



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

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

For the Year Ended June 30, 2021

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	2-5
• Adjusting journal entries	
MANAGEMENT LETTER	6-10
FIRM PROFILE	

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

SIKICH.COM

January 25, 2022

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

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 on June 2, 2021.

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: James R. Savio, CPA, MAS
Partner

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

SIKICH.COM

January 25, 2022

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, 2021. 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 March 16, 2021. 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, 2021. 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.

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. Management has corrected all such misstatements. 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.

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 January 25, 2022.

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: James R. Savio, CPA, MAS

Partner

Year End: June 30, 2021
Adjusting Journal Entries
Date: 7/1/2020 To 6/30/2021
Account No: AJE 01 To AJE 02

Number	Date	Name	Account No	Amount
AJE 01	6/30/2021	PY Net Position (per audit report)	3000	740.35
AJE 01	6/30/2021	Miscellaneous	4601	(740.35)
<p>Entry to correct fund balance to tie to PY audit report. Account 9200 is included in this calculation.</p>				
AJE 02	6/30/2021	Rent Abatement	2002	131,566.13
AJE 02	6/30/2021	Rent	5502	105,781.50
AJE 02	6/30/2021	Amortization	5907	(237,347.63)
<p>To record rent abatement liability associated with new office lease</p>				

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

MANAGEMENT LETTER

June 30, 2021

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, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered its 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.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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. In addition, we reviewed the status of the deficiencies from June 30, 2020. The status of these comments is included in Appendix A. This letter does not affect our report dated January 25, 2022, on the basic financial statements of the Agency.

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
January 25, 2022

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. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for the fiscal year June 30, 2022.

GASB Statement No. 91, *Conduit Debt Obligations*, which intends to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for the fiscal year ending June 30, 2023.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued to address the financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). The statement clarifies the existing guidance under Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended and Statement No. 87, *Leases*. The statement preserves the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. This statement is effective for the fiscal year ending June 30, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued to address issues related to accounting and reporting for public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying

OTHER INFORMATION (Continued)

Future Accounting Pronouncements (Continued)

PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for fiscal year ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for the fiscal year ending June 30, 2023.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for the fiscal year ending June 30, 2022. Earlier application is encouraged.

APPENDIX A
STATUS OF PRIOR YEAR RECOMMENDATIONS

DEFICIENCIES

1. Year End Accruals

We noted instances of improper cutoff during our testing of accrued liabilities and prepaid items. During testing, it was noted that certain items paid in July 2019 were included as prepaid items at June 30, 2019. Items are considered to be prepaid if the payment is made during the fiscal year for services or goods received after the fiscal year. Upon further review, it was noted these items were also captured in accounts payable at June 30, 2019. Items should only be recorded as accounts payable if they relate to services or goods received during the fiscal year which are not paid for during the fiscal year. We recommend that the Agency review the detail of the invoices that make up the balances of accrued liabilities and prepaid items to ensure proper cutoff.

Status - Comment considered implemented at June 30, 2021.

2. Year End Close Procedures

During testing of certain accounts, we noted the schedules prepared by the Agency did not reconcile to the Agency's recorded balances. In one instance, a system report was provided which tracks the Agency's accrued vacation liability. The amount recorded on the Agency's trial balance was not adjusted to agree to the system report. In another instance, the rent abatement expense was not adjusted in accordance with the abatement schedule. The Agency maintains various spreadsheets and schedules to track its fiscal year activity. We recommend the Agency reviews each of its schedules and reconciles the balance to the trial balance, to ensure all necessary adjustments are properly recorded.

Status - Comment considered implemented at June 30, 2021.

FIRM PROFILE



ORGANIZATION

Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking* and advisory services**, has 1,000+ professionals throughout the country. Founded in 1982, Sikich now ranks within the country's top 30 largest Certified Public Accounting firms and is among the top one percent of all enterprise resource planning solution partners in the world. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach long-term, strategic goals.

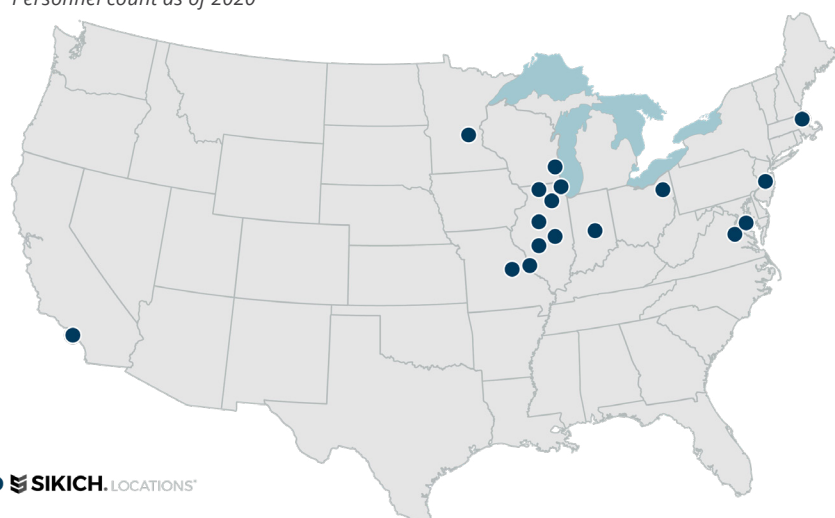
INDUSTRIES

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	

STATISTICS

2020 Revenue \$184.2M
 Total Partners 100+
 Total Personnel 1,000+
 Personnel count as of 2020



● SIKICH LOCATIONS*

Akron, OH
(330) 864-6661

Crofton, MD
(410) 451-5150

Milwaukee, WI
(262) 754-9400

Princeton, NJ
(609) 285-5000

Washington, MO
(636) 239-4785

Alexandria, VA
(703) 836-1350

Decatur, IL
(217) 423-6000

Minneapolis, MN
(311) 229-5235

Springfield, IL
(217) 793-3363

Boston, MA
(508) 485-5588

Indianapolis, IN
(317) 842-4466

Naperville, IL
(630) 566-8400

St. Louis, MO
(314) 275-7277

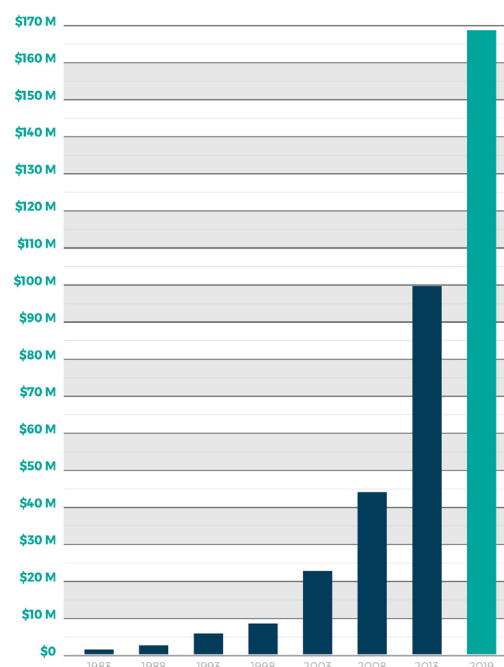
Chicago, IL
(312) 648-6666

Los Angeles, CA
(877) 279-1900

Peoria, IL
(309) 694-4251

St. Louis, MO
(636) 532-9525

SIKICH TOTAL REVENUE



SERVICES

ACCOUNTING, TAX & ASSURANCE

TECHNOLOGY

- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Security and Compliance
- Digital Transformation Consulting

ADVISORY

- Business Succession Planning
- Insurance Services
- Forensic and Valuation Services
- Human Capital Management & Payroll Consulting
- Investment Banking
- Marketing & Communications
- Retirement Plan Services
- Supply Chain
- Transaction Advisory Services
- Wealth Management

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

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

CERTIFICATIONS

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.

AWARDS

2018-2021

- 2021, 2020 Great Place to Work®
- 2020, 2019 Oracle® NetSuite 5 Star Award
- 2019/2020, 2018/2019 Inner Circle for Microsoft Dynamics
- *Accounting Today* Top 100 Firms - ranked top 30 nationally
- *Accounting Today* Top 100 Value Added Reseller Stars (VARs) - ranked top 10
- Best Places to Work in Illinois
- Best Places to Work in Indiana
- Milwaukee's Best and Brightest Companies to Work For®
- Chicago's Best and Brightest Companies to Work For®
- Boston's Best and Brightest Companies to Work For®
- Bob Scott's Top 100 VARs

2017

- Bob Scott's Top 100 VARs
- *Accounting Today* Top 100 VARs
- Vault Accounting Top Ranked
- When Work Works Award
- WorldatWork Work-Life Seal of Distinction
- Microsoft Dynamics Inner Circle and President's Club
- Best Places to Work in Illinois
- Milwaukee's 101 Best and Brightest Companies to Work For®
- Best Places to Work in Indiana
- Chicago's 101 Best and Brightest Companies to Work For®
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee
- *Chicago Tribune's* Top Workplaces
- *Crain's List* Chicago's Largest Privately Held Companies
- Boston's 101 Best and Brightest Companies to Work For®
- National Best and Brightest in Wellness
- National Best and Brightest Companies to Work For



SIKICH IS PROUD TO BE PART OF:

PRIMEGLOBAL

PrimeGlobal is one of the top five largest associations of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing, and management services to clients around the globe.

