TRI-COUNTY REGIONAL PLANNING COMMISSION

Peoria, Illinois

Basic Financial Statements and Supplementary Information

For the Year Ended
June 30, 2024

C O N T E N T S

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Tri-County Regional Planning Commission
Peoria, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tri-County Regional Planning Commission (the Commission) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission'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 Commission as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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. 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 Commission 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.

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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 Commission'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 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 Commission'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 Management's Discussion and Analysis on pages 5 through 9 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Schedules 1 through 3, including the Schedule of Expenditures of Federal Awards, are required by Title 2. U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule 4 is presented for purposes of additional analysis as required by the Illinois Grant Accountability and Transparency Act and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, including the information in the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

MH CPA PLLC

Champaign, Illinois
October 9, 2024

MANAGEMENT'S DISCUSSION & ANALYSIS

About the Financial Statements of Tri-County Regional Planning Commission

This section of the financial report presents management's discussion and analysis of the Tri-County Regional Planning Commission's (the Commission) financial performance during the fiscal years ended June 30, 2024 and 2023. Please read it in conjunction with the Commission's financial statements. The financial statements of the Commission are presented on an accrual basis. Accounting principles used are similar to principles applicable in the private sector. The Commission's basic financial statements consist of the Balance Sheet, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements are the measures used to evaluate the short-term and long-term outlook of the Commission's finances and are used in conjunction with the annual budget, which is the Commission's financial plan for the fiscal year.

The Balance Sheet reports the difference between assets and liabilities, as net position. Assets are reported in order of liquidity, or how readily they are expected to be converted to cash, and whether restrictions limit the Commission's ability to use the resources. Liabilities are reported based on their maturity, or when cash is expected to be used to liquidate them. Net position is displayed in three components: net investment in capital assets; restricted; and unrestricted. This statement can be found on page 10 of this report.

The Statement of Revenues, Expenses, and Changes in Net Position distinguishes between operating and non-operating revenues and expenses. It reconciles net position at the beginning and end of the financial period, explaining the relationship between this statement and the Balance Sheet. The Statement of Revenues, Expenses and Changes in Net Position can be found on page 11 of this report.

The Statement of Cash Flows provides relevant information about the cash receipts and cash disbursements of the Commission during the period. It categorizes cash activity from operating, financing, and investing activities. The total cash generated or used reconciles the prior year cash balance to the current year cash balance as shown on the Balance Sheet. This statement can be found on page 12 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 13 through 21 of this report. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. Supplementary information can be found on pages 22 through 24 and 30.

Financial Highlights

The Commission is showing increase in net position for the fiscal years 2024 and 2023 of $268,416 and $169,174, respectively.

Balance Sheet

The Balance Sheet presents the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, of the Commission similar to the private sector on an accrual basis. The Commission has no items considered deferred outflows or deferred inflows for 2024 or 2023. Assets and liabilities are recorded when the related revenues and expenses, respectively, are recognized. Revenues and expenses are recognized when earned and incurred rather than when cash is received or paid, respectively. The difference between assets and liabilities represents the net position of the Commission. A comparative analysis of the Commission's net position is presented below.

Net Position
As of June 30
(in thousands)

	2024	2023
Current Assets	$ 1,830.7	$ 1,531.7
Capital Assets, Net of Accumulated Depreciation and Amortization	30.9	87.6
Total Assets	1,861.6	1,619.3
Current Liabilities	285.8	277.2
Long-Term Liabilities	11.7	46.4
Total Liabilities	297.5	323.6
Net Position:		
Net Investment in Capital Assets	16.8	34.4
Unrestricted	1,547.3	1,261.3
Total Net Position	$ 1,564.1	$ 1,295.7

Overall Financial Position

For the year ended June 30, 2024, the Commission's total net position increased from $1,295,758 to $1,564,174. The Commission has no restrictions on its net position. This year's increase in net position is illustrated in the Operating Results schedule below.

Operating Results
For Year Ended June 30
(in thousands)

	2024	2023
Operating Revenues:		
Charges for Services	$ 60.7	$ 59.1
Less: Operating Expenses	2,090.2	1,706.1
Operating Loss	(2,029.5)	(1,647.0)
Non-Operating Revenues (Expenses):		
Federal Grants	1,677.0	1,354.5
State Grants	305.0	263.5
Local Matching Contributions	251.6	155.1
Member Dues	45.0	45.0
Other	19.3	(2.0)
Increase in Net Position	268.4	169.1
Net Position, Beginning of Year	1,295.7	1,126.6
Net Position, End of Year	$ 1,564.1	$ 1,295.7

Change in Net Position Analysis

For the year ended June 30, 2024, the Commission's Operating Revenue increased $2 thousand over the prior year. The Commission's revenue is based on providing specialized services to municipalities and local agencies in the Peoria, Tazewell, and Woodford County area on an hourly basis. Therefore, variances are directly attributable to less need and/or less budget for services from the Commission.

Total Non-Operating Revenue increased by $482 thousand. The increase in revenue over the prior year is due to increased grant opportunities and additional Federal and State grants awarded to the Commission. Significant new grants for the year were the FHWA Safe Streets for All grant with revenue of $150 thousand, the IDOT SPR Port District Master Plan grant with revenue of $229 thousand, and the IDOT SPR Multi-Jurisdictional Comprehensive Plans grant with revenue of $144 thousand.

Total operating expenses increased in the current year by $384 thousand. A few of the significant line item increases and/or decreases were as follows:

- Salaries and Wages increased in FY24 by 15% from the prior year by $92 thousand.
    - The Commission was fully staffed in FY24. Personnel changes in FY24 included two new full-time hires, three terminations, and three promotions.
    - All employees received a 4% pay increase at the beginning of FY24. In January 2024, a Planner I was promoted to Planner II with a pay increase. In April 2024, a Planner III was promoted to Senior Planner with a pay increase. In June 2024, a GIS Specialist I received a 5% merit pay increase.
- Contractual Services decreased in FY24 by 73% from the prior year by $167 thousand due to a decrease in grant funding for Contractual Services.
- Consultant Services increased in FY24 by 90% from the prior year by $421 thousand from the prior year due to a significant increase in grant funding for Consultant Services.
- Computer Equipment, Support, and Maintenance increased in FY24 by 19% from the prior year by $11 thousand due to the need for new computer equipment for staff.

Capital Assets Administration

The Commission purchased a video conference system and a GIS workstation that were capitalized in FY24.

The Commission also purchased three new laptops and various computer equipment that was reimbursed with grant funds, but these items were under the threshold for being capitalized.

More detailed information about the Commission's capital assets is presented in Notes 1.f. and 5 to the financial statements.

Long-Term Debt Management

The Commission's accrued compensated absences for vacation and personal time is a long-term liability on the Balance Sheet. In FY24, the Commission accrued $60 thousand and paid out $65 thousand of compensated absences.

The Commission had a long-term liability of $38 thousand for the Office Space lease agreement as of the beginning of FY24, and $35 thousand of the liability was paid during the year.

The Commission had a long-term liability of $16 thousand for the Copier lease agreement as of the beginning of FY24, and $4 thousand of the liability was paid during the year.

More detailed information about long-term debt can be found in Note 8 to the financial statements.

Economic Trends

The Commission revenue will remain stable over the FY25 Overall Work Program. Transportation will be the primary focus of Commission activity in the next year. The Illinois Department of Transportation (IDOT) continues to be the primary source of funding for Commission projects. IDOT State Planning and Research Grants have been awarded to the Commission to carry out important planning projects. A majority of the SPR Grants will be done by consultants.

In terms of planning activities not related to transportation, the Commission's staff will continue to pursue grants and contracts for environmental related planning projects to build on past work as it related to the restoration of the Illinois River and its watershed. The sources of funding for these projects will likely come from the Illinois Department of Natural Resources, and the Illinois Environmental Protection Agency. The Commission will also lead a regional natural hazard mitigation planning effort with funds sourced from the Illinois Emergency Management Agency. Additionally, the Commission will administer an Environmental Protection Agency (EPA) Brownfield Assessment Grant for the region. This work will be done by consultants and have a four-year duration.

The Commission is fully staffed, filling vacant positions in FY24. In addition, the Commission joined the Illinois Municipal Retirement Fund (IMRF) in FY25. IMRF is a defined benefit plan that is consistent with other municipal and county employers in the region. The move will make the Commission more competitive in retention and attraction of staff. The Commission will continue to invest in employee training to maintain the Commission's staff at optimum performance levels.

Contacting the Commission's Management

The financial reports of the Commission provide an overview for the public of the financial accountability the Commission maintains for the resources received. Further questions concerning this report should be directed to Eric Miller, Executive Director, Tri-County Regional Planning Commission, 456 Fulton Street, Suite 401, Peoria, IL 61602.

TRI-COUNTY REGIONAL PLANNING COMMISSION
Balance Sheet
June 30, 2024

ASSETS		
Current Assets		
Cash	$	1,387,438
Cash - Restricted		14,939
Accounts and Grants Receivable		413,740
Prepaid Expenses		14,577
Total Current Assets		1,830,694
Capital Assets, Net		30,971
Total Assets	$	1,861,665
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts Payable	$	161,471
Accrued Expenses		53,566
Unearned Grant Revenue		6,969
Accrued Compensated Absences		56,100
Lease Liabilities		7,721
Total Current Liabilities		285,827
Long-Term Liabilities		
Accrued Compensated Absences, Net of Current Portion		5,234
Lease Liabilities, Net of Current Portion		6,430
Total Long-Term Liabilities		11,664
Total Liabilities		297,491
Net Position		
Net Investment in Capital Assets		16,820
Unrestricted		1,547,354
Total Net Position		1,564,174
Total Liabilities and Net Position	$	1,861,665

See Accompanying Notes

TRI-COUNTY REGIONAL PLANNING COMMISSION
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

Operating Revenues	
Charges for Services	$ 60,677
Operating Expenses	
Consultants	890,729
Salaries and Wages	709,302
Employee Benefits	126,159
Computer Equipment, Support, and Maintenance	73,523
Contractual Services	63,497
Payroll Taxes	56,645
Amortization	47,113
Professional Services	34,068
Depreciation	20,104
Rent and Utilities	19,323
Travel	11,660
General Insurance	8,647
Training	8,335
Office Supplies and Expenses	5,904
Internet and Phones	5,114
Dues and Subscriptions	4,673
Other	5,400
Total Operating Expenses	2,090,196
Operating Loss	(2,029,519)
Non-Operating Revenues (Expenses)	
Federal Grants	1,676,988
State Grants	304,984
Local Matching, Funding Contributions, and Member Dues	296,606
Interest Income	1,162
Other Income	19,238
Interest Expense	(1,043)
Net Non-Operating Revenues (Expenses)	2,297,935
Increase in Net Position	268,416
Net Position, Beginning of Year	1,295,758
Net Position, End of Year	$ 1,564,174

See Accompanying Notes

TRI-COUNTY REGIONAL PLANNING COMMISSION
Statement of Cash Flows
For the Year Ended June 30, 2024

Cash Flows From Operating Activities	
Receipts from Customers	$ 42,046
Payments to Employees and Benefits	(847,399)
Payments to Vendors	(1,108,744)
Net Cash Used in Operating Activities	(1,914,097)
Cash Flows From Capital Related Financing Activities	
Purchases of Capital Assets	(10,513)
Principal Payments on Lease Liabilities	(39,098)
Interest Payments on Lease Liabilities	(1,043)
Net Cash Used in Capital Related Financing Activities	(50,654)
Cash Flows From Non-Capital Financing Activities	
Federal and State Grants	1,831,257
Local Matching, Funding Contributions, and Member Dues	296,118
Other Income	19,238
Net Cash Provided by Non-Capital Financing Activities	2,146,613
Cash Flows From Investing Activities	
Interest Received	1,162
Increase in Cash	183,024
Cash, Beginning of Year	1,219,353
Cash, End of Year	$ 1,402,377
Included in the Balance Sheet Under the Following Captions	
Cash	$ 1,387,438
Cash - Restricted	14,939
Total Cash	$ 1,402,377
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating Loss	$ (2,029,519)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	67,217
(Increase) Decrease in Current Assets	
Accounts and Grants Receivable	(2,328)
Prepaid Expenses	17,798
Increase (Decrease) in Current Liabilities	
Accounts Payable	60,079
Unearned Grant Revenue	(16,303)
Accrued Expenses	(6,740)
Accrued Compensated Absences	(4,301)
Net Adjustments	115,422
Net Cash Used in Operating Activities	$ (1,914,097)

See Accompanying Notes

TRI-COUNTY REGIONAL PLANNING COMMISSION
Notes to Basic Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies

a. Financial Reporting Entity

The Tri-County Regional Planning Commission (the Commission) was formed on July 1, 1993, by the County Boards of Peoria, Tazewell and Woodford Counties, Illinois, to coordinate regional planning activities for the Tri-County area. This entity was formed by a division of assets of the former Tri-County Regional Commission formed March 12, 1958. The Commission is a unit of County Government and therefore exempt from income taxes. Revenues are substantially generated from federal and state grants awarded to benefit the residents of the three counties, from direct contributions of the three counties, and from contracts for services.

The financial statements of the Commission are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*

b. Basis of Presentation

The definition of what constitutes the entity of the Commission is based on the guidelines set forth in GASB Statement No. 14, as amended by GASB Statements No. 61, No. 84, No. 85, No. 90, and No. 97. According to GASB Statement No. 14, as amended, a legally separate organization should be included as a component unit of the primary organization if the primary government is financially accountable for the legally separate organization. Financial accountability is determined as follows:

1. The organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or

2. The primary government appoints a voting majority of the organization’s governing body, and:

    - It is able to impose its will on the organization, or

    - There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government.

Based on these requirements, the Commission has no component units and the Commission itself is not considered a component unit of any other governmental unit.

c. Basis of Accounting

The financial statements of the Commission are presented on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

d. Investments

Under Illinois law (30 ILCS 235/2), the Commission may invest excess funds in interest bearing deposits at federally insured banks and savings and loans, commercial paper, short term discount obligations of the Federal National Mortgage Association, and securities issued by the U.S. Treasury or other federal agencies. At June 30, 2024, the Commission had no investments.

e. Accounts and Grants Receivables

Accounts and grants receivables are reported at the estimated net realizable amounts from third-party payers and others for services rendered or for grant revenue earned. Receivables are stated at the amount management expects to collect on outstanding balances. Management has not provided an allowance against receivables at June 30, 2024 as management estimates that all receivables are fully collectible.

f. Capital Assets

Capital assets, which consist of office furniture and fixtures, computer equipment, vehicles, leasehold improvements, leased assets, and subscription assets are valued at cost (or estimated historical cost if actual cost is unavailable) except for leased assets and subscription assets, which are valued at the amortized present value of future payments under the lease. The Commission maintains a capitalization threshold of $2,500. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is provided over an asset’s estimated useful life using the straight-line method. Leased assets and subscription assets are amortized using the straight-line method over the term of the agreement.

The estimated useful lives by type of asset are as follows:

	Years
Computer and Equipment	3
Vehicles	5
Office Furniture and Fixtures	7

g. Accrued Compensated Absences

Accrued compensated absences consist of accumulated unused vacation days up to a maximum of 140 hours that employees are allowed to accumulate and accumulated unused personal days up to a maximum of 175 hours that employees are allowed to accumulate. Those days are guaranteed to be paid to employees upon termination of employment. The accrued compensated absences liability is calculated based on the employee's equivalent hourly rate as of June 30, 2024.

h. Deferred Outflows and Inflows

The financial statement element deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission has no item that qualifies for reporting in this category at June 30, 2024.

The financial statement element deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has no item that qualifies for reporting in this category at June 30, 2024.

i. Operating Revenue

Operating Revenue consists of revenue received from contracted services. Non-operating revenue consists of grant revenue, local matching contributions, member county contributions, interest income, and other income.

Revenue from contracted services is recognized as expenses are charged to the contracts. Contracts are typically one year or less in duration.

j. Restricted Net Position

Restricted net position results from assets, less any related liabilities, that are externally restricted to fund an activity that is narrower than the Commission's general activity of coordinating regional planning. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Commission considers restricted funds to have been spent first.

k. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

The most sensitive estimates affecting the financial statements were:

1. The allowance for uncollectible receivables

2. The amount of direct and indirect expenses eligible for reimbursement under the Commission's state and federal operating grants

2. Budgets

The Board of Commissioners approves an annual operational budget, but the Commission is not required by statute to pass an annual legal budget and appropriations document.

3. Cash

Cash – Restricted

At June 30, 2024, the Commission held $13,409 of cash restricted for payment to the employee's retirement account trustee and $1,530 for employee flexible spending account payments.

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's investment policy requires all bank deposit amounts in excess of federal depository insurance to be collateralized by an independent third-party institution. At June 30, 2024, $1,215,247 of the Commission's bank deposits of $1,465,247 which reconciled to a book balance of $1,402,377, was exposed to custodial credit risk. The $1,215,247 balance exposed to custodial credit risk was fully collateralized by an insured cash sweep agreement with the Commission's bank.

4. Accounts and Grants Receivable

Accounts and grants receivable from other governmental agencies as of June 30, 2024 were as follows:

Due from Federal Agencies	$ 324,757
Due from State of Illinois Agencies	70,137
Due from Counties	4,683
Due from Other	14,163
Total Accounts and Grants Receivable	$ 413,740

5. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

Capital Assets	June 30, 2023	Additions	Deletions	June 30, 2024
Depreciable Capital Assets:				
Computer Equipment	$ 86,403	$ 10,513	$ -	$ 96,916
Office Furniture and Equipment	23,019	-	-	23,019
Vehicles	23,944	-	-	23,944
Leasehold Improvements	7,080	-	-	7,080
Total Depreciable Capital Assets	140,446	10,513	-	150,959
Less: Accumulated Depreciation				
Computer Equipment	(58,856)	(20,104)	-	(78,960)
Office Furniture and Equipment	(23,019)	-	-	(23,019)
Vehicles	(23,944)	-	-	(23,944)
Leasehold Improvements	(7,080)	-	-	(7,080)
Total Accumulated Depreciation	(112,899)	(20,104)	-	(133,003)
Total Depreciable Capital Assets, Net	27,547	(9,591)	-	17,956
Lease Assets:				
Building	103,325	-	-	103,325
Office Equipment	23,472	-	-	23,472
Total Lease Assets	126,797	-	-	126,797
Less: Accumulated Amortization				
Building	(67,022)	(33,511)	-	(100,533)
Office Equipment	(7,942)	(5,307)	-	(13,249)
Total Lease Assets, Being Amortized, Net	51,833	(38,818)	-	13,015
Subscription Assets:				
Technology Software	18,250	-	18,250	-
Less: Accumulated Amortization				
Technology Software	(9,955)	(8,295)	(18,250)	-
Total Subscription Assets, Being Amortized, Net	8,295	(8,295)	-	-
Total Capital Assets, Net	$ 87,675	$ (56,704)	$ -	$ 30,971

6. Accrued Expenses

As of June 30, 2024, the Commission had accrued expenses consisting of the following:

Accrued Payroll	$	30,857
Unvested Retirement Contributions		13,667
Other Accruals		9,042
Total Accrued Expenses	$	53,566

7. Leases

The Commission leases its office space, which requires monthly lease payments of $2,950 through the expiration of the lease on July 31, 2024. The lease agreement provides for the cancellation of the lease under certain conditions.

The Commission leases a copier, which requires monthly lease payments through the expiration of the lease on July 31, 2026. The lease requires monthly payments of $411 through July 31, 2026.

The total costs of the Commission's lease assets are $126,797 less accumulated amortization of $113,782.

The future lease payments under the lease agreements are as follows:

Fiscal Year Ending June 30		Principal		Interest		Total
2025	$	7,721	$	166	$	7,887
2026		6,020		61		6,081
2027		410		1		411
Total	$	14,151	$	228	$	14,379

Lease Commitment

Effective August 1, 2024, the Commission entered into a new lease agreement for office space, which requires monthly lease payments of $2,950 through the expiration of the lease on July 31, 2029. The lease agreement includes the option to renew for an additional two five-year terms.

8. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	June 30, 2023	Issued	Retired	June 30, 2024	Due Within One Year
Accrued Compensated Absences	$ 65,635	$ 60,419	$ 64,720	$ 61,334	$ 56,100
Lease Liabilities	53,249	-	39,098	14,151	7,721
Total Long-Term Liabilities	$ 118,884	$ 60,419	$ 103,818	$ 75,485	$ 63,821

9. Retirement Plan

The Commission sponsors a defined contribution pension plan known as the Tri-County Regional Planning Commission Section 457 Governmental Deferred Compensation Plan (the Plan). The Plan was authorized by the Commission's Board of Commissioners. For full-time employees, the Commission contributes 5 percent of monthly gross earnings in years one through ten of employment and seven percent for employees with more than ten years with the Commission. Employees may also make tax deferred contributions from their gross earnings. Employees vest in the Commission's contributions at increasing percentages over the first five years and are fully vested upon completing five years of employment with the Commission. Employees are fully vested in the amounts deferred from their own compensation immediately upon deferral. The Plan's requirements may only be amended by the Commission's Board of Commissioners. All plan assets are held in a trust by a third-party administrator only for the purpose of paying plan benefits. Total expense incurred by the Commission for the retirement plan for the year ended June 30, 2024 was $34,226, which is included in employee benefits expense. At June 30, 2024, the Commission had a payable of $0 due to the Plan.

10. Risk of Loss

Significant losses are covered by commercial insurance for property, liability, and workers' compensation. During the year ended June 30, 2024, there were no significant reductions in coverage. There have been no settlement amounts that have exceeded insurance coverage or that have not been covered by insurance in the past three years.

11. Related-Party Transactions

During the year ended June 30, 2024, the Commission received $45,000 in member dues from the three counties that are the member organizations of the Commission.

During the year ended June 30, 2024, the Commission incurred $40,080 of contractual services to two cities that are member organizations of the Commission.

12. Concentrations of Revenues

For the year ended June 30, 2024, the Commission had the following concentrations of revenues:

- Approximately 68 percent, or $1,602,125 of the Commission's revenue was earned from grants originating from the U.S. Department of Transportation.

- Approximately 13 percent, or $304,984 of the Commission's revenue was earned from grants originating from the Illinois Department of Transportation (IDOT).

At June 30, 2024, the Commission had the following concentrations of receivables:

- Approximately 17 percent, or $324,757 of the Commission's assets are receivables from grants originating from the U.S. Department of Transportation.

13. Grant Contingencies

Revenues under various state and federal grants have been recognized based on allowable costs incurred on those agreements by the Commission as identified by the Commission's management. Additionally, indirect costs have been allocated to certain agreements as allowable costs based on allocations determined by the Commission's management. Uncertainties inherent in this process and uncertainties relating to the future review and approval of allowable costs by state and federal agencies makes it at least reasonably possible that grant revenues recognized are subject to retroactive change subsequent to June 30, 2024.

14. Project Commitments

As of June 30, 2024, the Commission had contracts with unrelated consultants for the following:

Consultant Project Commitments	Rounded Remaining Commitment	Fiscal Year of Expenditure
Tri-County Comprehensive Safety Action Plan	$ 310,000	2026
IDOT Port District Master Plan	190,000	2025
Local Comprehensive Plans	90,000	2025
Kickapoo Creek Watershed-Based Plan	50,000	2026
Peoria Heights Active Transportation Plan	40,000	2025
Germantown Hills Feasibility Study	45,000	2025
Charging and Fueling Infrastructure Grant Writing	35,000	2025
Viaduct Benefit-Cost Analysis	20,000	2025
Waverly Avenue Access, Circulation, and Parking Study	30,000	2025
Total Consultant Project Commitments	$ 810,000	

The majority of these commitments will be funded with grants from federal and State of Illinois agencies.

15. Subsequent Event

Effective July 1, 2024, the Commission entered into an agreement to begin participating in the Illinois Municipal Retirement Fund (IMRF). As of the date of the independent auditor's report, no actuarial calculation has been performed to determine the Commission's initial net pension liability as of July 1, 2024.

16. New Government Accounting Standards

In June 2022, GASB issued Statement No. 101 (GASB 101), *Compensated Absences*. The provisions of GASB 101 require that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. GASB 101 is effective for the Commission's Fiscal Year 2025. Early adoption is permitted; however, the Commission has chosen not to do so.

In December 2023, GASB issued GASB Statement 102 (GASB 102), *Certain Risk Disclosures*. The provisions of GASB 102 require that risks related to government vulnerabilities due to certain concentrations or constraints are provided to users of the financial statements. GASB 102 is effective for the Commission's Fiscal Year 2025. Early adoption is permitted; however, the Commission has chosen not to do so.

In April 2024, GASB issued GASB Statement 103 (GASB 103), *Financial Reporting Model Improvements.* The provisions of GASB 103 change certain components of the basic financial statements and required supplementary information presented by governmental entities. GASB 103 is effective for the Commission's Fiscal Year 2026. Early adoption is permitted; however, the Commission has chosen not to do so.

The Commission's management is currently reviewing what impact, if any, these new standards will have on its future financial statements and/or disclosures.

TRI-COUNTY REGIONAL PLANNING COMMISSION
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/State Pass-Through Grantor/Program Title/Grant Name	Assistance Listing Number	Pass-Through Entity Identifying Number		Federal Expenditures	Total Provided to Sub-recipients
Department of Transportation					
Direct					
Enhanced Mobility of Seniors and People with Disabilities	20.513			$ 60,381	$ -
Safe Streets and Roads for All	20.939			149,761	-
Passed through the Illinois Department of Transportation					
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	24-1009-1437-40515	*	819,525	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	23-1009-33231	*	69,830	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	21-1439-22584	*	119,682	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	23-1439-38462	*	115,319	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	23-1439/1437-38783	*	183,284	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	21-1439/1437-23455	*	19,191	-
Total Highway Planning and Construction				1,326,831	-
Formula Grants for Rural Areas	20.509	5121		65,153	-
Department of Homeland Security					
Passed through the Illinois Emergency Management Agency					
Hazard Mitigation Program	97.039	FRMA-4489-DR-IL		49,264	-
Environmental Protection Agency					
Passed through the Illinois Environmental Protection Agency					
Nonpoint Source Implementation Grants	66.460	24-0378-39467		25,598	-
Total Expenditures of Federal Awards				$ 1,676,988	$ -

*** -** Denotes a major program.

Notes to Schedule of Expenditures of Federal Awards

1. The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Commission's federal award programs presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in the basic financial statements, which are presented in conformity with accounting principles generally accepted in the United States of America.

2. The Commission did not use the 10 percent de minimis indirect cost rate for the year ended June 30, 2024.

3. Property and equipment purchases that are presented as expenditures in the Schedule of Expenditures of Federal Awards may be capitalized by the Commission for presentation in the basic financial statements.

TRI-COUNTY REGIONAL PLANNING COMMISSION
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

1. Summary of Auditor's Results

(i) Type of auditor's report issued on the financial statements: Unmodified

(ii) The audit did not disclose a material weakness or report a significant deficiency in internal control over financial reporting.

(iii) The audit did not disclose instances of noncompliance material to the financial statements.

(iv) The audit did not disclose a material weakness or report a significant deficiency in internal control over the major federal award program.

(v) Type of auditor's report issued on compliance for the major program: Unmodified

(vi) The audit did not disclose a finding that is required to be reported in accordance with 2 CFR section 200.516a.

(*vii*) Major program:

U.S. Department of Transportation – Highway Planning and Construction:

- Passed through the Illinois Department of Transportation
  - Assistance Listing #20.205

(*viii*) The dollar threshold used to distinguish Type A and Type B programs was $750,000.

(*ix*) Tri-County Regional Planning Commission does not qualify as a low-risk auditee.

2. Findings – Financial Statement Audit

None noted.

3. Findings and Questioned Costs – Major Federal Award Program Audit

None noted.

TRI-COUNTY REGIONAL PLANNING COMMISSION
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

No audit findings were noted in the prior fiscal year.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Tri-County Regional Planning Commission
Peoria, 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 Tri-County Regional Planning Commission (the Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated October 9, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 entity'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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of 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 Audit 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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MH CPA PLLC

Champaign, Illinois
October 9, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners
Tri-County Regional Planning Commission
Peoria, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tri-County Regional Planning Commission's (the Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2024. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs (Schedule 2).

In our opinion, the Commission complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

MH CPA PLLC

Champaign, Illinois
October 9, 2024

TRI-COUNTY REGIONAL PLANNING COMMISSION
Illinois Grant Accountability and Transparency - Consolidated Year-End Financial Report
For the Year Ended June 30, 2024

CSFA Number	Program Name	State Funding	Federal Funding	Other Funding	Total
494-00-1437	State Planning Funds	$ 304,984	$ 889,355	$ -	$ 1,194,339
494-00-1439	Statewide Planning and Research Funds	-	437,476	-	437,476
494-80-1291	Enhanced Mobility Funds	-	60,381	-	60,381
588-40-0449	Hazard Mitigation Grant	-	49,264	-	49,264
532-60-0378	Nonpoint Source Pollution Control Grant	-	25,598	-	25,598
	Other Grant Programs and Activities	-	214,914	-	214,914
	All Other Costs Not Allocated	-	-	119,780	119,780
Total		$ 304,984	$ 1,676,988	$ 119,780	$ 2,101,752

Reconciliation of GATA CYEFR Expenses to Audited Expenses

GATA CYEFR Expenses	$ 2,101,752
Purchases of Capital Assets	(10,513)
Audited Expenses	$ 2,091,239