciated	4,741,803	196,414	-	4,938,217
Less accumulated depreciation for				
Furniture	858,933	22,667	-	881,600
Office equipment	2,410,223	88,866	-	2,499,089
Leasehold improvements	592,392	90,063	-	682,455
Software	443,775	4,121	-	447,896
Total accumulated depreciation	4,305,323	205,717	-	4,511,040
Total capital assets being depreciated, net	436,480	(9,303)	-	427,177
CAPITAL ASSETS, NET	$ 436,480	$ (9,303)	$ -	$ 427,177

	2018			
	Balances July 1	Additions	Retirements	Balances June 30
Capital assets being depreciated				
Furniture	$ 904,269	$ -	$ -	$ 904,269
Office equipment	2,514,880	3,112	-	2,517,992
Leasehold improvements	870,758	-	-	870,758
Software	448,784	-	-	448,784
Total capital assets being depreciated	4,738,691	3,112	-	4,741,803
Less accumulated depreciation for				
Furniture	836,266	22,667	-	858,933
Office equipment	2,256,402	153,821	-	2,410,223
Leasehold improvements	505,315	87,077	-	592,392
Software	436,400	7,375	-	443,775
Total accumulated depreciation	4,034,383	270,940	-	4,305,323
Total capital assets being depreciated, net	704,308	(267,828)	-	436,480
CAPITAL ASSETS, NET	$ 704,308	$ (267,828)	$ -	$ 436,480

4. RISK MANAGEMENT

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

5. INDIRECT COSTS

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

6. CONTINGENCIES

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

7. ILLINOIS MUNICIPAL RETIREMENT FUND

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

Plan Administration

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

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

7. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Plan Membership

At December 31, 2018, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	84
Inactive employees entitled to but not yet receiving benefits	55
Active employees	91
TOTAL	230

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 4.50% of their annual covered salary. The member rate is established by state statute. The Agency is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2019 and 2018 was 5.93% and 7.61%, respectively, of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

Actuarial Assumptions

The Agency's net pension liability was measured as of December 31, 2018 and 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same dates using the following actuarial methods and assumptions.

7. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2018	December 31, 2017
Actuarial cost method	Entry-age normal	Entry-age normal
Assumptions		
Price inflation	2.50%	2.50%
Salary increases	3.39% to 14.25%	3.39% to 14.25%
Interest rate	7.25%	7.50%
Cost of living increases	3.00%	3.00%
Asset valuation method	Market value	Market value

In 2018, for nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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-2017 (base year 2015). The 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

In 2017, for nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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-2017 (base year 2015). The 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

7. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25% and 7.50% at December 31, 2018 and 2017. 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.

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, 2018	$ 27,371,067	$ 29,358,531	$ (1,987,464)
Changes for the period			
Service cost	646,295	-	646,295
Interest	2,014,861	-	2,014,861
Difference between expected and actual experience	221,273	-	221,273
Changes in assumptions	753,122	-	753,122
Employer contributions	-	526,380	(526,380)
Employee contributions	-	337,003	(337,003)
Net investment income	-	(1,773,300)	1,773,300
Benefit payments and refunds	(1,658,806)	(1,658,806)	-
Administrative expense/other	-	599,102	(599,102)
Net changes	1,976,745	(1,969,921)	3,946,366
BALANCES AT DECEMBER 31, 2018	$ 29,347,812	$ 27,388,910	$ 1,958,902

7. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

Changes in the Net Pension Liability (Asset) (Continued)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2017	$ 26,791,526	$ 25,843,975	$ 947,551
Changes for the period			
Service cost	654,425	-	654,425
Interest	1,972,337	-	1,972,337
Difference between expected and actual experience	490,253	-	490,253
Changes in assumptions	(895,641)	-	(895,641)
Employer contributions	-	548,574	(548,574)
Employee contributions	-	313,272	(313,272)
Net investment income	-	4,747,113	(4,747,113)
Benefit payments and refunds	(1,641,833)	(1,641,833)	-
Administrative expense/other	-	(452,570)	452,570
Net changes	579,541	3,514,556	(2,935,015)
BALANCES AT DECEMBER 31, 2017	$ 27,371,067	$ 29,358,531	$ (1,987,464)

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

For the years ended June 30, 2019 and 2018, the Agency recognized pension expense of $442,699 and $806,296, respectively. At June 30, 2019, 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	$ 652,210	$ 62,261
Changes in assumption	680,003	549,861
Agency contributions subsequent to the measurement date	160,591	-
Net difference between projected and actual earnings on pension plan investments	1,856,361	-
TOTAL	$ 3,349,165	$ 612,122

7. ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

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

$160,591 reported as deferred outflows of resources related to pensions resulting from agency contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending June 30,	
2020	$ 840,032
2021	422,177
2022	338,938
2023	974,080
2024	1,225
Thereafter	-
TOTAL	$ 2,576,452

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 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

2019

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	$ 5,392,104	$ 1,958,902	$ (849,457)

2018

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	$ 1,184,918	$ (1,987,464)	$ (4,587,267)

8. STATE EMPLOYEES' RETIREMENT SYSTEM

As of September 2008, employees who were eligible to participate in the State Employees' Retirement System (SERS) under CATS were allowed to participate in SERS, a pension trust fund in the State of Illinois (the State) reporting entity. CATS merged with the 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 2018 are included in the State's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. 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.

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 Illinois Compiled Statutes (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 2.20% for each year of noncovered service. Alternative formula employees have a formula of 2.50% 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 2019 and 2018, the employer contribution rate was 51.76% and 54.01%, respectively. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion of retirement of most state agencies (including the Agency) with employees covered by the State Employees' and Teachers' Retirement Systems. However,

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

Contributions (Continued)

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, 2019 and 2018, salaries totaling $612,364 and $636,226, respectively, were paid that required employer contributions of $316,947 and $343,645, respectively, which was equal to the Agency's actual contributions.

Net Pension Liability

At June 30, 2019 and 2018, the Agency reported a liability of $5,090,687 and $5,692,915, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Agency's proportion of the net pension liability was based on the Agency's actual contributions to SERS for the years ended June 30, 2019 and 2018 plan relative to the contributions of all participating employers, actuarially determined. At June 30, 2019 and 2018, the Agency's proportion was 0.0154% and 0.0173%, respectively.

Actuarial Assumptions

The Agency's net pension liability was measured as of June 30, 2018 and 2017, 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, 2018	June 30, 2017
Actuarial cost method	Entry-age normal	Entry-age normal
Assumptions		
Inflation	2.50%	2.75%
Salary increases	Various	Various
Investment rate of return	7.00%	7.00%
Cost of living adjustments	Tier 1 - 3.00% Tier 2 - 3.00% or ½ of CPI, whichever is less	Tier 1 - 3.00% Tier 2 - 3.00% or ½ of CPI, whichever is less
Asset valuation method	Market value	Market value

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (Continued)

For June 30, 2018, mortality was assumed to be 105% of the RP2014 Health Annuitant mortality table, sex distinct, with rates projected to 2015; generational mortality improvement factors were added for the 2016 valuation.

For June 30, 2017, mortality was assumed to be 105% of the RP2014 Health Annuitant mortality table, sex distinct, with rates projected to 2015; generational mortality improvement factors were added for the 2016 valuation.

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, Meketa Investment Group. The ISBI and Meketa Investment Group provided the simulated average 20-year annualized geometric return for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018, the 20-year simulated real rates of return are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Equity	23.00%	5.50%
Developed Foreign Equity	13.00%	5.30%
Emerging Market Equity	8.00%	7.80%
Private Equity	7.00%	7.60%
Intermediate Investment Grade Bonds	14.00%	1.50%
Long-term Government Bonds	4.00%	1.80%
TIPS	4.00%	1.50%
High Yield and Bank Loans	5.00%	3.80%
Opportunistic Debt	8.00%	5.00%
Emerging Market Debt	2.00%	3.70%
Core Real Estate	5.50%	3.70%
Non Core Real Estate	4.50%	5.90%
Infrastructure	2.00%	5.80%

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

Discount Rate

A single discount rate of 6.81% (6.78% in 2017) 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% and a municipal bond rate of 3.62% (3.56% in 2017), 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 2075 at June 30, 2018. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefits payments after that date.

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

For the years ended June 30, 2019 and 2018, the Agency recognized pension expense of $(350,883) and $(211,586), respectively. At June 30, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to SERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 121,986
Changes in assumption	280,497	116,806
Agency contributions subsequent to the measurement date	316,947	-
Net difference between projected and actual earnings on pension plan investments	2,289	-
Changes in proportion	95,722	1,096,388
TOTAL	$ 695,455	$ 1,335,180

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

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

$316,947 reported as deferred outflows of resources related to pensions resulting from agency contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending June 30,	
2020	$ (457,918)
2021	(239,159)
2022	(183,223)
2023	(76,272)
2024	-
Thereafter	-
TOTAL	$ (956,672)

Discount Rate Sensitivity

The following is a sensitivity analysis of the Agency's proportionate share of the net pension liability to changes in the discount rate. The table below presents the proportionate share of the net pension liability of the Agency calculated using the discount rate of 6.81% as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.81%) or 1 percentage point higher (7.81%) than the current rate:

2019

	1% Decrease (5.81%)	Current Discount Rate (6.81%)	1% Increase (7.81%)
Agency's proportionate share of the net pension liability	$ 6,162,826	$ 5,090,687	$ 4,212,312

8. STATE EMPLOYEES' RETIREMENT SYSTEM (Continued)

Discount Rate Sensitivity (Continued)

2018

	1% Decrease (5.78%)	Current Discount Rate (6.78%)	1% Increase (7.78%)
Agency's proportionate share of the net pension liability	$ 6,888,549	$ 5,692,915	$ 4,714,403

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, 2019 and 2018, amounts due and payable to SERS was $12,774 and $15,473, respectively.

9. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At June 30, 2018 (most recent data available), membership consisted of:

Active employees	95
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	1
TOTAL	96
Participating employers	1

d. Total OPEB Liability

The Agency's total OPEB liability of $169,585 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2019, as determined by an actuarial valuation as of July 1, 2018 using the alternative measurement method, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to June 30, 2019, including updating the discount rate at June 30, 2019, as noted below.

Actuarial cost method	Entry-age
Actuarial value of assets	N/A
Inflation	3.00%
Salary Increases	4.00%
Discount rate	2.79%
Healthcare cost trend rates	6.90% to 7.80% Initial 5.00% Ultimate

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the index rate for tax exempt general obligation, municipal bonds rated AA or better at June 30, 2019.

Mortality rates were based on the RP-2014 Combined Annuitant Mortality Table for Males or Females. The mortality table reflects recent rates developed by the Society of Actuaries.

The actuarial assumptions used in the July 1, 2018 valuation are based on 5% participation assumed, with 50% electing spouse coverage.

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JULY 1, 2018	$ 169,079
Changes for the period	
Service cost	9,775
Interest	5,088
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	3,796
Benefit payments	(18,153)
Net changes	506
BALANCES AT JUNE 30, 2019	$ 169,585

There were changes in assumptions related to the discount rate.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Agency calculated using the discount rate of 2.79% as well as what the Agency total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.79%) or 1 percentage point higher (3.79%) than the current rate:

	1% Decrease (1.79%)	Current Discount Rate (2.79%)	1% Increase (3.79%)
Total OPEB liability	$ 179,242	$ 169,585	$ 160,511

The table below presents the total OPEB liability of the Agency calculated using the healthcare rate of 6.90% to 7.80% as well as what the Agency's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (5.90% to 6.80%) or 1 percentage point higher (7.90% to 8.80%) than the current rate:

	1% Decrease (5.90% to 6.80%)	Current Healthcare Rate (6.90% to 7.80%)	1% Increase (7.90% to 8.80%)
Total OPEB liability	$ 155,904	$ 169,585	$ 185,904

h. OPEB Expense

For the year ended June 30, 2019, the Agency recognized OPEB expense of $59,766.

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.

10. OPERATING LEASE COMMITMENTS (Continued)

Year Ending June 30,	Agency Payments
2020	$ 1,605,472
TOTAL	$ 1,605,472

The Agency entered into a noncancelable operating lease agreement on January 3, 2019. The lease period commences on or around September 1, 2020 and extends through August 31, 2035. 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, which is considered additional rent.

Year Ending June 30,	Agency Payments
2021	$ 1,057,815
2022	1,295,823
2023	1,328,219
2024	1,361,424
2025	1,395,460
2026	1,430,346
2027	1,466,105
2028	1,502,758
2028	1,540,327
2030	1,578,835
2031	1,618,306
2032	1,658,763
2033	1,700,233
2034	1,742,738
2035	1,786,307
TOTAL	$ 22,463,459

As part of the lease agreement, the Agency is required to post an irrevocable standby letter of credit in the amount of $1,200,000. This amount is presented as restricted cash on the Agency's statement of net position.

11. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2018, the Agency implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. With the implementation, the Agency is required to retroactively record the total postemployment benefit liability and write-off the net OPEB asset.

The beginning net position (deficit) has been restated to reflect the new guidance as follows:

BEGINNING NET POSITION (DEFICIT), AS PREVIOUSLY REPORTED	$ (1,529,886)
Write-off net OPEB asset	(115,171)
Record total OPEB liability	(139,649)
Total restatement	(254,820)
BEGINNING NET POSITION (DEFICIT), AS RESTATED	$ (1,784,706)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

FISCAL YEAR ENDED JUNE 30,	**2015**	**2016**	**2017**	**2018**	**2019**
Actuarially determined contribution	$ 825,900	$ 671,455	$ 595,557	$ 537,630	$ 425,305
Contributions in relation to the actuarially determined contribution	825,900	671,455	595,557	537,630	425,305
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 6,123,410	$ 6,431,154	$ 6,761,637	$ 7,061,519	$ 7,167,230
Contributions as a percentage of covered payroll	13.49%	10.44%	8.81%	7.61%	5.93%

Notes to Required Supplementary Information

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

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

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
STATE EMPLOYEES' RETIREMENT SYSTEM

Last Five Fiscal Years

FISCAL YEAR ENDED JUNE 30,	2015	2016	2017	2018	2019
Contractually required contribution	$ 396,441	$ 319,580	$ 316,947	$ 343,645	$ 316,947
Contributions in relation to the contractually required contribution	396,441	319,580	316,947	343,645	316,947
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 936,342	$ 700,819	$ 711,151	$ 636,226	$ 612,364
Contributions as a percentage of covered payroll	42.34%	45.60%	44.57%	54.01%	51.76%

Notes to Required Supplementary Information

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

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

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

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014, Restated	2015	2016	2017	2018
TOTAL PENSION LIABILITY					
Service cost	$ 675,097	$ 629,735	$ 605,958	$ 654,425	$ 646,295
Interest	1,709,161	1,792,628	1,888,864	1,972,337	2,014,861
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(741,396)	401,518	201,427	490,253	221,273
Changes of assumptions	920,656	-	-	(895,641)	753,122
Benefit payments, including refunds of member contributions	(1,371,360)	(1,484,519)	(1,573,189)	(1,641,833)	(1,658,806)
Net change in total pension liability	1,192,158	1,339,362	1,123,060	579,541	1,976,745
Total pension liability - beginning	23,136,946	24,329,104	25,668,466	26,791,526	27,371,067
TOTAL PENSION LIABILITY - ENDING	$ 24,329,104	$ 25,668,466	$ 26,791,526	$ 27,371,067	$ 29,347,812
PLAN FIDUCIARY NET POSITION					
Contributions - employer	$ 838,907	$ 773,024	$ 607,640	$ 548,574	$ 526,380
Contributions - member	282,021	289,402	294,338	313,272	337,003
Net investment income	1,446,147	121,339	1,693,805	4,747,113	(1,773,300)
Benefit payments, including refunds of member contributions	(1,371,360)	(1,484,519)	(1,573,189)	(1,641,833)	(1,658,806)
Administrative expense/other	(549,452)	354,390	288,933	(452,570)	599,102
Net change in plan fiduciary net position	646,263	53,636	1,311,527	3,514,556	(1,969,621)
Plan fiduciary net position - beginning	23,832,549	24,478,812	24,532,448	25,843,975	29,358,531
PLAN FIDUCIARY NET POSITION - ENDING	$ 24,478,812	$ 24,532,448	$ 25,843,975	$ 29,358,531	$ 27,388,910
EMPLOYER'S NET PENSION LIABILITY (ASSET)	$ (149,708)	$ 1,136,018	$ 947,551	$ (1,987,464)	$ 1,958,902
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.62%	95.57%	96.46%	107.26%	93.33%
Covered payroll	$ 6,123,410	$ 6,431,154	$ 6,540,849	$ 6,961,597	$ 7,171,399
Employer's net pension liability (asset) as a percentage of covered payroll	(2.44%)	17.66%	14.49%	(28.55%)	27.32%

Notes to Required Supplementary Information

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

The 2017 changes in assumptions related to price inflation, salary increases, retirement age, and mortality rates were made since the prior measurement date.

In 2018, there were changes in assumptions made related to the discount rate.

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

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

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

Last Five Fiscal Years

MEASUREMENT DATE JUNE 30,	**2014**	**2015**	**2016**	**2017**	**2018**
Employer's proportion of the net pension liability	0.0270%	0.0216%	0.0167%	0.0173%	0.0154%
Employer's proportionate share of the net pension liability (asset)	$ 7,317,950	$ 6,049,769	$ 5,702,285	$ 5,692,915	$ 5,090,687
Employer's covered payroll	1,118,007	936,342	700,819	711,151	612,364
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	654.55%	646.11%	813.66%	800.52%	831.32%
Plan fiduciary net position as a percentage of the total pension liability	34.98%	35.27%	30.58%	33.44%	34.57%

Notes to Required Supplementary Information

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

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Two Fiscal Years

MEASUREMENT DATE JUNE 30,	**2018**	**2019**
TOTAL OPEB LIABILITY		
Service cost	$ 9,479	$ 9,775
Interest	4,183	5,088
Changes of benefit terms	-	-
Differences between expected and actual experience	(9,683)	-
Changes of assumptions	41,670	3,796
Benefit payments	(16,219)	(18,153)
Net change in total OPEB liability	29,430	506
Total OPEB liability - beginning	139,649	169,079
TOTAL OPEB LIABILITY - ENDING	$ 169,079	$ 169,585
Covered payroll	$ 7,261,689	$ 7,261,689
Employer's total OPEB liability as a percentage of covered payroll	2.33%	2.34%

Notes to Required Supplementary Information

There were changes in assumptions related to the discount rate, per capita costs, health care trend rates, and mortality tables in 2018. There were changes in assumptions related to the discount rate in 2019.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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

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, 2019 with Comparative 2018 Actual

	2019		2018
	Original and Final Budget	Actual	Actual
REVENUES			
Grants	$ 35,225,818	$ 25,381,549	$ 21,964,026
Contributions	1,320,535	903,338	936,544
Product sales, fees, and interest income	13,000	24,303	15,715
In-kind contributions	1,661,811	1,420,305	1,150,367
Miscellaneous	148,821	102,800	5,066
Total revenues	38,369,985	27,832,295	24,071,718
EXPENSES			
Personnel services	12,660,692	10,502,687	10,632,200
Operating expenses	873,966	491,106	410,036
Commodities	583,339	478,333	461,636
Occupancy expense	2,066,536	1,910,751	1,794,762
Contractual services	20,084,123	12,367,646	8,745,362
Capital outlay	331,246	196,414	3,112
In-kind services	1,661,811	1,420,305	1,150,367
Total expenses	38,261,713	27,367,242	23,197,475
CHANGE IN BUDGETARY NET POSITION	$ 108,272	465,053	874,243
NET POSITION (DEFICIT), BEGINNING OF YEAR		(720,992)	(1,529,886)
Prior period adjustment		-	(254,820)
NET POSITION (DEFICIT), BEGINNING OF YEAR, RESTATED		(720,992)	(1,784,706)
BUDGETARY NET POSITION (DEFICIT), END OF YEAR		(255,939)	(910,463)
BUDGET TO GAAP RECONCILIATION			
Depreciation and amortization		(205,717)	(270,940)
Amortization - rent abatement		170,734	170,734
Pension and OPEB expense		569,453	286,565
Capital outlay capitalized		196,414	3,112
Net increase in net position, budget to GAAP		730,884	189,471
NET POSITION (DEFICIT), END OF YEAR		$ 474,945	$ (720,992)

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF GRANT RECEIPTS, EXPENSES, AND BALANCES

For the Year Ended June 30, 2019

		Grant Period				Grant Receipts					Expenses			
Grant. No.	Grantor	From	To	Total Project Amount	Grant Amount	Prior FY 19 Receipts	FY 19 Receipts	Receivable 6/30/2019	Refund	Remaining Grant 6/30/2019	Prior FY 19 Expense	FY 19 Expense	Grant Balance 6/30/2019	Status
S766	IDOT	7/1/2014	6/30/2019	$ 2,827,500	$ 2,415,000	$ 1,842,954	$ 398,182	$ 117,616	$ -	$ 56,248	$ 1,842,954	$ 515,798	$ 56,248	Closed
S767	IEPA	2/15/2017	12/31/2018	300,000	300,000	169,613	123,442	-	-	6,945	169,613	123,442	6,945	Closed
S770	Cook Cty/HUD	5/13/2015	5/31/2019	750,000	750,000	495,218	189,685	24,842	-	40,255	495,218	214,527	40,255	Closed
S772	CCT	3/1/2019	4/1/2019	150,000	150,000	113,530	36,470	-	-	-	113,530	36,470	-	Closed
S775/S785/S795	IDOT	7/1/2018	6/30/2023	5,085,580	5,085,580	-	1,332,767	350,879	-	3,401,934	-	1,683,646	3,401,934	Open
S776	IDOT	7/1/2015	6/30/2020	2,445,000	2,196,000	797,528	177,372	185,253	-	1,035,847	797,528	362,625	1,035,847	Open
S782	CCT	3/1/12017	4/1/2019	150,000	150,000	-	150,000	-	-	-	-	150,000	-	Closed
S783	CCT	3/1/2018	4/1/2019	150,000	150,000	-	150,000	-	-	-	-	150,000	-	Closed
S786	IDOT	7/1/2016	6/30/2021	2,281,250	2,281,250	163,453	1,053,994	493,276	-	570,527	163,453	1,547,270	570,527	Open
S787	IDOT	5/5/2017	6/30/2019	224,151	224,151	16,460	207,691	-	-	-	16,460	207,691	-	Closed
S791	IEPA	10/1/2017	9/30/2019	248,117	248,117	70,220	105,850	29,458	-	42,589	70,220	135,308	42,589	Open
S794	IDOT	7/1/2017	12/31/2019	2,000,000	1,000,000	643,553	302,573	29,430	-	24,444	643,553	332,003	24,444	Open
S796	IDOT	7/1/2017	6/30/2022	1,989,000	1,758,000	3,750	800,929	496,970	-	456,351	3,750	1,297,899	456,351	Open
S797	MacArthur	9/1/2018	8/31/2020	500,000	500,000	-	28,378	-	-	471,622	-	28,378	471,622	Open
S800	CCT	2/15/2019	2/15/2020	75,000	75,000	-	27,887	-	-	47,113	-	27,887	47,113	Open
S801	IDOT	101/2018	4/1/2019	512,779	512,779	-	364,425	42,410	-	105,944	-	406,835	105,944	Closed
S802	IDOT	10/1/2018	6/30/2021	351,947	351,947	-	-	-	-	351,947	-	-	351,947	Open
S803	IDNR	10/28/2018	6/30/2020	75,000	75,000	-	-	36,464	-	38,536	-	36,464	38,536	Open
S804	IDOT	9/1/2018	12/31/2021	1,996,585	1,996,585	-	47,972	130,290	-	1,818,323	-	178,262	1,818,323	Open
S805 / S808	IDOT	7/1/2018	12/31/2019	19,854,663	19,854,663	-	14,845,697	2,201,871	-	2,807,095	-	17,047,568	2,807,095	Open
S806	IDOT	7/1/2018	6/30/2023	1,818,808	1,818,808	-	-	282,937	-	1,535,871	-	282,937	1,535,871	Open
S807	IDOT	10/1/2018	6/30/2021	1,386,462	869,683	-	15,040	20,290	-	834,353	-	35,330	834,353	Open
S809	IDOT	3/1/2019	6/30/2023	500,000	500,000	-	-	-	-	500,000	-	-	500,000	Open

(See independent auditor's report.)

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

COMPUTATION OF FRINGE BENEFITS RATE
AND STATEMENT OF FRINGE BENEFITS

For the Years Ended June 30, 2019 and 2018

	2019	2018
Computation of fringe benefits rate		
Total fringe benefits	$ 2,476,779	$ 2,666,243
Total salaries	8,053,285	7,994,819
Fringe benefits rate	30.75%	33.35%
Statement of fringe benefits		
Medicare	$ 110,653	$ 109,367
FICA	458,076	451,033
IMRF	417,401	537,630
SERS	274,204	343,645
Life insurance	46,522	48,094
Medical/dental/vision	1,103,068	1,099,073
Workers' compensation	18,972	20,363
Other benefits	47,883	57,038
	$ 2,476,779	$ 2,666,243

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

COMPUTATION OF INDIRECT COST RATE

For the Years Ended June 30, 2019 and 2018

	2019	2018
Total indirect costs		
Management and administrative salaries and leave	$ 1,758,020	$ 1,435,579
Other indirect costs	613,751	2,169,872
	$ 2,371,771	$ 3,605,451
Total base costs		
Direct salaries, leave, and fringe benefits	$ 8,772,044	$ 9,225,882
Computation of indirect cost rate		
Total indirect costs	$ 2,371,771	$ 3,605,451
Total base costs	8,772,044	9,225,882
Indirect cost rate	27.04%	39.08%

(See independent auditor's report.)

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULES OF OTHER INDIRECT COSTS

For the Years Ended June 30, 2019 and 2018

	2019	2018
Breakroom supplies	$ -	$ 51
Publications	998	487
Equipment - small value	320	798
Office supplies	9,043	12,770
Copy room supplies	11,310	10,784
Furniture - small value	-	4,569
Audit services	44,300	37,742
Office equipment leases	8,409	7,779
Fiscal management maintenance/licenses	-	1,412
Professional services	46,527	137,078
Consulting services	27,322	29,865
Office equipment maintenance	24,479	28,084
Web-based software licenses	2,553	931
Staff association memberships	486	539
CMAP association memberships	4,050	1,155
Postage/postal services	9,195	518
Storage	7,464	6,531
Miscellaneous	3,335	1,949
Meeting expenses	5	-
Recruitment expenses	14,927	3,377
General insurance	49,330	48,781
Legal services	13,628	4,142
Printing services	106	1,720
Bank services fees	16,604	7,100
Conference registrations	2,508	1,900
Training and education reimbursement	11,221	50,370
Travel expenses	1,511	1,611
Office maintenance	7,631	5,453
Rent	276,246	1,642,081
Telecommunications	8,199	54,527
Utilities	9,641	60,476
Willis Tower parking	2,403	5,292
TOTAL	$ 613,751	$ 2,169,872

(See independent auditor's report.)

DESCRIPTION OF GRANTS

For the Year Ended June 30, 2019

CMAP No.	Pass-Through Agency	Grant Number	Description
United States Environmental Protection Agency			
S-767	IEPA	604161	Water Quality Management Program
S-791	IEPA	604171	Mill Creek North Watershed-Based Plan
United States Department of Housing and Urban Development			
S-770	Cook County/ HUD	DR-PL-R2-01	Disaster Recovery Program
United States Department of Transportation			
S-766	IDOT	MPO-CMAP UPP 30C 2015BOBS876	FY2015 Unified Work Program Contracts
S-776	IDOT	MPO-CMAP UPP Competitive 3-C Plan 1575103801	FY2016 Unified Work Program Contracts
S-786	IDOT	MPO-CMAP Planning 3-C Competitive 1675105201	FY2017 Unified Work Program Contracts
S-794	IDOT	MPO-CMAP Planning Expressway Study 1775103801	Expressway Project
S-796	IDOT	MPO-CMAP Competitive MPO-CMAP OPN FY18 3-C 1775106701	FY2018 Unified Work Program Contracts

(This schedule is continued on the following pages.)

DESCRIPTION OF GRANTS (Continued)

For the Year Ended June 30, 2019

CMAP No.	Pass-Through Agency	Grant Number	Description
United States Department of Transportation (Continued)			
S-805	IDOT	MPO-CMAP Opn FY19-3-C 1775106701	IDOT, UWP- Operating FY2019
S-806	IDOT	MPO-CMAP Competitive FY19-3-C 1910099017	FY2019 Unified Work Program Contracts
The Chicago Community Trust			
S-772		C2016-10171	Sustainable Development
S-782		C2017-12201	Sustainable Communities
S-783		C2018-16496	Sustainable Communities
S-800		C2019-19510	Sustainable Communities
Chicago Housing Authority			
S-799			Regional Housing Initiative
Illinois Department of Natural Resources			
S-803		N170706	Coastal Management Program
Illinois Department of Transportation			
S-787		1775103301	2017 State Planning Grant
S-804		1914399537	Pavement Management Project
S-802		1914399536	Illinois Port Project
S-809		1914399535	SPR Assistance to LTA Program
S-807		19143910080	Planning Studies Project

(This schedule is continued on the following page.)

DESCRIPTION OF GRANTS (Continued)

For the Year Ended June 30, 2019

CMAP No.	Pass-Through Agency	Grant Number	Description
John D. and Catherine T. MacArthur Foundation			
S-797		181805153230-CHG	Local Government Capacity Building
Metropolitan Mayor's Caucus			
S-001		C201818216	Chicago Community Trust – Embedded Staff Planners

BUDGETS

The Executive Director presents an annual operating budget, first to the Executive 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 GAAP, except that the Agency budgets for capital outlay expenses and does not budget for depreciation and amortization. In addition, the Agency does not budget for pension and other postemployment benefit expense under GASB Statement Nos. 68 and 75, respectively. The various funding sources have different beginning and ending dates funding the activities. The budget was approved on September 12, 2018.

SINGLE AUDIT INFORMATION

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Chicago Metropolitan Agency for Planning, Chicago, Illinois (the Agency) as of and for the year ended June 30, 2019, and the related notes to financial statements, and have issued our report thereon dated January 6, 2020.

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
January 6, 2020

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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, 2019. 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, 2019.

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
January 6, 2020

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2019

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditure	Amount Provided to Subrecipients
MAJOR PROGRAMS				
U.S. Department of Transportation				
Pass-through programs from:				
Illinois Department of Transportation:				
Unified Work Program for Planning and Programming Transportation Planning Activities	20.205	MPO-CMAP Operations 1910099386	$ 1,346,917	$ -
Unified Work Program for Planning and Programming Transportation Planning Activities	20.205	MPO-CMAP Operations 1914399594	325,468	-
Unified Work Program for Planning and Programming Transportation Planning Activities	20.205	MPO-CMAP Operations 1914399537	178,262	-
Unified Work Program for Planning and Programming Transportation Planning Activities	20.205	MPO-CMAP Operations 1910097774	14,218,851	2,903,981
Unified Work Program for Planning and Programming Transportation Planning Activities	20.205	MPO-CMAP Competitive 3-C 1910099017	277,948	-
Unified Work Program for Planning and Programming Transportation Planning Activities	20.205	19143910080	35,330	-
Unified Work Program for Planning and Programming Transportation Planning Activities	20.205	MPO-CMAP Operations 1775103801	332,004	-
Total pass-through awards			16,714,780	2,903,981
Total U.S. Department of Transportation			16,714,780	2,903,981
Total major programs			16,714,780	2,903,981
NONMAJOR PROGRAMS				
U.S. Environmental Protection Agency				
Pass-through programs from:				
Illinois Environmental Protection Agency:				
Water Quality Management Planning	66.454	604161 ((604(b))	123,442	-
Mill Creek North Watershed-Based Plan	66.454	604171 ((604(b))	135,308	-
Total U.S. Environmental Protection Agency			258,750	-

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2019

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditure	Amount Provided to Subrecipients
NONMAJOR PROGRAMS (Continued)				
U.S. Department of Housing and Urban Development				
Pass-through programs from:				
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster				
Cook County CDBG				
Disaster Recovery Program	14.269	DR-PL-R2-01	$ 214,527	$ -
Total CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster			214,527	-
Total U.S. Department of Housing and Urban Development			214,527	-
U.S. Department of Natural Resources				
Pass-through programs from:				
Illinois Department of Natural Resources	11.419	N170706	36,464	-
Total U.S. Department of Natural Resources			36,464	-
U.S. Department of Transportation				
Pass-through programs from:				
Illinois Department of Transportation:				
Unified Work Program for Planning and Programming				
Transportation Planning Activities - Consulting Services	20.505	MPO_CMAP UPP 30C (2014BoBS876) 575102501	459,516	234,390
Unified Work Program for Planning and Programming				
Transportation Planning Activities - Consulting Services	20.505	MPO-CMAP UPP Competitive 3-C Plan 1575103801	244,398	41,927
Unified Work Program for Planning and Programming				
Transportation Planning Activities - Consulting Services	20.505	MPO-CMAP UPP Competitive 3-C Plan 1675105201	1,397,281	797,324
Unified Work Program for Planning and Programming				
Transportation Planning Activities - Consulting Services	20.505	MPO-CMAP Competitive FY18 3-C 1775106701	1,110,751	308,602
Total pass-through awards			3,211,946	1,382,243
Total Highway Planning and Construction Cluster			3,211,946	1,382,243
Total U.S. Department of Transportation			3,211,946	1,382,243
Total nonmajor programs			3,721,687	1,382,243
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 20,436,467	$ 4,286,224

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2019

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 Unites 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 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, 2019.

Note C - Insurance and Loans or Loan Guarantees

During the year ended June 30, 2019, 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, 2019

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 __x__ no
Significant deficiency(ies) identified?	_____ yes __x__ none reported
Noncompliance material to financial statements noted?	_____ yes __x__ no

Federal Awards

Internal control over major federal programs: Material weakness(es) identified?	_____ yes __x__ no
Significant deficiency(ies) identified	_____ yes __x__ none reported
Type of auditor's report issued on compliance for major federal programs:	*unmodified opinion* on Highway Planning and Construction
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes __x__ no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	__x__ yes _____ no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Award Findings and Questioned Costs

None