

REGION 1 PLANNING COUNCIL, ILLINOIS

ANNUAL FINANCIAL REPORT



COLLABORATIVE PLANNING FOR NORTHERN ILLINOIS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

REGION 1 PLANNING COUNCIL, ILLINOIS

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FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Basic Financial Statements

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INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Council's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

April 25, 2022

Members of the Board
Region 1 Planning Council
Rockford, Illinois

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, Illinois, as of and for the year ended June 30, 2021, 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 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 Region 1 Planning Council, Illinois, as of June 30, 2021, and the respective changes in financial position 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. Our responsibilities under those standards are further described in the Auditor's 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.

Auditor's 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 auditor's 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 generally accepted 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 generally accepted 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 budgetary comparison 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 Region 1 Planning Council, Illinois' basic financial statements. The other supplementary information is presented for purposes of additional analysis and are 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, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

- Governmental Funds
- Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

REGION 1 PLANNING COUNCIL, ILLINOIS

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 758,485
Land Held for Resale	30,000
Receivables - Net of Allowances	639,612
Due from Other Governments	224,225
Prepays	55,213
Total Assets	<u>1,707,535</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>308,340</u>
Total Assets and Deferred Outflows of Resources	<u>2,015,875</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	193,552
Accrued Payroll	83,824
Other Payables	45,175
Due to Other Governments	257,282
Compensated Absences Payable	13,585
Total Current Liabilities	<u>593,418</u>
Noncurrent Liabilities	
Compensated Absences Payable	54,340
Net Pension Liability - IMRF	152,979
Total Noncurrent Liabilities	<u>207,319</u>
Total Liabilities	<u>800,737</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>125,654</u>
Total Liabilities and Deferred Inflows of Resources	<u>926,391</u>
NET POSITION	
Restricted	
Metropolitan Planning Organization	284,648
Winnebago County Geographic Information System	308,615
Unrestricted	<u>496,221</u>
Total Net Position	<u><u>1,089,484</u></u>

The notes to the financial statements are an integral part of this statement.

REGION 1 PLANNING COUNCIL, ILLINOIS

Statement of Activities

For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues			Net (Expenses)/ Revenues and Changes in Net Position
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Governmental Activities					
General Government	\$ 3,586,214	827,429	2,934,986	—	176,201
Interest on Long-Term Debt	1,058	—	—	—	(1,058)
Total Governmental Activities	<u>3,587,272</u>	<u>827,429</u>	<u>2,934,986</u>	<u>—</u>	175,143
			General Revenues Miscellaneous		<u>279,989</u>
			Change in Net Position		455,132
			Net Position - Beginning		<u>634,352</u>
			Net Position - Ending		<u>1,089,484</u>

The notes to the financial statements are an integral part of this statement.

REGION 1 PLANNING COUNCIL, ILLINOIS

Balance Sheet - Governmental Funds

June 30, 2021

	General	Special Revenue		Total
		Metropolitan Planning Organization	Winnebago County Geographic Information System	
ASSETS				
Cash and Investments	\$ 384,334	45,618	328,533	758,485
Land Held for Resale	30,000	—	—	30,000
Receivables - Net of Allowances				
Accounts	257,935	325,679	55,998	639,612
Due from Other Funds	19,409	147,695	—	167,104
Due from Other Governments	224,225	—	—	224,225
Prepays	21,758	33,258	197	55,213
Total Assets	937,661	552,250	384,728	1,874,639
LIABILITIES				
Accounts Payable	99,668	49,485	44,399	193,552
Accrued Payroll	36,948	37,044	9,832	83,824
Other Payables	36,070	6,829	2,276	45,175
Due to Other Funds	147,695	—	19,409	167,104
Due to Other Governments	116,296	140,986	—	257,282
Total Liabilities	436,677	234,344	75,916	746,937
FUND BALANCES				
Nonspendable	21,758	33,258	197	55,213
Restricted	—	284,648	308,615	593,263
Unassigned	479,226	—	—	479,226
Total Fund Balances	500,984	317,906	308,812	1,127,702
Total Liabilities and Fund Balances	937,661	552,250	384,728	1,874,639

The notes to the financial statements are an integral part of this statement.

REGION 1 PLANNING COUNCIL, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2021

Total Governmental Fund Balances	\$ 1,127,702
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	182,686
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(67,925)
Net Pension Liability - IMRF	<u>(152,979)</u>
Net Position of Governmental Activities	<u><u>1,089,484</u></u>

The notes to the financial statements are an integral part of this statement.

REGION 1 PLANNING COUNCIL, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2021**

	General	Special Revenue		Total
		Metropolitan Planning Organization	Winnebago County Geographic Information System	
Revenues				
Membership Fee	\$ 434,985	28,186	364,258	827,429
Grants	1,674,813	1,260,173	—	2,934,986
Miscellaneous	270,993	—	8,996	279,989
Total Revenues	2,380,791	1,288,359	373,254	4,042,404
Expenditures				
Current				
General Government	1,837,907	1,389,888	378,177	3,605,972
Debt Service				
Interest and Fiscal Charges	1,227	(169)	—	1,058
Total Expenditures	1,839,134	1,389,719	378,177	3,607,030
Net Change in Fund Balances	541,657	(101,360)	(4,923)	435,374
Fund Balances - Beginning	(40,673)	419,266	313,735	692,328
Fund Balances - Ending	500,984	317,906	308,812	1,127,702

The notes to the financial statements are an integral part of this statement.

REGION 1 PLANNING COUNCIL, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 435,374
Amounts reported for governmental activities in the Statement of Activities are different because:	
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(154,737)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Change in Compensated Absences Payable	10,977
Change in Net Pension Liability - IMRF	<u>163,518</u>
Changes in Net Position of Governmental Activities	<u><u>455,132</u></u>

The notes to the financial statements are an integral part of this statement.

REGION 1 PLANNING COUNCIL, ILLINOIS

**Trustee Program - Custodial Fund
Statement of Fiduciary Net Position
June 30, 2021**

ASSETS	
Cash and Cash Equivalents	\$ 860,665
Receivables	
Accounts	<u>53,575</u>
Total Assets	<u>914,240</u>
LIABILITIES	
Accounts Payable	598,469
Due to Other Governments	<u>224,225</u>
Total Liabilities	<u>822,694</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	<u><u>91,546</u></u>

The notes to the financial statements are an integral part of this statement.

REGION 1 PLANNING COUNCIL, ILLINOIS

Trustee Program - Custodial Fund
Schedule of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2021

Additions	
Miscellaneous	<u>\$ 716,207</u>
Deductions	
Travel	338
Office	567
Professional	81
Contractual	<u>582,558</u>
Total Deductions	<u>583,544</u>
Change in Net Position	132,663
Net Position Restricted for Individuals, Organizations, and Other Governments	
Beginning	<u>(41,117)</u>
Ending	<u><u>91,546</u></u>

The notes to the financial statements are an integral part of this statement.

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Region 1 Planning Council (RPC -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 government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Council's accounting policies established in GAAP and used by the Council are described below.

REPORTING ENTITY

The Council's financial reporting entity comprises the following:

Primary Government:	Region 1 Planning Council
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In determining the financial reporting entity, the Council complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Council. Based upon the criteria set forth in the GASB Statement No. 61, all component units that have a significant operational or financial relationship with the Council have been included.

BASIS OF PRESENTATION

Government-Wide Statements

The Council's basic financial statements include both government-wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Council only reports governmental activities. The Council's planning, geographic information system, and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities column is: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Council's net position is reported in two parts: restricted and unrestricted. The Council first utilizes restricted resources to finance qualifying activities.

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions (general government). The functions are supported by general government revenues (membership fees and miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from foods, 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.

The net costs (by function) are normally covered by general revenue (miscellaneous revenues).

This government-wide focus is more on the sustainability of the Council as an entity and the change in the Council's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into governmental category. The emphasis in fund financial statements is on the major funds.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses) for the determination of major funds. The Council may electively add funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is a primary operating fund of the Council or meets the following criteria:

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

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Council:

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Council:

General Fund is the general operating fund of the Council. It accounts for all revenues and expenditures of the Council which are not accounted for in other funds. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Council maintains two special revenue funds. The Metropolitan Planning Organization Fund accounts are restricted to grant-funded transportation planning. The Winnebago County Geographic Information System Fund accounts for are restricted to direct revenue and expenditures derived from hosting and disseminating Geographic Information System data for its members and subscribers.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Council programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Custodial Funds are used to account for assets held by the Council in a purely custodial capacity. The Trustee Program accounts for financial transactions associated with contractual services provided as the County of Winnebago's agent in the operation of a delinquent tax program.

The Council's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Council, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below.

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Custodial funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Custodial funds equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. A sixty-day availability period is used for revenue recognition for governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for long-term debt principal and interest, which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are grants and membership fees. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Custodial funds utilize 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.

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Council categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Council has no investments at year-end.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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.

Prepays

Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Compensated Absences

The Council accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components, as applicable:

Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation. Currently, the Council does not have any capital assets reported.

Restricted - Consists of net position with constraints placed on the 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.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

During the year, no supplementary appropriations were made.

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
General	\$ 96,978

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Council maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Council's funds.

Permitted Deposits and Investments - Illinois Statutes authorizes the Council to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, and commercial paper rated within the three highest classifications by at least two standard rating services.

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Council's deposits totaled \$758,485 and the bank balances totaled \$1,073,644.

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.

Concentration 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 RPC 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 Joint Planning Commission. At year-end, the Council has no investments over 5 percent of the total cash and investment portfolio.

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.

Custodial Credit Risk. 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 \$823,644 of the bank balance of the deposits was not covered by federal depository or equivalent insurance.

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Custodial Credit Risk - Continued. 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.

INTERFUND BALANCES

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Winnebago County Geographic Information System	\$ 19,409
Metropolitan Planning Organization	General	147,695
		<u>167,104</u>

LONG-TERM DEBT

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 78,902	—	10,977	67,925	13,585
Net Pension Liability - IMRF	316,497	—	163,518	152,979	—
	<u>395,399</u>	<u>—</u>	<u>174,495</u>	<u>220,904</u>	<u>13,585</u>

For the governmental activities, payments on the compensated absences and the net pension liability are made by the General Fund.

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Council considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Council first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board itself or b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The Council's highest level of decision-making authority is the Board, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue		Totals
		Metropolitan Planning Organization	Winnebago County Geographic Information System	
Fund Balances				
Nonspendable				
Prepays	\$ 21,758	33,258	197	55,213
Restricted				
Metropolitan Planning Organization	—	284,648	—	284,648
Winnebago County Geographic Information System	—	—	308,615	308,615
		284,648	308,615	593,263
Unassigned	479,226	—	—	479,226
Total Fund Balances	500,984	317,906	308,812	1,127,702

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

The Council is not currently involved in any lawsuits.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Council expects such amounts, if any, to be immaterial.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Council's operations and financial position cannot be determined.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

The Council contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit 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 consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit 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 on January 1 every 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. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	—
Inactive Plan Members Entitled to but not yet Receiving Benefits	7
Active Plan Members	<u>24</u>
Total	<u><u>31</u></u>

Contributions. As set by statute, the Council's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended June 30, 2021, the Council's contribution was 8.16% of covered payroll.

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Net Pension Liability. The Council's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current MRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same 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 Council contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Council calculated using the discount rate as well as what the Council's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net Pension Liability	\$ 580,478	152,979	61,600

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 500,738	184,241	316,497
Changes for the year:			
Service Cost	115,918	—	115,918
Interest on the Total Pension Liability	40,273	—	40,273
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(111,456)	—	(111,456)
Change of Assumptions	(22,995)	—	(22,995)
Contributions - Employer	—	110,604	(110,604)
Contributions - Employees	—	60,697	(60,697)
Net Investment Income	—	23,204	(23,204)
Benefit Payments, Including			
Refunds of Member Contributions	(6,415)	(6,415)	—
Other (Net Transfer)	—	(9,247)	9,247
Net Changes	15,325	178,843	(163,518)
Balances at December 31, 2020	516,063	363,084	152,979

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

For the year ended June 30, 2021, the Council recognized pension expense of \$101,850. At June 30, 2021, the Council reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 248,723	(102,920)	145,803
Change in Assumptions	9,854	(21,234)	(11,380)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(1,500)	(1,500)
Contributions Made Subsequent to Measurement Date	258,577 49,763	(125,654) —	132,923 49,763
Total Deferred Amounts Related to IMRF	<u>308,340</u>	<u>(125,654)</u>	<u>182,686</u>

\$49,763 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2022	\$ 14,539
2023	14,539
2024	14,285
2025	13,833
2026	14,674
Thereafter	<u>61,053</u>
Totals	<u><u>132,923</u></u>

REGION 1 PLANNING COUNCIL, ILLINOIS

Notes to the Financial Statements

June 30, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The Region 1 Planning Council has evaluated its potential other postemployment benefits liability. Former employees who choose to retain their rights to health insurance through the Region 1 Planning 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 Region 1 Planning Council provides no explicit benefit. Therefore, the Region 1 Planning Council has not recorded a liability as of June 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund
Metropolitan Planning Organization - Special Revenue Fund
Winnebago County Geographic Information System - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary information - budgets are adopted on a basis consistent with generally accepted accounting principles.

REGION 1 PLANNING COUNCIL, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
June 30, 2021**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019*	\$ —	\$ 73,095	\$ 73,095	\$ 889,454	8.22%
2020	102,442	102,442	—	1,261,843	8.12%
2021	110,631	110,631	—	1,355,096	8.16%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

*Note: The Council joined IMRF effective September 1, 2018.

REGION 1 PLANNING COUNCIL, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2021**

	12/31/18*	12/31/19	12/31/20
Total Pension Liability			
Service Cost	\$ 72,770	83,807	115,918
Interest	2,729	20,897	40,273
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	158,582	150,225	(111,456)
Change of Assumptions	12,776	—	(22,995)
Benefit Payments, Including Refunds of Member Contributions	—	(1,048)	(6,415)
Net Change in Total Pension Liability	246,857	253,881	15,325
Total Pension Liability - Beginning	—	246,857	500,738
Total Pension Liability - Ending	246,857	500,738	516,063
Plan Fiduciary Net Position			
Contributions - Employer	\$ 23,300	101,665	110,604
Contributions - Members	12,452	54,336	60,697
Net Investment Income	—	5,437	23,204
Benefit Payments, Including Refunds of Member Contributions	—	(1,048)	(6,415)
Other (Net Transfer)	(2,149)	(9,752)	(9,247)
Net Change in Plan Fiduciary Net Position	33,603	150,638	178,843
Plan Net Position - Beginning	—	33,603	184,241
Plan Net Position - Ending	33,603	184,241	363,084
Employer's Net Pension Liability	\$ 213,254	316,497	152,979
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	13.61%	36.79%	70.36%
Covered Payroll	\$ 276,720	1,207,463	1,348,831
Employer's Net Pension Liability as a Percentage of Covered Payroll	77.06%	26.21%	11.34%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

*Note: The Council joined IMRF effective September 1, 2018.

REGION 1 PLANNING COUNCIL, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Membership Fee	\$ 388,344	388,344	434,985
Grants	1,115,731	1,115,731	1,674,813
Miscellaneous	—	—	270,993
Total Revenues	<u>1,504,075</u>	<u>1,504,075</u>	<u>2,380,791</u>
Expenditures			
General Government			
Personnel	981,894	981,894	794,000
Occupancy	18,597	18,597	22,597
Office	5,364	5,364	13,996
Telecommunications	285	285	660
Professional	6,778	6,778	3,572
Contractual	729,238	729,238	1,003,082
Debt Service			
Interest and Fiscal Charges	—	—	1,227
Total Expenditures	<u>1,742,156</u>	<u>1,742,156</u>	<u>1,839,134</u>
Net Change in Fund Balance	<u>(238,081)</u>	<u>(238,081)</u>	541,657
Fund Balance - Beginning			<u>(40,673)</u>
Fund Balance - Ending			<u><u>500,984</u></u>

REGION 1 PLANNING COUNCIL, ILLINOIS

Metropolitan Planning Organization - Special Revenue Fund

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

For the Fiscal Year Ended June 30, 2021

	Budget		Actual
	Original	Final	
Revenues			
Membership Fee	\$ —	—	28,186
Grants	1,411,043	1,411,043	1,260,173
Total Revenues	<u>1,411,043</u>	<u>1,411,043</u>	<u>1,288,359</u>
Expenditures			
General Government			
Personnel	922,879	922,879	861,850
Occupancy	49,500	49,500	56,080
Office	7,444	7,444	4,386
Telecommunications	10,725	10,725	9,610
Professional	10,898	10,898	3,615
Contractual	407,253	407,253	454,347
Debt Service			
Interest and Fiscal Charges	—	—	(169)
Total Expenditures	<u>1,408,699</u>	<u>1,408,699</u>	<u>1,389,719</u>
Net Change in Fund Balance	<u>2,344</u>	<u>2,344</u>	(101,360)
Fund Balance - Beginning			<u>419,266</u>
Fund Balance - Ending			<u>317,906</u>

REGION 1 PLANNING COUNCIL, ILLINOIS

**Winnebago County Geographic Information System - Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Membership Fee	\$ 362,192	362,192	364,258
Miscellaneous	—	—	8,996
Total Revenues	<u>362,192</u>	<u>362,192</u>	<u>373,254</u>
Expenditures			
General Government			
Personnel	287,851	287,851	234,273
Occupancy	17,937	17,937	4,471
Office	4,266	4,266	1,557
Telecommunications	2,123	2,123	432
Professional	6,185	6,185	2,583
Contractual	90,329	90,329	134,861
Total Expenditures	<u>408,691</u>	<u>408,691</u>	<u>378,177</u>
Net Change in Fund Balance	<u>(46,499)</u>	<u>(46,499)</u>	(4,923)
Fund Balance - Beginning			<u>313,735</u>
Fund Balance - Ending			<u><u>308,812</u></u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Consolidated Year-End Financial Report

REGION 1 PLANNING COUNCIL, ILLINOIS

**Consolidated Year-End Financial Report
June 30, 2021**

CSFA #	Program Name	State	Federal	Other	Total
444-00-2174	2020 Census Grant Program	\$ 308,730	—	—	308,730
420-35-2424	Community Technology Center Grant	15,000	—	—	15,000
420-35-2496	Broadband Regional Engagement for Adoption and Digital Equity Community Technology Center Grant Program	17,013	—	—	17,013
494-00-1009	Metropolitan Planning Program	—	635,317	—	635,317
494-00-1439	Statewide Planning and Research Funds	252,562	373,866	—	626,428
	Other Grant Programs and Activities	143,686	673,411	155,169	972,266
	All Other Costs Not Allocated	—	—	1,012,518	1,012,518
	Totals	736,991	1,682,594	1,167,687	3,587,272



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

April 25, 2022

Members of the Board
Region 1 Planning Council
Rockford, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Region 1 Planning Council, Illinois, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated April 25, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
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