

Region 1 Planning Council Annual Financial Report Fiscal Year Ended June 30, 2025



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Region 1 Planning Council

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Independent Auditors' Report

To the Members of the Board of
Region 1 Planning Council

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Region 1 Planning Council (the Council), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Council as of June 30, 2025 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 February 11, 2026 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Council's 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 Council's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Oak Brook, Illinois
February 11, 2026

Region 1 Planning Council

Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
Assets and Deferred Outflows of Resources	
Assets	
Cash and investments	\$ 3,282,450
Receivables:	
Accounts	1,416,071
Prepaid items	75,009
Land held for resale	95,001
Due from fiduciary funds	102,300
Capital assets:	
Capital assets being amortized, net of amortization	<u>389,076</u>
Total assets	<u>5,359,907</u>
Deferred Outflows of Resources	
Pension related amounts	<u>322,636</u>
Total deferred outflows of resources	<u>322,636</u>
Total assets and deferred outflows of resources	<u>\$ 5,682,543</u>
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 227,809
Accrued payroll	142,831
Other payables	2,401
Unearned revenues	2,382,817
Noncurrent liabilities:	
Due within one year	103,983
Due in more than one year	<u>431,207</u>
Total liabilities	<u>3,291,048</u>
Deferred Inflows of Resources	
Pension related amounts	<u>187,426</u>
Total deferred inflows of resources	<u>187,426</u>
Net Position	
Restricted for:	
Metropolitan Planning Organization	259,418
Winnebago County Geographic Information System	330,346
Northern Illinois Land Bank Authority	1,032,575
Unrestricted	<u>581,730</u>
Total net position	<u>2,204,069</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 5,682,543</u>

See notes to financial statements

Region 1 Planning Council

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense)/ Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
General government	\$ 5,252,412	\$ 2,023,417	\$ 2,547,205	\$ (681,790)
Interest and fiscal charges	4,646	-	-	(4,646)
Total governmental activities	<u>\$ 5,257,058</u>	<u>\$ 2,023,417</u>	<u>\$ 2,547,205</u>	<u>(686,436)</u>
		General Revenues		
		Miscellaneous		<u>840,623</u>
		Total general revenues		<u>840,623</u>
		Change in net position		154,187
		Net Position, Beginning		<u>2,049,882</u>
		Net Position, Ending		<u>\$ 2,204,069</u>

See notes to financial statements

Region 1 Planning Council

Balance Sheet -
Governmental Funds
June 30, 2025

	Major Funds					Total Governmental Funds
	General	Metropolitan Planning Organization	Winnebago County Geographic Information System	Northern Illinois Land Bank Authority	Nonmajor Governmental Fund	
Assets						
Cash and investments	\$ 2,387,487	\$ 258,993	\$ 294,968	\$ 336,938	\$ 4,064	\$ 3,282,450
Receivables:						
Accounts receivable	807,792	442,350	44,811	114,718	6,400	1,416,071
Due from other funds	128,005	-	-	477,161	-	605,166
Due from fiduciary funds	75,640	-	-	26,660	-	102,300
Prepays	43,338	-	25,415	6,256	-	75,009
Land held for resale	1	-	-	95,000	-	95,001
Total assets	\$ 3,442,263	\$ 701,343	\$ 365,194	\$ 1,056,733	\$ 10,464	\$ 5,575,997
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)						
Liabilities						
Accounts payable	\$ 106,424	\$ 67,427	\$ 6,467	\$ 24,158	\$ 23,333	\$ 227,809
Accrued payroll	142,831	-	-	-	-	142,831
Other payables	1,130	1,271	-	-	-	2,401
Due to other funds	203,558	373,227	28,381	-	-	605,166
Unearned revenues	2,382,817	-	-	-	-	2,382,817
Total liabilities	2,836,760	441,925	34,848	24,158	23,333	3,361,024
Fund Balances (Deficits)						
Nonspendable	43,339	-	25,415	6,256	-	75,010
Restricted	-	259,418	304,931	1,026,319	-	1,590,668
Unassigned	562,164	-	-	-	(12,869)	549,295
Total fund balances (deficits)	605,503	259,418	330,346	1,032,575	(12,869)	2,214,973
Total liabilities and fund balances (deficits)	\$ 3,442,263	\$ 701,343	\$ 365,194	\$ 1,056,733	\$ 10,464	\$ 5,575,997

See notes to financial statements

Region 1 Planning Council

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
June 30, 2025

Total Fund Balances - Governmental Funds		\$ 2,214,973
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds:		
Capital assets	\$ 759,267	
Accumulated depreciation	<u>(370,191)</u>	
		389,076
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		322,636
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		(187,426)
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:		
Compensated absences	(138,543)	
Net pension liability	(7,571)	
Lease liability	<u>(389,076)</u>	
		<u>(535,190)</u>
Net Position of Governmental Activities		<u>\$ 2,204,069</u>

See notes to financial statements

Region 1 Planning Council

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended June 30, 2025

	Major Funds					Total Governmental Funds
	General	Metropolitan Planning Organization	Winnebago County Geographic Information System	Northern Illinois Land Bank Authority	Nonmajor Governmental Fund	
Revenues						
Grants	\$ 480,417	\$ 1,810,407	\$ -	\$ 256,381	\$ -	\$ 2,547,205
Charges for services:						
Membership fee	338,153	-	396,294	-	53,750	788,197
Fee for service	1,226,666	737	2,832	4,985	-	1,235,220
Miscellaneous revenues	8,776	-	99,852	675,098	56,897	840,623
Total revenues	<u>2,054,012</u>	<u>1,811,144</u>	<u>498,978</u>	<u>936,464</u>	<u>110,647</u>	<u>5,411,245</u>
Expenditures						
Current:						
General government	2,206,979	1,807,194	476,582	606,457	110,647	5,207,859
Debt service:						
Principal	33,984	24,920	10,573	6,042	-	75,519
Interest and fiscal charges	2,091	1,533	650	372	-	4,646
Total expenditures	<u>2,243,054</u>	<u>1,833,647</u>	<u>487,805</u>	<u>612,871</u>	<u>110,647</u>	<u>5,288,024</u>
Net change in fund balances	(189,042)	(22,503)	11,173	323,593	-	123,221
Fund Balances (Deficits), Beginning	<u>794,545</u>	<u>281,921</u>	<u>319,173</u>	<u>708,982</u>	<u>(12,869)</u>	<u>2,091,752</u>
Fund Balances (Deficits), Ending	<u>\$ 605,503</u>	<u>\$ 259,418</u>	<u>\$ 330,346</u>	<u>\$ 1,032,575</u>	<u>\$ (12,869)</u>	<u>\$ 2,214,973</u>

See notes to financial statements

Region 1 Planning Council

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to Statement of Activities
Year Ended June 30, 2025

Net Change in Total Governmental Fund Balances		\$ 123,221
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report purchases of capital assets as expenditures while governmental activities report amortization expense to allocate those expenditures over the life of the assets.		
Amortization	<u>\$ (72,822)</u>	
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net pension liability	104,742	
Deferred outflows of resources related to pensions	(60,146)	
Deferred inflows of resources related to pensions	(14,444)	
Lease liability	75,519	
Compensated absences	<u>(1,883)</u>	
		<u>103,788</u>
Change in Net Position of Governmental Activities		<u>\$ 154,187</u>

See notes to financial statements

Region 1 Planning Council

Statement of Fiduciary Net Position -

Fiduciary Funds

June 30, 2025

	<u>Custodial Funds</u>
Assets	
Cash and investments	\$ 440,703
Accounts receivable	<u>42,258</u>
Total assets	<u>482,961</u>
Liabilities	
Accounts payable	18,243
Due to primary government	102,300
Due to other governments	<u>146,961</u>
Total liabilities	<u>267,504</u>
Net Position	
Restricted for individuals, organizations and other governments	<u>215,457</u>
Total net position	<u><u>\$ 215,457</u></u>

See notes to financial statements

Region 1 Planning Council

Statement of Changes in Fiduciary Net Position -

Fiduciary Funds

Year Ended June 30, 2025

	<u>Custodial Funds</u>
Additions	
Charges for services	
Membership fee	\$ 97,190
Fee for service	740,096
Miscellaneous revenues	<u>559</u>
Total additions	<u>837,845</u>
Deductions	
License and fees	32,955
Office	11,834
Travel	159
Contractual	<u>721,616</u>
Total deductions	<u>766,564</u>
Change in fiduciary net position	71,281
Net Position, Beginning	<u>144,176</u>
Net Position, Ending	<u><u>\$ 215,457</u></u>

See notes to financial statements

Region 1 Planning Council

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Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

1. Summary of Significant Accounting Policies

The Region 1 Planning Council (the Council) was founded in 2017. The Council is a special-purpose, regional government agency providing cross-jurisdictional, government-to-government collaborative planning across Northern Illinois. The regional planning model provides an efficient means to promoting a well-informed, comprehensive dialogue that holistically addresses regional issues by fulfilling the needs of government entities for long-range planning, securing funding, and analyzing and providing data in support of regional projects and initiatives. The Council operates under a Chair-Trustee form of government and provides a wide variety of services covering community health, economic development, geographic information systems, grant services, regional transportation planning, research/analytics, and sustainability.

The accounting policies of the Region 1 Planning Council (the Council) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the Council. The reporting entity for the Council consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Council has not identified any organizations that meet this criteria.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through intergovernmental revenues and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the Council are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Council or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the Council believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Council reports the following major governmental funds:

General Fund

General Fund accounts for the Council's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Special Revenue Funds

Metropolitan Planning Organization fund is restricted to grant-fund transportation planning.

Winnebago County Geographic Information System fund is restricted to direct revenue and expenditures derived from hosting and disseminating Geographic Information System data for its members and subscribers.

Northern Illinois Land Bank Authority fund is restricted to direct revenue and expenditures derived from housing and operating the Land Bank which fosters the public purpose of combating community deterioration by returning property to productive use for citizens within the Region.

The Council reports the following nonmajor governmental fund:

Special Revenue Fund

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Northern Council of Governments

In addition, the Council reports the following fund type:

Custodial Funds

Custodial Funds are used to account for and report assets controlled by the Council and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Winnebago Trustee Program
Winnebago County Rail Association

Boone Trustee Program

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for reimbursable grants, for which available is defined as 365 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Intergovernmental aids and grants are recognized as revenues in the period the Council is entitled to the resources and the amounts are available. Amounts owed to the Council which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include grants and membership fees. Other general revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Fiduciary Funds

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

Illinois Statutes authorize the Council to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds Investment Pool.

The Council has adopted an investment policy. That policy follows the state statute for allowable investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Council's investment policy does not address interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Council's investment policy does not impose further limits on investment choices.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of the Council's investment in a single issuer. It is the policy of the Council that investment considerations shall take into account the full Council portfolio, including short and long-term operational planning and commitments. Therefore, all investments are subject to recommendation by operational management, as well as review and approval of the Region 1 Planning Council.

Custodial Credit Risk, Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. The Council's investment policy does not address custodial credit risk. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Custodial Credit Risk, Investments

For an investment, this is the risk that in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

See Note 3 for further information.

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include grants and membership fees.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment (including right-to-use lease assets), are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable.

Amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated amortization reflected in the statement of net position. Amortization is provided over the assets' estimated useful lives using the straight-line method.

Lease assets are typically amortized over the lease term.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Other Assets

The Council's land held for resale includes land that is being held for sale to the private market to reduce blighted properties in the area. The Council reevaluates the value of the property held for resale on an annual basis. Based on current market conditions, the Council determined that no adjustment to the value was necessary as of June 30, 2025.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Under terms of employment, employees are granted vacations in varying amounts.

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Vacation pay is accrued in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of lease payables and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts is reported as an other financing source and payments of principal and interest are reported as expenditures.

Leases

The Council is a lessee because it leases capital assets from other entities. As a lessee, the Council reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements. In the governmental fund financial statements, the Council recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed.

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Council Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Council Board that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council Board has, by resolution, adopted a financial policy authorizing the Executive Director to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The Council considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Council would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Council has a formal minimum fund balance policy. That policy is for the General Fund to maintain a minimum fund balance equal to 30 days, or one of twelve months, of current fiscal year operating expenditures.

See Note 3 for further information.

Postemployment Benefits Other Than Pensions (OPEB)

The Council has evaluated its potential other postemployment benefits liability. Former employees who choose to retain their rights to health insurance through the Council are required to pay 100% of the current premium. Based upon a review of census data and plan provisions, as well as minimal utilization rates, it has been determined that any liability is immaterial to the financial statements in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Additionally, the Council provides no explicit benefit. Therefore, the Council has not recorded a liability as of June 30, 2025.

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

2. Stewardship, Compliance and Accountability

Excess Expenditures Over Budget

<u>Funds</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Northern Illinois Land Bank Authority	\$ 575,000	\$ 612,871	\$ 37,871
Northern Council of Governments	76,999	110,647	33,648

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of June 30, 2025, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Northern Council of Governments	\$ 12,869

The fund deficit is anticipated to be funded with future contributions.

3. Detailed Notes on All Funds

Deposits and Investments

The Council's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>
Deposits	\$ 3,722,530	\$ 3,918,773
Petty cash	623	-
Total deposits and investments	<u>\$ 3,723,153</u>	<u>\$ 3,918,773</u>
Reconciliation to financial statements		
Per statement of net position:		
Cash and investments	\$ 3,282,450	
Per statement of net position, fiduciary funds:		
Cash and investments	<u>440,703</u>	
Total deposits and investments	<u>\$ 3,723,153</u>	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and non-interest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Council's deposits may not be returned to the Council.

As of June 30, 2025, \$469,256 of the Council's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 469,256
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See Note 1 for further information on deposit and investment policies.

Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets being amortized:				
Buildings, right-to-use	\$ 759,267	\$ -	\$ -	\$ 759,267
Total capital assets being amortized	<u>759,267</u>	<u>-</u>	<u>-</u>	<u>759,267</u>
Less accumulated amortization for:				
Buildings, right-to-use	<u>(297,369)</u>	<u>(72,822)</u>	<u>-</u>	<u>(370,191)</u>
Total accumulated amortization	<u>(297,369)</u>	<u>(72,822)</u>	<u>-</u>	<u>(370,191)</u>
Total governmental activities capital assets	<u>\$ 461,898</u>	<u>\$ (72,822)</u>	<u>\$ -</u>	<u>\$ 389,076</u>

Amortization expense was charged to functions as follows:

Governmental Activities	
General government	\$ <u>72,822</u>
Total governmental activities amortization expense	\$ <u><u>72,822</u></u>

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Metropolitan Planning Organization	\$ 128,006
Northern Illinois Land Bank Authority	General	203,558
Northern Illinois Land Bank Authority	Metropolitan Planning Organization	245,221
Northern Illinois Land Bank Authority	Winnebago County Geographic Information System	<u>28,381</u>
Total		<u>\$ 605,166</u>

All amounts are due within one year.

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

The principal purpose of these interfunds is to pay back other funds. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Compensated absences (net change)	\$ 136,660	\$ 1,883	\$ -	\$ 138,543	\$ 27,709
Net pension liability	112,313	278,488	383,230	7,571	-
Lease liability	464,595	-	75,519	389,076	76,274
Total other liabilities	<u>713,568</u>	<u>280,371</u>	<u>458,749</u>	<u>535,190</u>	<u>103,983</u>
Total governmental activities long-term liabilities	<u>\$ 713,568</u>	<u>\$ 280,371</u>	<u>\$ 458,749</u>	<u>\$ 535,190</u>	<u>\$ 103,983</u>

Lease Liability

Lease Liability at June 30, 2025 consists of the following:

Governmental Activities

<u>Lease Liability</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance June 30, 2025</u>
North Wyman Pioneer Building	08/01/2020	08/01/2030	1.00%	\$ 759,267	\$ 389,076
Total governmental activities lease liability					<u>\$ 389,076</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Lease Liability</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 76,274	\$ 2,891
2027	77,037	3,128
2028	77,807	2,358
2029	78,585	1,580
2030	<u>79,373</u>	<u>794</u>
Total	<u>\$ 389,076</u>	<u>\$ 10,751</u>

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at June 30, 2025, includes the following:

Governmental Activities

Other capital assets, net of accumulated amortization	\$ 389,076
Less long-term debt outstanding	<u>(389,076)</u>
Total net investment in capital assets	<u>\$ -</u>

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Governmental Funds

Governmental fund balances reported on the fund financial statements at June 30, 2025, include the following:

	<u>General Fund</u>	<u>Metropolitan Planning Organization</u>	<u>Winnebago County Geographic Information System</u>	<u>Northern Illinois Land Bank Authority</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances						
Nonspendable:						
Prepaid items	\$ 43,338	\$ -	\$ 25,415	\$ 6,256	\$ -	\$ 75,009
Land held for resale	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Subtotal	<u>43,339</u>	<u>-</u>	<u>25,415</u>	<u>6,256</u>	<u>-</u>	<u>75,010</u>
Restricted for:						
Metropolitan Planning Organization	-	259,418	-	-	-	259,418
Winnebago County Geographic Information System	-	-	304,931	-	-	304,931
Northern Illinois Land Bank Authority	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,026,319</u>	<u>-</u>	<u>1,026,319</u>
Subtotal	<u>-</u>	<u>259,418</u>	<u>304,931</u>	<u>1,026,319</u>	<u>-</u>	<u>1,590,668</u>
Unassigned (Deficit)	<u>562,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,869)</u>	<u>549,295</u>
Total fund balances (deficit)	<u>\$ 605,503</u>	<u>\$ 259,418</u>	<u>\$ 330,346</u>	<u>\$ 1,032,575</u>	<u>\$ (12,869)</u>	<u>\$ 2,214,973</u>

4. Other Information

Employees' Retirement System

The Council contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. This report is also available for download at www.imrf.org.

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Illinois Municipal Retirement Fund

Plan Description

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of 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 (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of 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 the first 15 years of service credit, plus 2% for each year of service after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased ever year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership

At December 31, 2024, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	-
Inactive, nonretired members	56
Active members	<u>41</u>
Total	<u><u>97</u></u>

Contributions

As set by statute, Council employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Council to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Council's actuarially determined contribution rate for calendar year 2024 was 4.90% of annual covered payroll for IMRF. The Council also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The total pension liability for IMRF was determined by actuarial valuations performed as of December 31, 2024 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.25%
Salary increases	2.85% to 13.75%, including inflation
Price inflation	2.25%

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	33.50 %	5.70 %	4.35 %
International equities	18.00	7.10	5.40
Fixed income	24.50	5.30	5.20
Real estate	10.50	7.30	6.40
Alternatives	12.50		
Private equity		10.00	6.25
Commodities		6.05	4.85
Cash equivalents	1.00	3.60	3.60

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%, the same rate as the prior valuation. 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 District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 benefits payments to determine the total pension liability.

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 Council calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 1,490,130	\$ 1,267,592	\$ 1,127,821
Plan fiduciary net position	<u>1,260,021</u>	<u>1,260,021</u>	<u>1,260,021</u>
Net pension liability/(asset)	<u>\$ 230,109</u>	<u>\$ 7,571</u>	<u>\$ (132,200)</u>

Changes in Net Pension Liability/(Asset)

The changes in net pension liability/(asset) for the calendar year ended December 31, 2024 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/(Asset) (a) - (b)</u>
Balances at December 31, 2023	\$ 1,072,733	\$ 960,420	\$ 112,313
Service cost	165,371	-	165,371
Interest on total pension liability	83,582	-	83,582
Differences between expected and actual experience of the total pension liability	(48,970)	-	(48,970)
Benefit payments, including refunds of employee contributions	(5,124)	(5,124)	-
Contributions, employer	-	134,254	(134,254)
Contributions, employee	-	111,103	(111,103)
Net investment income	-	83,779	(83,779)
Other (net transfer)	-	(24,411)	24,411
Balances at December 31, 2024	<u>\$ 1,267,592</u>	<u>\$ 1,260,021</u>	<u>\$ 7,571</u>

Plan fiduciary net position as a percentage of the total pension liability 99.40 %

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the Council recognized pension expense of \$103,486. The Council reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 231,507	\$ 161,683
Assumption changes	5,958	25,743
Net difference between projected and actual earnings on pension plan investments	21,424	-
Contributions subsequent to the measurement date	<u>63,747</u>	<u>-</u>
Total	<u>\$ 322,636</u>	<u>\$ 187,426</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to pensions is \$71,463 and will be recognized in pension expense as follows:

<u>Years Ending June 30,</u>	<u>Council</u>
2026	\$ 19,521
2027	23,781
2028	4,806
2029	7,853
2030	13,145
Thereafter	<u>2,357</u>
Total	<u>\$ 71,463</u>

Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the Council is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Council attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Council's financial position or results of operations.

Region 1 Planning Council

Notes to Financial Statements
June 30, 2025

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*
- Statement No. 105, *Subsequent Events*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Region 1 Planning Council

Schedule of Changes in the Council's Net Pension Liability (Asset) and Related Ratios -
 Illinois Municipal Retirement Fund
 Last Seven Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total Pension Liability			
Service cost	\$ 165,371	\$ 149,900	\$ 125,099
Interest changes of benefit terms	83,582	70,159	47,631
Differences between expected and actual experience	(48,970)	(17,160)	132,856
Changes of assumptions	-	(17,137)	-
Benefit payments, including refunds of member contributions	(5,124)	(11,587)	(2,909)
	<u>194,859</u>	<u>174,175</u>	<u>302,677</u>
Net change in total pension liability	194,859	174,175	302,677
Total Pension Liability, Beginning	<u>1,072,733</u>	<u>898,558</u>	<u>595,881</u>
Total Pension Liability, Ending	<u><u>\$ 1,267,592</u></u>	<u><u>\$ 1,072,733</u></u>	<u><u>\$ 898,558</u></u>
Plan Fiduciary Net Position			
Employer contributions	\$ 134,254	\$ 103,833	\$ 106,326
Employee contributions	111,103	93,637	80,551
Net investment income	83,779	69,749	(46,653)
Benefit payments, including refunds of member contributions	(5,124)	(11,587)	(2,909)
Other (net transfer)	(24,411)	2,425	(16,130)
	<u>299,601</u>	<u>258,057</u>	<u>121,185</u>
Net change in plan fiduciary net position	299,601	258,057	121,185
Plan Fiduciary Net Position, Beginning	<u>960,420</u>	<u>702,363</u>	<u>581,178</u>
Plan Fiduciary Net Position, Ending	<u><u>\$ 1,260,021</u></u>	<u><u>\$ 960,420</u></u>	<u><u>\$ 702,363</u></u>
Net Pension Liability (Asset), Ending	<u><u>\$ 7,571</u></u>	<u><u>\$ 112,313</u></u>	<u><u>\$ 196,195</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.40%	89.53%	78.17%
Covered Payroll	\$ 2,486,186	\$ 2,080,824	\$ 1,790,011
Net Pension Liability (Asset) as a Percentage of Covered Payroll	0.30%	5.40%	10.96%

Notes to Schedule:

The Council joined IMRF effective September 1, 2018. Information prior to fiscal year 2019 is not available. Additional years' information will be presented as it becomes available.

	2022	2021	2020	2019
\$	117,163	\$ 115,918	\$ 83,807	\$ 72,770
	41,597	40,273	20,897	2,729
	(77,166)	(111,456)	150,225	158,582
	-	(22,995)	-	12,776
	(1,776)	(6,415)	(1,048)	-
	79,818	15,325	253,881	246,857
	516,063	500,738	246,857	-
<u>\$</u>	<u>595,881</u>	<u>\$ 516,063</u>	<u>\$ 500,738</u>	<u>\$ 246,857</u>
\$	115,816	\$ 110,604	\$ 101,668	\$ 23,300
	63,326	60,697	54,336	12,452
	53,600	23,201	5,437	-
	(1,776)	(6,415)	(1,048)	-
	(12,872)	(9,247)	(9,752)	(2,149)
	218,094	178,840	150,641	33,603
	363,084	184,244	33,603	-
<u>\$</u>	<u>581,178</u>	<u>\$ 363,084</u>	<u>\$ 184,244</u>	<u>\$ 33,603</u>
<u>\$</u>	<u>14,703</u>	<u>\$ 152,979</u>	<u>\$ 316,494</u>	<u>\$ 213,254</u>
	97.53%	70.36%	36.79%	13.61%
\$	1,407,241	\$ 1,348,831	\$ 1,207,463	\$ 276,720
	1.04%	11.34%	26.21%	77.06%

See notes to required supplementary information

Region 1 Planning Council

Schedule of Employer Contributions -
Illinois Municipal Retirement Fund
Last Seven Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 134,254	\$ 118,861	\$ 106,124	\$ 114,113
Contributions in relation to the actuarially determined contribution	<u>(134,254)</u>	<u>(118,861)</u>	<u>(106,124)</u>	<u>(114,113)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,739,959	\$ 2,314,380	\$ 1,938,834	\$ 1,698,706
Contributions as a percentage of covered payroll	4.90%	5.14%	5.47%	6.72%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	
Actuarially determined contribution	\$ 110,631	\$ 102,442	\$ -	
Contributions in relation to the actuarially determined contribution	<u>(110,631)</u>	<u>(102,442)</u>	<u>(73,095)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,095)</u>	
Covered payroll	\$ 1,355,096	\$ 1,261,843	\$ 889,454	
Contributions as a percentage of covered payroll	8.16%	8.12%	8.22%	

Notes to Schedule:

The Council joined IMRF effective September 1, 2018. Information prior to fiscal year 2019 is not available.

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregated Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market, 20% corridor
Inflation	2.25%
Salary increases	2.75% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2020

Region 1 Planning Council

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

General Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Grants	\$ 881,689	\$ 480,417	\$ (401,272)
Membership fee	391,586	338,153	(53,433)
Fee for service	1,174,871	1,226,666	51,795
Miscellaneous revenues	7,500	8,776	1,276
	<u>2,455,646</u>	<u>2,054,012</u>	<u>(401,634)</u>
Total revenues			
Expenditures			
Current:			
General government:			
Personnel	1,598,787	1,648,575	(49,788)
Occupancy	59,553	14,399	45,154
Travel	26,100	23,578	2,522
Office	39,500	26,042	13,458
Telecommunications	1,822	571	1,251
Professional	59,344	12,742	46,602
Contractual	579,981	478,473	101,508
Miscellaneous	11,059	2,599	8,460
Debt service:			
Principal	-	33,984	(33,984)
Interest and fiscal charges	2,500	2,091	409
	<u>2,378,646</u>	<u>2,243,054</u>	<u>135,592</u>
Total expenditures			
Net change in fund balance	<u>\$ 77,000</u>	<u>(189,042)</u>	<u>\$ (266,042)</u>
Fund Balance, Beginning		<u>794,545</u>	
Fund Balance, Ending		<u>\$ 605,503</u>	

See notes to required supplementary information

Region 1 Planning Council

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Metropolitan Planning Organization Fund

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Grants	\$ 2,255,011	\$ 1,810,407	\$ (444,604)
Fee for service	-	737	737
Total revenues	<u>2,255,011</u>	<u>1,811,144</u>	<u>(443,867)</u>
Expenditures			
General government:			
Personnel	1,587,784	1,254,442	333,342
Occupancy	50,350	12,138	38,212
Travel	18,919	20,179	(1,260)
Office	10,050	13,831	(3,781)
Telecommunications	1,185	770	415
Professional	142,535	5,620	136,915
Contractual	517,188	498,692	18,496
Miscellaneous	4,000	1,522	2,478
Debt service:			
Principal	-	24,920	(24,920)
Interest and fiscal charges	-	1,533	(1,533)
Total expenditures	<u>2,332,011</u>	<u>1,833,647</u>	<u>498,364</u>
Net change in fund balance	<u>\$ (77,000)</u>	<u>(22,503)</u>	<u>\$ 54,497</u>
Fund Balance, Beginning		<u>281,921</u>	
Fund Balance, Ending		<u>\$ 259,418</u>	

See notes to required supplementary information

Region 1 Planning Council

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Winnebago County Geographic Information System

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Charges for services			
Membership fee	\$ 416,871	\$ 396,294	\$ (20,577)
Fee for service	85,000	2,832	(82,168)
Miscellaneous revenues	-	99,852	99,852
	<u>501,871</u>	<u>498,978</u>	<u>(2,893)</u>
Expenditures			
General government:			
Personnel	355,000	328,431	26,569
Occupancy	19,390	5,152	14,238
Travel	9,600	6,575	3,025
Office	3,250	4,562	(1,312)
Telecommunications	4,380	2,746	1,634
Professional	17,750	836	16,914
Contractual	92,000	128,131	(36,131)
Miscellaneous	500	149	351
Debt service:			
Principal	-	10,573	(10,573)
Interest and fiscal charges	-	650	(650)
	<u>501,870</u>	<u>487,805</u>	<u>14,065</u>
Net change in fund balance	<u>\$ 1</u>	<u>11,173</u>	<u>\$ 11,172</u>
Fund Balance, Beginning		<u>319,173</u>	
Fund Balance, Ending		<u>\$ 330,346</u>	

See notes to required supplementary information

Region 1 Planning Council

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -

Northern Illinois Land Bank Authority

Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Grants	\$ 200,000	\$ 256,381	\$ 56,381
Fee for service	-	4,985	4,985
Miscellaneous revenues	375,000	675,098	300,098
	<u>575,000</u>	<u>936,464</u>	<u>361,464</u>
Expenditures			
General government:			
Personnel	277,791	273,856	3,935
Occupancy	11,080	2,945	8,135
Travel	10,000	8,782	1,218
Office	6,500	2,679	3,821
Telecommunications	871	565	306
Professional	107,033	2,996	104,037
Contractual	161,125	314,133	(153,008)
Miscellaneous	600	501	99
Debt service:			
Principal	-	6,042	(6,042)
Interest and fiscal charges	-	372	(372)
	<u>575,000</u>	<u>612,871</u>	<u>(37,871)</u>
Net change in fund balance	<u>\$ -</u>	<u>323,593</u>	<u>\$ 323,593</u>
Fund Balance, Beginning		<u>708,982</u>	
Fund Balance, Ending		<u>\$ 1,032,575</u>	

See notes to required supplementary information

Region 1 Planning Council

Notes to Required Supplementary Information
Year Ended June 30, 2025

Budgetary Information

A balanced budget will be presented annually for Board review and approval. The cash revenue resources for the budget period shall not be exceeded by the expenses. The budget shall be constructed to align to achieving the long-term strategic priorities established by the Board. When appropriate, a needs assessment of stakeholder priorities, challenges, and opportunities will be integrated into the process to assist in development.

The budget will be based on an operational planning to achieve the strategic priorities of the Board. An objective, analytical approach to forecasting shall be taken in estimating as accurately as possible.

Revenue incomes and expenditure outflows will be monitored on an ongoing basis to assess the implications of the annual budget in order to provide timely updates on actual financial performance. Amendments will be considered by the Board when an interfund shift is necessary greater than can be restored by the end of the fiscal year, to match the budgetary condition equal to that approved by the Board.

SUPPLEMENTARY INFORMATION

Region 1 Planning Council

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Budget and Actual -
Northern Council of Governments - Nonmajor Special Revenue Fund
Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Membership fee	\$ 65,000	\$ 53,750	\$ (11,250)
Miscellaneous revenues	12,000	56,897	44,897
Total revenues	<u>77,000</u>	<u>110,647</u>	<u>33,647</u>
Expenditures			
General government:			
Personnel	71,234	65,667	5,567
Occupancy	2,770	2,340	430
Travel	1,500	11	1,489
Office	400	1,182	(782)
Telecommunications	79	49	30
Professional	454	382	72
Contractual	562	39,713	(39,151)
Miscellaneous	-	1,303	(1,303)
Total expenditures	<u>76,999</u>	<u>110,647</u>	<u>(33,648)</u>
Net change in fund balance	<u>\$ 1</u>	-	<u>\$ (1)</u>
Fund Balance (Deficit), Beginning		<u>(12,869)</u>	
Fund Balance (Deficit), Ending		<u>\$ (12,869)</u>	

Region 1 Planning Council

Combining Statement of Fiduciary Net Position -

Custodial Funds

June 30, 2025

	<u>Winnebago Trustee Program</u>	<u>Boone Trustee Program</u>	<u>Winnebago County Rail Association</u>	<u>Total</u>
Assets				
Cash and investments	\$ 357,986	\$ 11,564	\$ 71,153	\$ 440,703
Accounts receivable	42,258	-	-	42,258
Total assets	<u>400,244</u>	<u>11,564</u>	<u>71,153</u>	<u>482,961</u>
Liabilities				
Accounts payable	11,030	7,103	110	18,243
Due to primary government	87,661	14,639	-	102,300
Due to other governments	146,961	-	-	146,961
Total liabilities	<u>245,652</u>	<u>21,742</u>	<u>110</u>	<u>267,504</u>
Net Position				
Restricted for individuals, organizations and other governments	<u>154,592</u>	<u>(10,178)</u>	<u>71,043</u>	<u>215,457</u>
Total net position	<u>\$ 154,592</u>	<u>\$ (10,178)</u>	<u>\$ 71,043</u>	<u>\$ 215,457</u>

Region 1 Planning Council

Combining Statement of Changes in Fiduciary Net Position -
Custodial Funds
Year Ended June 30, 2025

	<u>Winnebago Trustee Program</u>	<u>Boone Trustee Program</u>	<u>Winnebago County Rail Association</u>	<u>Total</u>
Additions				
Charges for services:				
Membership fee	\$ -	\$ 22,190	\$ 75,000	\$ 97,190
Fee for service	740,096	-	-	740,096
Miscellaneous revenues	295	-	264	559
	<u>740,391</u>	<u>22,190</u>	<u>75,264</u>	<u>837,845</u>
Total additions				
Deductions				
General government:				
License and fees	32,955	-	-	32,955
Office	11,834	-	-	11,834
Travel	159	-	-	159
Contractual	688,880	28,515	4,221	721,616
	<u>733,828</u>	<u>28,515</u>	<u>4,221</u>	<u>766,564</u>
Total deductions				
Change in net position	6,563	(6,325)	71,043	71,281
Net Position (Deficit), Beginning	<u>148,029</u>	<u>(3,853)</u>	<u>-</u>	<u>144,176</u>
Net Position (Deficit), Ending	<u>\$ 154,592</u>	<u>\$ (10,178)</u>	<u>\$ 71,043</u>	<u>\$ 215,457</u>