



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

**AUDITOR'S COMMUNICATION TO THE
MEMBERS OF THE BOARD**

For the Year Ended June 30, 2023



SIKICH.COM

CHICAGO METROPOLITAN AGENCY FOR PLANNING
CHICAGO, ILLINOIS
AUDITOR'S COMMUNICATION TO THE
MEMBERS OF THE BOARD
TABLE OF CONTENTS

	<u>Page(s)</u>
COVER LETTER	1
REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE	2-6
• Adjusting journal entries	
• Passed adjustments	
MANAGEMENT LETTER.....	7-11
FIRM PROFILE	

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

SIKICH.COM

April 22, 2024

The Honorable Chairman
and Members of the Board
Chicago Metropolitan Agency for Planning
433 West Van Buren Street, Suite 450
Chicago, Illinois 60607

Ladies and Gentlemen:

As part of our audit process, we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by audit standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you in June 2023.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect the Agency, are enclosed within this document.

This information is intended solely for the use of the Chairman, members of the Board, and management of the Chicago Metropolitan Agency for Planning and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP
By: Martha Trotter, CPA
Partner

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

SIKICH.COM

April 22, 2024

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

We have audited the basic financial statements of the Chicago Metropolitan Agency for Planning (the Agency) for the period ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 4, 2023. Professional standards require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the period ended June 30, 2023, except for the implementation of GASB Statement No. 96 *Subscription Based Information Technology Arrangements*. We noted no transactions entered into by the Chicago Metropolitan Agency for Planning during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no particularly sensitive estimates made by management during our audit of the financial statements except for those related to the IMRF pension plan, SERS pension plan, and OPEB plan. Management's estimate of the Agency's net pension liabilities and total other postemployment benefit liability are based on various actuarially determined amounts, including estimated investment returns, dates of employee retirement, discount rates, healthcare trend rates, and mortality rates. We evaluated key factors and assumptions used to develop the management's estimates of the Agency's net pension liabilities and total other postemployment benefit liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit, except for a delay in receiving certain information necessary for us to complete our substantive testing procedures. The delay was mainly related to the preparation of an accurate Schedule of Federal Expenditure Awards as well as complete information needed for the evaluation and implementation of GASB Statement No. 96.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarized uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them, could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole except for AJE 01 and AJE 02.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 22, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the required supplementary information (RSI) as listed in the table of contents, which are RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, which accompany the basic financial statements but are not RSI, and the Schedule of Expenditures of Federal Awards (SEFA). With respect to this supplementary information and the SEFA, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information and the SEFA to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Chairman, Board, and management of the Chicago Metropolitan Agency for Planning and is not intended nor should it be, and should not be, used by anyone other than these specified parties.

We appreciate the courtesies extended to us by the Agency. If you have any questions regarding the purpose of this letter, please contact us.

Sincerely,

Sikich LLP

Sikich LLP

By: Martha Trotter, CPA

Partner

Year End: June 30, 2023

Adjusting Journal Entries

Date: 7/1/2022 To 6/30/2023

Account No: AJE 01 To AJE 04

Number	Date	Name	Account No	Amount
AJE 01	6/30/2023	Deferred Outflow IMRF Earnings	1417	2,663,584.00
AJE 01	6/30/2023	Deferred Inflow IMRF Earnings	2527	(2,663,584.00)
		Entry to correct IMRF actuarial activity.		
AJE 02	6/30/2023	Office Lease	1310	2,253,827.00
AJE 02	6/30/2023	Accum. Amortization, Leased Office Building	1311	(2,253,827.00)
AJE 02	6/30/2023	Accum. Amortization, Leased Office Building	1311	(1,229,360.19)
AJE 02	6/30/2023	Lease Liability	2550	916,820.28
AJE 02	6/30/2023	Rent	5502	(1,217,085.00)
AJE 02	6/30/2023	Amortization	5907	1,229,360.19
AJE 02	6/30/2023	Lease Interest Expense	5950	300,264.72
		Entry to adjust GASB 87 activity.		
AJE 03	6/30/2023	Deferred Outflow SERS Contrib	1410	14,838.02
AJE 03	6/30/2023	Net Pension Liability SERS	2510	22.00
AJE 03	6/30/2023	SERS ER Contribution	5105	(14,860.02)
		Entry to correct SERS activity.		
AJE 04	6/30/2023	Prepaid Rent	1206	(86,942.70)
AJE 04	6/30/2023	Lease Liability	2550	86,942.70
		Entry to correct prepaid rent for rent payment netted with accrued interest..		

Chicago Metropolitan Agency for Planning

Enterprise Fund

(CLIENT)

(FUND OR FUND TYPE)

For the Year Ended

6/30/2023

All entries posted as Debit (Credit)

Description	Workpaper Reference	Assets	(Liabilities)	(Retained Earnings/Fund Balance)	(Profit) Loss
Current Effect of Prior Period Passed AJE's that have carried forward to Current Period		\$ -	\$ -	\$ -	\$ -
Entry to implement GASB 87 for Tierpoint agreement as of July 1, 2021, implementation date.	4203.2	257,548	(257,548)	-	-
Entry to record Tierpoint GASB 87 activity	4203.2	(128,774)	127,356	-	1,418
Entry to implement GASB 96.	4205	38,520	(38,520)	-	-
Entry to record SK Global GASB 96 activity.	4205	(4,270)	11,900	-	(7,630)
Totals		\$ 163,024	\$ (156,812)	\$ -	\$ (6,212)

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

MANAGEMENT LETTER

June 30, 2023

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

SIKICH.COM

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

In planning and performing our audit of the basic financial statements of Chicago Metropolitan Agency for Planning (the Agency) as of and for the fiscal year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in internal control to be a significant deficiency.

This communication is intended solely for the information and use of the Chairman, Board members, and management and is not intended to be, and should not be used by, anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
April 22, 2024

SIGNIFICANT DEFICIENCY

Internal Controls over Preparation of Schedule of Expenditures of Federal Awards (SEFA)

Uniform Guidance section 200.510 Financial Statements requires the auditee to prepare a SEFA, which includes the total federal awards expended determined in accordance with section 200.502, Basis for Determining Federal Awards. The SEFA must be based on and derived from grant information obtained from the financial reporting records and other information provided by the Agency.

During the completion of the single audit testing, management relied on the assistance from the independent auditors on the preparation of the SEFA, after employing appropriate independence safeguards. It was noted that initially state expenditures were being included in the SEFA. Several versions of the SEFA were necessary and required significant substantive testing rework during the audit.

Sikich recommends that the Agency provide training to its finance staff and develop and implement procedures over the preparation of an accurate Schedule of Expenditures of Federal Awards which is reconciled to underlying accounting activity and reflects only the balances of federal award expenditures incurred during the fiscal year for all of the Agency's federal programs.

OTHER INFORMATION

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that will impact the Agency in the future.

GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

statements; terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs is June 30, 2023. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is June 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ended June 30, 2024.

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ended June 30, 2025.

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 102, *Certain Risk Disclosures*, establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement is effective for the fiscal year ending June 30, 2025.

We will advise the Agency of any progress made by GASB in developing these and other future *pronouncements* that may have an impact on the financial position and changes in financial position of the Agency.

Sikich LLP is a global company specializing in technology-enabled professional services.

Now with more than 1,700 employees, Sikich draws on a diverse portfolio of technology solutions to deliver transformative digital strategies and ranks as one of the largest CPA firms in the United States. From corporations and not-for-profits to state and local governments and federal agencies, Sikich clients utilize a broad spectrum of services and products to help them improve performance and achieve long-term, strategic goals.

INDUSTRIES

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

AGRICULTURE	AUTOMOTIVE	CONSTRUCTION & REAL ESTATE
DISTRIBUTION & SUPPLY CHAIN	GOVERNMENT	HIGH-TECH
LIFE SCIENCES	MANUFACTURING	NOT-FOR-PROFIT
PRIVATE EQUITY	PROFESSIONAL SERVICES	

SPECIALIZED SERVICES

ACCOUNTING, AUDIT, TAX & CONSULTING SERVICES

- Outsourced Accounting
- Audit & Assurance
- Consulting Services
- Employee Benefit Plan Audits
- International Tax
- Tax

TECHNOLOGY

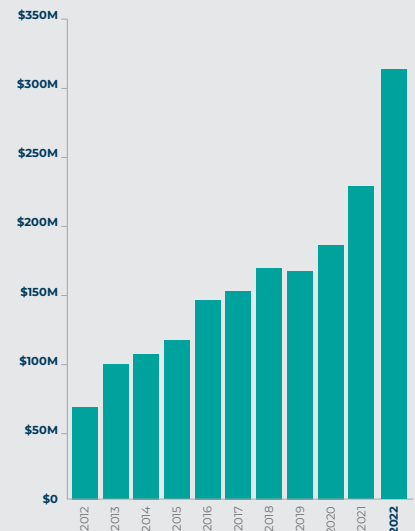
- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Cybersecurity & Compliance
- Digital Transformation Consulting

ADVISORY

- Forensic & Valuation Services
- Governance, Risk & Compliance Services
- Human Capital Management & Payroll Consulting
- Insurance Services
- Investment Banking*
- Marketing & Communications
- Retirement Plan Services
- Regulatory, Quality & Compliance
- Site Selection & Business Incentives
- Succession Planning
- Supply Chain
- Transaction Advisory Services
- Wealth Management**
- Workforce Risk Management

WHO WE ARE

TOTAL PARTNERS100+
 TOTAL PERSONNEL1,700+
 2022 REVENUE\$316.4M



OFFICE LOCATIONS

Ahmedabad, GJ	Sacramento, CA
Alexandria, VA	925.577.5144
703.836.1350	Milwaukee, WI
703.836.6701	262.754.9400
Bangalore, KA	Naperville, IL
Boston, MA	630.566.8400
508.485.5588	Peoria, IL
Chattanooga, TN	309.694.4251
423.954.3007	Princeton, NJ
Chicago, IL	609.285.5000
312.648.6666	Richfield, OH
Cleveland, OH	330.864.6661
440.238.0445	Springfield, IL
Coimbatore, TN	217.793.3363
Decatur, IL	St. Louis, MO
217.423.6000	314.275.7277
Indianapolis, IN	Washington, MO
317.842.4466	636.239.4785
Los Angeles, CA	
877.279.1900	

* Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.

** Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.

CULTURE

Our dynamic work culture fosters learning, growth and innovation, attracting top-notch team members who see the big picture. Sikich's culture is built on a flexible, trusting work environment and the key pillars of Absolute Integrity, Bias for Action, Continuous Innovation and Servant Leadership. We believe our people are our greatest asset and work hard to ensure that all team members feel empowered, comfortable and valued.



CERTIFICATIONS & AWARDS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the **American Institute of Certified Public Accountants' Governmental Audit Quality Center** and the **Employee Benefit Plan Audit Quality Center**.

We adhere to the strict requirements of membership, which assure we meet the highest standards of audit quality. **In 2020, Sikich received its 11th consecutive unmodified ("pass") peer review report**, the highest level of recognition conferred upon a public accounting firm for its quality control systems.



Sikich ranks among the **top 30 firms nationally** on the *Accounting Today* **Top 100 Firms list**.

Sikich is among the **50 firms that place on Inside Public Accounting's 2023 Best of the Best Firms**, an exclusive list that ranks organizations on key areas of management, growth and strategic vision.



Sikich is a **Microsoft Dynamics' 2023/2024 Inner Circle** award recipient, a recognition that places Sikich in the **top 1% of all Microsoft Business Applications partners globally**.



We also maintain the **Oracle NetSuite 5 Star Award** and are among the **top three U.S. partners of Oracle NetSuite**.



Sikich ranks on the **Redmond Channel Partner Magazine's top 350 Microsoft partners in the U.S.**, **CRN's Top 500 Managed Service Providers**, **CRN's Top 500 Solution Providers** and **Channel Futures' MSP 501**.



NET PROMOTER SCORE

The firm's overall Net Promoter Score (NPS) is 87%.

This is a measure of our clients' willingness to recommend Sikich's services and products. An NPS of 50% is considered excellent, and 70% NPS is considered world-class.

