



METROPOLITAN PLANNING COUNCIL

Financial Statements

December 31, 2024 and 2023

METROPOLITAN PLANNING COUNCIL
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Governors
Metropolitan Planning Council

Opinion

We have audited the accompanying financial statements of Metropolitan Planning Council (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Metropolitan Planning Council as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Metropolitan Planning 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 opinion.

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 Metropolitan Planning Council's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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, including omissions, 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 Metropolitan Planning 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 Metropolitan Planning 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.

Oak Brook, Illinois

June 11, 2025

METROPOLITAN PLANNING COUNCIL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 487,572	\$ 191,910
Grants receivable	81,644	83,487
Unconditional promises to give	670,000	697,500
Prepaid expenses	46,535	44,880
Total Current Assets	<u>1,285,751</u>	<u>1,017,777</u>
OTHER ASSETS		
Investments	15,569,491	14,395,639
Unconditional promises to give, long-term	100,000	50,000
Property and equipment, net	303,596	360,195
Right-of-use asset	1,726,819	2,049,619
Security deposit	23,745	23,745
Total Other Assets	<u>17,723,651</u>	<u>16,879,198</u>
Total Assets	<u>\$ 19,009,402</u>	<u>\$ 17,896,975</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 144,642	\$ 219,665
Accrued expenses	91,929	161,678
Lease liability, current portion	361,895	347,083
Total Current Liabilities	<u>598,466</u>	<u>728,426</u>
LONG-TERM LIABILITIES		
Line of credit	465,000	-
Lease liability, long-term portion	1,563,184	1,911,149
Total Long-Term Liabilities	<u>2,028,184</u>	<u>1,911,149</u>
NET ASSETS		
Without donor restrictions:		
Board Designated Reserve Fund	5,954,971	5,954,971
Undesignated	2,701,988	3,245,054
With donor restrictions	7,725,793	6,057,375
Total Net Assets	<u>16,382,752</u>	<u>15,257,400</u>
Total Liabilities and Net Assets	<u>\$ 19,009,402</u>	<u>\$ 17,896,975</u>

The accompanying notes are an integral part
of the financial statements.

METROPOLITAN PLANNING COUNCIL
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Support						
Contributions and grants	\$ 539,406	\$ 3,066,811	\$ 3,606,217	\$ 833,705	\$ 1,978,781	\$ 2,812,486
Annual meeting proceeds	796,432	-	796,432	764,935	-	764,935
Contributions of nonfinancial assets	76,293	-	76,293	46,905	-	46,905
Net assets released from restrictions	1,877,653	(1,877,653)	-	1,904,956	(1,904,956)	-
Total revenue	<u>3,289,784</u>	<u>1,189,158</u>	<u>4,478,942</u>	<u>3,550,501</u>	<u>73,825</u>	<u>3,624,326</u>
EXPENSES						
Program services	3,078,734	-	3,078,734	3,019,370	-	3,019,370
Management and general	929,895	-	929,895	916,096	-	916,096
Fundraising	798,813	-	798,813	836,813	-	836,813
Total expenses	<u>4,807,442</u>	<u>-</u>	<u>4,807,442</u>	<u>4,772,279</u>	<u>-</u>	<u>4,772,279</u>
INVESTMENT INCOME						
Realized gain on investments, net	661,671	269,816	931,487	197,594	87,962	285,556
Unrealized gain (loss) on investments	(75,178)	23,861	(51,317)	744,038	344,899	1,088,937
Dividends and interest income	388,099	185,583	573,682	246,420	111,431	357,851
Total investment income	<u>974,592</u>	<u>479,260</u>	<u>1,453,852</u>	<u>1,188,052</u>	<u>544,292</u>	<u>1,732,344</u>
CHANGE IN NET ASSETS	(543,066)	1,668,418	1,125,352	(33,726)	618,117	584,391
NET ASSETS						
Beginning of year	<u>9,200,025</u>	<u>6,057,375</u>	<u>15,257,400</u>	<u>9,233,751</u>	<u>5,439,258</u>	<u>14,673,009</u>
End of year	<u>\$ 8,656,959</u>	<u>\$ 7,725,793</u>	<u>\$ 16,382,752</u>	<u>\$ 9,200,025</u>	<u>\$ 6,057,375</u>	<u>\$ 15,257,400</u>

The accompanying notes are an integral part of the financial statements.

METROPOLITAN PLANNING COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Support Services			Total Expenses
		Management and General	Fundraising	Total Support Services	
Compensation and related expenses					
Salaries	\$ 1,559,900	\$ 523,101	\$ 325,183	\$ 848,284	\$ 2,408,184
Payroll taxes and employee benefits	381,832	123,886	77,501	201,387	583,219
	<u>1,941,732</u>	<u>646,987</u>	<u>402,684</u>	<u>1,049,671</u>	<u>2,991,403</u>
Communications and subscriptions	5,204	1,788	1,138	2,926	8,130
Consultants and subcontractors	495,286	119,951	166,731	286,682	781,968
Depreciation and amortization	54,139	18,610	11,843	30,453	84,592
Equipment costs	8,590	2,953	1,879	4,832	13,422
Events and meetings	33,338	8,009	56,175	64,184	97,522
Donated professional services	48,828	16,784	10,681	27,465	76,293
Interest	8,878	3,053	1,942	4,995	13,873
Miscellaneous	3,329	1,149	729	1,878	5,207
Office	62,685	13,069	68,710	81,779	144,464
Office insurance	18,912	6,497	4,137	10,634	29,546
Other direct project	17,992	1,396	1,583	2,979	20,971
Printing and publications	100,113	209	13,665	13,874	113,987
Professional development	6,185	2,125	1,353	3,478	9,663
Rent and utilities	247,659	84,884	54,015	138,899	386,558
Telephone and internet	7,080	2,431	1,548	3,979	11,059
Travel and meals	18,784	-	-	-	18,784
	<u>\$ 3,078,734</u>	<u>\$ 929,895</u>	<u>\$ 798,813</u>	<u>\$ 1,728,708</u>	<u>\$ 4,807,442</u>

The accompanying notes are an integral part of the financial statements.

METROPOLITAN PLANNING COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services	Support Services			Total Expenses
		Management and General	Fundraising	Total Support Services	
Compensation and related expenses					
Salaries	\$ 1,703,375	\$ 616,898	\$ 335,351	\$ 952,249	\$ 2,655,624
Payroll taxes and employee benefits	375,954	137,210	73,207	210,417	586,371
	<u>2,079,329</u>	<u>754,108</u>	<u>408,558</u>	<u>1,162,666</u>	<u>3,241,995</u>
Communications and subscriptions	6,746	2,009	1,308	3,317	10,063
Consultants and subcontractors	355,859	21,972	218,199	240,171	596,030
Depreciation and amortization	49,969	14,918	9,696	24,614	74,583
Equipment costs	9,200	2,750	1,786	4,536	13,736
Events and meetings	21,720	5,080	96,768	101,848	123,568
Donated professional services	30,085	5,924	10,896	16,820	46,905
Miscellaneous	28,935	8,641	5,615	14,256	43,191
Office	48,190	14,385	9,350	23,735	71,925
Office insurance	21,954	6,552	4,260	10,812	32,766
Other direct project	15,721	1,428	8,125	9,553	25,274
Printing and publications	75,786	415	11,612	12,027	87,813
Professional development	8,922	2,665	1,731	4,396	13,318
Rent and utilities	245,807	73,372	47,694	121,066	366,873
Telephone and internet	6,258	1,877	1,215	3,092	9,350
Travel and meals	14,889	-	-	-	14,889
	<u>\$ 3,019,370</u>	<u>\$ 916,096</u>	<u>\$ 836,813</u>	<u>\$ 1,752,909</u>	<u>\$ 4,772,279</u>

The accompanying notes are an integral part of the financial statements.

METROPOLITAN PLANNING COUNCIL
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,125,352	\$ 584,391
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities -		
Depreciation and amortization	84,592	74,583
Noncash lease expense	354,769	354,769
Realized gain on investments	(1,008,309)	(361,061)
Unrealized loss (gain) on investments	51,317	(1,088,937)
(Increase) decrease in operating assets -		
Grants receivable	1,843	44,074
Unconditional promises to give	(22,500)	(347,500)
Prepaid expenses	(1,655)	14,296
Increase (decrease) in operating liabilities -		
Accounts payable	(75,023)	194,910
Accrued expenses	(69,749)	(36,695)
Lease liability	(365,122)	(356,215)
Net Cash Provided by (Used in) Operating Activities	<u>75,515</u>	<u>(923,385)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(27,993)	(72,963)
Proceeds from sale of securities	3,195,145	2,626,195
Purchases of securities	(3,412,005)	(2,580,599)
Net Cash Used in Investing Activities	<u>(244,853)</u>	<u>(27,367)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	465,000	-
Net Cash Provided by Financing Activities	<u>465,000</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	295,662	(950,752)
CASH AND CASH EQUIVALENTS -		
Beginning of year	191,910	1,142,662
End of year	<u>\$ 487,572</u>	<u>\$ 191,910</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid for interest	\$ 13,873	\$ -
Cash paid for income taxes	\$ -	\$ -

The accompanying notes are an integral part
of the financial statements.

METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Metropolitan Planning Council (the Council) is an Illinois not-for-profit group of business and civic leaders committed to serving the public interest through the promotion and implementation of sensible planning and development policies necessary for a world-class Chicago region. The Council conducts policy analysis, outreach, and advocacy in partnership with public officials and community leaders to improve equity of opportunity and quality of life throughout metropolitan Chicago. The Council receives funds from major foundations, individuals, and corporations around the Chicago metropolitan region and beyond.

Basis of Accounting - Under generally accepted accounting principles in the United States of America (U.S. GAAP), the Council is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The net assets of the Council are reported in the two self-balancing groups as follows:

- Net Assets without Donor Restrictions: Net assets without donor restrictions are for use at the discretion of the Board of Governors (the Board) and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.
- Net Assets with Donor Restrictions: Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Council reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Council to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

See Notes 11 through 13 for more information on the composition of net assets with donor restrictions (including endowments) and the release of restrictions, respectively.

Cash and Cash Equivalents - The Council considers all liquid investments purchased with a maturity of three months or less to be cash equivalents for purposes of the statements of cash flows.

Cash Concentrations - The Council maintains its cash in bank deposit accounts which, at times, may exceed federal insured limits. The Council has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash.

METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

Investments - Under U.S. GAAP, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Unrealized gains and losses are included in the change in net assets.

Property and Equipment - Property and equipment are recorded at cost when purchased or at fair value at the date of donation and are being depreciated on a straight-line basis over their estimated useful lives generally between 5 to 10 years. Amortization of the cost of leasehold improvements is computed on a straight-line basis over the term of the lease or the estimated service life, depending on circumstances.

Property and equipment purchases and leasehold improvements in excess of \$1,000 per item are capitalized. Purchases below \$1,000 are expensed. Costs of maintenance and repairs are charged to expenses when incurred.

Deferred Revenue - Program income and interest earned on certain grant funds awarded to the Council must be expended within the respective program and are recognized as deferred revenue when received and recognized as revenue when earned.

Leases - The Council determines if an arrangement is or contains a lease at inception. The Council makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, it is an operating lease. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term at the commencement date.

Operating and finance lease ROU assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As most leases do not provide an implicit rate, the Council has elected to use a risk-free borrowing rate based on the information available at the commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Council will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

As permitted by U.S. GAAP, management has elected not to apply these new lease accounting policies to leases with a term of less than one year at the lease's commencement date. Expenses associated with these short-term leases are recognized on a straight-line basis over the term of the lease.

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Unconditional Promises to Give - Unconditional promises to give (pledges) are recognized as revenue in the period the pledge is received. Pledges are recorded at net realizable value if they are expected to be collected within one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized and recorded as a receivable only when the donor-imposed conditions are substantially met or explicitly waived, at which time the conditional promise to give becomes unconditional. The Council reviews receivables periodically for collectability and an estimated allowance for doubtful accounts is recorded, if necessary. An allowance for uncollectible promises has not been recorded as management is of the opinion that all promises will be collected. The discount on unconditional promises to give expected to be collected over one year was immaterial to the financial statements.

Unconditional promises to give are expected to be realized in the following periods at December 31:

	2024	2023
Receivable in:		
Less than one year	\$ 670,000	\$ 697,500
One to five years	100,000	50,000
	<u>\$ 770,000</u>	<u>\$ 747,500</u>

Donor-Restricted Gifts - Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as without donor restriction and reported as net assets released from restrictions in the statements of activities.

Contributed Nonfinancial Assets - Volunteers, business firms, government organizations, and others contribute substantial amounts of materials and services toward the fulfillment of the goals of the Council. Contributions of donated nonfinancial assets are recorded at their fair values, and contributions of donated services that create or enhance nonfinancial assets or those that require specialized skills which would normally be purchased by the Council if not provided by donation are recorded at their fair market value in the period received.

Functional Allocation of Expenses - The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Council are reported as expenses of that functional area. Costs that benefit multiple functional areas are allocated across program, management and general, and fundraising expenses based on functional salary expenses. Salary expenses are attributed to a functional area based on actual time and effort reported by personnel each pay period.

Estimates - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and

METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status - The Council is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Management believes that it did not engage in any unrelated business activities; thus, no provision for income tax has been provided for in the financial statements. The Council's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Revenue Recognition - The Council generally measures exchange revenue based on the amount of consideration the Council expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Council satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Council evaluates its revenue contracts with customers (i.e. earned revenue) based on the five-step model under Topic 606: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognize revenue when (or as) each performance obligation is satisfied.

The Council considers a contribution conditional if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Contributed income may include gifts of cash, collection items, or promises to give. Contributions of assets other than cash are reported at their estimated fair value. Contributed income that must be used to acquire long-lived assets are recorded as contributions with donor restrictions and grants until the assets are acquired and placed in service.

The following discloses the recognition for the Council's most significant revenue streams:

- Contributions and grants: Contributions and grants are recognized when an unconditional promise to give is made (unconditional promises to give) or when conditions to recognize are met (conditional promises to give).
- Annual Meeting: Annual meeting registrations and sponsorships are recognized at a point in time when the event takes place.

Reclassifications – Certain amounts in the financial statement as of and for the year ended December 31, 2023 have been reclassified to conform to the current period presentation.

Subsequent Events - The Council has evaluated subsequent events through June 11, 2025, the date that the financial statements were available to be issued.

METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

2. GRANTS RECEIVABLE

At December 31, 2024 and 2023, grants receivable represent amounts due under grant agreements for services provided primarily due within one year from various contracting parties/government organizations, corporations and various other donors. All amounts are deemed to be collectible by management and no reserves have been recorded.

3. CONDITIONAL GRANTS FROM GOVERNMENTAL AGENCIES

From time to time, the Council receives conditional grants from various government sources. The grants provide for reimbursement of subsidized projects based on costs approved by the government entity and accrued by the Council.

During 2022, the Council was awarded a grant from the City of Chicago Department of Housing (DOH), for up to \$180,000 in maximum committed funds. During 2024, the Council was awarded a separate grant from DOH for up to \$90,000 in maximum committed funds. During 2024 and 2023, the Council expended and recognized \$87,103 and \$84,206, respectively, as the conditions of the grants were met.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2024	2023
Furniture, fixtures, and equipment	\$ 451,361	\$ 423,368
Leasehold improvements	397,151	397,151
	848,512	820,519
Accumulated depreciation	(544,916)	(460,324)
	<u>\$ 303,596</u>	<u>\$ 360,195</u>

5. INVESTMENTS

Investment income consists of the following during the years ended December 31:

	2024	2023
Interest and dividend income	\$ 573,682	\$ 357,851
Realized and unrealized gain	956,992	1,449,998
Less: investment fees	(76,822)	(75,505)
	<u>\$ 1,453,852</u>	<u>\$ 1,732,344</u>

METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

The historical cost and market value of investments at December 31, 2024 and 2023 were as follows:

	2024			2023		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Investments:						
Unrestricted						
Common stocks	\$ 2,308,879	\$ 3,186,878	\$ 877,999	\$ 2,557,885	\$ 3,461,114	\$ 903,229
Bond mutual funds	4,904,149	4,564,341	(339,808)	4,296,883	3,925,960	(370,923)
Stock mutual funds	748,418	614,394	(134,024)	438,211	306,360	(131,851)
Stock and bond mutual funds	1,365,696	1,799,371	433,675	1,557,172	2,059,687	502,515
Money market funds	333,780	333,780	-	51,051	51,051	-
Investments:						
Restricted for Endowment						
Common stocks	985,980	1,361,039	375,059	1,119,145	1,509,623	390,478
Bond mutual funds	2,351,311	2,204,609	(146,702)	2,067,348	1,928,890	(138,458)
Stock mutual funds	439,054	385,502	(53,552)	157,265	107,080	(50,185)
Stock and bond mutual funds	692,638	970,556	277,918	687,470	911,924	224,454
Money market funds	149,021	149,021	-	133,950	133,950	-
	<u>\$ 14,278,926</u>	<u>\$ 15,569,491</u>	<u>\$ 1,290,565</u>	<u>\$ 13,066,380</u>	<u>\$ 14,395,639</u>	<u>\$ 1,329,259</u>

Investment securities are exposed to various risks including interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position.

6. FAIR VALUE MEASUREMENT

U.S. GAAP defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Council considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

U.S. GAAP also establish a fair value hierarchy that requires the Council to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest input that is significant to the fair value measurement.

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The three levels of inputs that may be used to measure fair value are as follows:

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
- Level 3 unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following summarizes the classification of investments by classification and method of valuation in accordance with U.S. GAAP as of December 31, 2024 and 2023:

December 31, 2024	Fair Value Measurements Using Input Type			
	Level 1	Level 2	Level 3	Total
Common stocks	\$ 4,547,917	\$ -	\$ -	\$ 4,547,917
Bond mutual funds	6,768,950	-	-	6,768,950
Stock mutual funds	999,896	-	-	999,896
Stock and bond mutual funds	2,769,927	-	-	2,769,927
Money market funds	482,801	-	-	482,801
	<u>\$ 15,569,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,569,491</u>

December 31, 2023	Fair Value Measurements Using Input Type			
	Level 1	Level 2	Level 3	Total
Common stocks	\$ 4,970,737	\$ -	\$ -	\$ 4,970,737
Bond mutual funds	5,854,850	-	-	5,854,850
Stock mutual funds	413,440	-	-	413,440
Stock and bond mutual funds	2,971,611	-	-	2,971,611
Money market funds	185,001	-	-	185,001
	<u>\$ 14,395,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,395,639</u>

The Council's valuation methodology used to measure the fair values of equity, bond, mutual funds, money market funds, and index funds was derived from quoted market prices as all of these instruments have active markets.

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7. LINE OF CREDIT

In March 2024, the Council obtained a line of credit with a maximum availability of \$1,000,000, and is secured by the Council's assets. The line of credit bears interest at the one-month Secured Overnight Financing Rate reference rate (but in no event be lower than 1%), and matured February 28, 2025. The line of credit was subsequent extended and matures on February 27, 2026, with an interest rate of 6.38%. As of December 31, 2024, \$465,000 has been drawn from and is payable on the line of credit.

8. EMPLOYEE BENEFITS

The Council participates in a defined contribution 401(k) plan under which employees may defer a portion of their annual compensation. Employees who have reached the age of 21 and have completed at least three months of service are eligible to participate in the plan. The Council provides matching contributions on behalf of employees. Employer contributions (net of forfeitures) totaled \$63,997 and \$68,247 for the years ended December 31, 2024 and 2023, respectively.

9. CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities include \$76,293 and \$46,905 of donated legal services, respectively. The Council valued the services received at its estimated cost based on number of hours of services and standard billing rates provided by the service provider.

10. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are available for use at the discretion of the Board of Governors (the Board) and/or management for general operating purposes. Board Designated Reserve Fund net assets represent amounts identified by the Board which have been invested for use at management's discretion. Income earned on such balances accrue and, with approval of the Board, may be used to support the Council's activities. Designated funds may also be used for unanticipated future program expenses. No amounts were approved for expenditures during 2024 and 2023.

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At December 31, 2024 and 2023, the Board Designated Reserve Fund was comprised of the following:

	2024	2023
General	\$ 5,369,378	\$ 5,369,378
Transportation Fund	53,050	53,050
King W. Harris Housing Fund	111,050	111,050
Jean Allard Fund	111,050	111,050
Fred Kramer and Laura Pollak Fisher Housing Fund	200,145	200,145
Wayfinding Fund	110,298	110,298
	<u>\$ 5,954,971</u>	<u>\$ 5,954,971</u>

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets classified as Research, Policy, and Community Development programs are subject to expenditure for a specific purpose or period, as specified by the donors.

Net assets classified as unappropriated endowment earnings are subject to the Council's spending policy and appropriation. The principal portion of the endowment cannot be expended, and investment income earned on these net assets can be used once the assets are appropriated for expenditure.

At December 31, 2024 and 2023, total net assets with donor restrictions were comprised of the following:

	2024	2023
General operating:		
Unappropriated endowment earnings	\$ 2,801,485	\$ 2,322,225
Research, Policy, and Community		
Development programs	2,901,554	1,712,396
Endowment	<u>2,022,754</u>	<u>2,022,754</u>
	<u>\$ 7,725,793</u>	<u>\$ 6,057,375</u>

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12. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrence of other events specified by donors. As of December 31, 2024 and 2023, net assets released from restrictions were as follows:

	2024	2023
Research, Policy, and Community:		
Development programs	\$ 1,877,653	\$ 1,654,956
Appropriated endowment expenditures	-	250,000
	<u>\$ 1,877,653</u>	<u>\$ 1,904,956</u>

13. ENDOWMENT

The Council's endowment consists of a single fund established to provide income for general operating purposes. As required by U.S. GAAP, net assets are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Council follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of June 2009 and its own governing documents. UPMIFA, which replaces the Uniform Management of Institutional Funds Act (UMIFA) of 1972, eliminates the requirement of preservation of the historical dollar amount of a donor restricted endowment fund, in favor of considering the factors for prudent appropriation of spending of the endowment and would apply in the absence of donor restrictions on the donor endowment (not board designated endowments). The Council's donors have placed restrictions on the use of the investment income or net appreciation resulting from the donor restricted endowment funds and, accordingly, investment income and net appreciation is classified as donor restricted until the assets are appropriated for expenditure.

Investment Return Objectives, Risk Parameters and Strategies - The Council has adopted investment policies, approved by the Investment Committee of the Board, for restricted endowment assets:

1. To provide a predictable and steady cash flow to support the Council's general operations from interest and dividends without sacrificing principal.
2. To maintain the purchasing power of the current assets and all future contributions.
3. To expand the fund via investment returns and new contributions.
4. To maximize returns within reasonable and prudent levels of risk.

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5. To maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy, while still having the potential to produce positive real returns.

Spending Policy - The Council has adopted a “Flexible Spending Policy” with regard to its endowment fund earnings. The Board will consider appropriating endowment fund earnings each year as part of the budgeting process and during the year should the need arise for these earnings to be utilized by the Council. During the year ended December 31, 2023, \$250,000 was appropriated. No appropriations occurred during the year ended December 31, 2024.

Endowment net asset composition consists of the following as of December 31, 2024 and 2023:

	2024		
	Unappropriated Endowment Earnings	Donor Restricted: Endowment	Total Endowment Assets
Donor restricted endowment funds, beginning of year	\$ 2,322,225	\$ 2,022,754	\$ 4,344,979
Realized gain, net of fees of \$16,250	269,816	-	269,816
Unrealized gain	23,861	-	23,861
Investment income	185,583	-	185,583
	<u>\$ 2,801,485</u>	<u>\$ 2,022,754</u>	<u>\$ 4,824,239</u>

	2023		
	Unappropriated Endowment Earnings	Donor Restricted: Endowment	Total Endowment Assets
Donor restricted endowment funds, beginning of year	\$ 2,027,933	\$ 2,022,754	\$ 4,050,687
Realized gain, net of fees of \$16,974	87,962	-	87,962
Unrealized gain	344,835	-	344,835
Investment income	111,495	-	111,495
Appropriated for expenditure	(250,000)	-	(250,000)
	<u>\$ 2,322,225</u>	<u>\$ 2,022,754</u>	<u>\$ 4,344,979</u>

14. LEASE COMMITMENT

The Council’s office space in Chicago is rented pursuant to a lease expiring on January 31, 2030. Monthly payments on the lease range from \$28,312 to \$34,495. Operating lease expense for each of the years ended December 31, 2024 and 2023 was \$354,769, and is included in rent and utilities on the statements of functional expenses. In addition, the Council is liable for its proportionate share of operating expenses as defined in the lease agreement. Total operating expenses for the years ended December 31, 2024 and 2023 was \$386,558 and \$366,873, respectively.

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The following is a schedule by year of future minimum rent payments required under the operating lease as of December 31, 2024:

2025	\$ 374,249
2026	383,605
2027	393,195
2028	403,025
2029	413,101
Thereafter	<u>34,495</u>
Total undiscounted cash flow	2,001,670
Less: present value discount	<u>(76,591)</u>
Total lease liabilities	<u>\$ 1,925,079</u>

The following table provides additional information related to the Council's lease as of December 31, 2024:

Remaining lease term in years for operating lease	5.08
Discount rate for operating lease	1.54%

The lease asset and liability were calculated utilizing the risk-free discount rate at the time of the commencement of the lease, with consideration given to the term of the lease, as a practical expedient as allowed under Accounting Standards Codification Topic 842.

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15. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Council's financial assets available within one year of the statements of financial position dates for general expenditure are as follows:

	2024	2023
Cash and cash equivalents	\$ 487,572	\$ 191,910
Grants and unconditional promises to give within one year	751,644	780,987
Investments	15,569,491	14,395,639
Total financial assets available within one year	16,808,707	15,368,536
Less: amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(2,901,554)	(1,712,396)
Restricted by donors in perpetuity	(2,022,754)	(2,022,754)
Total financial assets unavailable for general expenditures within one year	(4,924,308)	(3,735,150)
Less: amounts unavailable to management without Board approval:		
Unappropriated endowment earnings	(2,801,485)	(2,322,225)
Board Designated Reserve Fund	(5,954,971)	(5,954,971)
Total amounts unavailable to management without Board approval	(8,756,456)	(8,277,196)
Total financial assets available to management for general expenditure within one year	\$ 3,127,943	\$ 3,356,190

The Council maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and obligations become due. The Council has a Board Designated Reserve Fund that does not have donor restrictions. This fund, with board approval, could be made available for current operations, if necessary. In addition, the Council also has access to a line of credit, as disclosed in Note 7.