October 25, 2025

Board of Commissioners
Tri-County Regional Planning Commission
456 Fulton St., Suite 401
Peoria, Illinois 61602

We have audited the financial statements of the Tri-County Regional Planning Commission (the Commission) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in an email to the Ways and Means Committee dated August 12, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. As described in Note 1 to the Commission's financial statements, the Commission adopted Government Accounting Standards Board Statement No. 101, Compensated Absences, during the year ended June 30, 2025. Accordingly, the cumulative effect of the accounting standard adoption as of the beginning of the year is reported in the Statement of Revenues, Expenses, and Changes in Net Position. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. 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, (3) the estimate of the net pension liability, deferred outflows, and deferred inflows for the Illinois Municipal Retirement Fund (IMRF), and (4) the lease term of the office lease.

Management's estimate of the allowance for uncollectible receivables is based on past payment history with the state or federal agencies or private clients from which accounts receivable are due at June 30, 2025.

Management's estimate of the eligible expenses, including indirect cost allocations, for the grants was based on all available guidance from the granting agencies.

Management's estimate of the liability for pensions is based on a valuation performed by an actuarial firm hired by the IMRF.

Management's estimate of the lease term of the office lease is based on management's assessment of the likelihood of exercising certain renewal periods.

We evaluated the methods, assumptions, and data used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

Note 10 related to the Commission's defined benefit pension plan. This disclosure information was provided to management by the actuary hired by the IMRF.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

- Management may choose not to correct certain misstatements due to qualitative and quantitative factors, such as materiality. If applicable, these uncorrected misstatements are summarized on the attached Audit Difference Evaluation Form. Management has determined that their effects are immaterial, both individually and in the aggregate to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

- The attached Adjusting, Eliminating, and/or Reclassifying Journal Entry Reports, as applicable, summarize misstatements that were corrected by management. These entries were either (1) provided by management, or (2) identified during the performance of audit procedures and proposed to, discussed with, and approved by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the Management Representation Letter dated October 25, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the pension related schedules and supporting notes, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary schedules (Schedules 1, 2, and 4), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

MH CPA PLLC

MH CPA PLLC

Tri-County Regional Planning Commission

Year End: June 30, 2025

Adjusting Journal Entries

Date: 7/1/2024 To 6/30/2025

TB-02

Preparer	In-Charge	Manager
		MJP 9/18/2025
Director	**Tech Review**	
GJD 10/25/2025		

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	6/30/2025	Net Pension Liability	MH3	M-24			323,441.00		
1	6/30/2025	Pension Deferred Outflows	MH4	M-24		659,600.00			
1	6/30/2025	Pension Deferred Outflows	MH4	M-24		46,720.00			
1	6/30/2025	Pension Expense (Benefit)	63036	M-24			336,159.00		
1	6/30/2025	Pension Expense (Benefit)	63036	M-24			46,720.00		
		To establish IMRF pension liability balances. Discussed with and approved by Rebecca Eisele, Accountant, on 8/11/25.							
2	6/30/2025	Retained Earnings	39000	M-13A		11,107.00			
2	6/30/2025	Salaries and Wages	66000	M-13A			11,107.00		
		To adjust beginning net position for the adoption of GASB 101. Discussed with and approved by Rebecca Eisele, Accountant, on 8/11/25.							
3	6/30/2025	IMRF - Commission	22516	PBC		3,836.00			
3	6/30/2025	Pension Expense	63035	PBC			3,836.00		
		Post trial balance journal entry provided by Rebecca Eisele, Accountant, on 8/27/25.							
4	6/30/2025	IMRF EE Contr Deferred Expense Offset - Curre	MH5	M-24A			43,883.00		
4	6/30/2025	IMRF EE Contr Deferred Expense Offset - Nonc	MH6	M-24A			287,240.00		
4	6/30/2025	Pension Expense (Benefit)	63036	M-24A		331,123.00			
		To record a deferred expense offset liability related to the employee buy-ins as part of the transition to IMRF. Discussed with and approved by Rebecca Eisele, Accountant, on 10/23/25.							
						1,052,386.00	**1,052,386.00**		

Net Income (Loss) **167,914.00**

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ALG-CX-12.2: Audit Difference Evaluation Form

Governmental Unit: Tri-County Regional Planning Commission

Financial Statement Date: 6/30/2025

Completed by: See CaseWare

Date: See CaseWare

Opinion Unit:

Description (Nature) of Audit Difference (AD)	Factual (F), Judgmental (J), or Projected (P)	Cause	W/P Ref.	Financial Statement Effect—Amount of Over- (Under-) statement of:						
				Total Assets and Deferred Outflows	Total Liabilities and Deferred Inflows	Working Capital	Net Position	Revenues	Expenses	Change in Net Position
Overstatement of unearned revenue due to not fully recognizing allowable grant expenditures that occurred within FY25	F	Management Decision	M-10	-	32,778	(32,778)	(32,778)	(32,778)	-	(32,778)
Overstatement of accrued compensated absences due to including IMRF employer contributions in the calculation of the liability rate for each employee (includes revenue and receivable impact as this is reimbursed through grants)	F	Management Decision	M-13A	9,052	9,052	-	-	9,052	9,052	-
Impact on Net Pension Liability and related accounts from using the 12/31/24 IMRF Actuarial Report's estimates rather than the 12/31/24 audited Schedule of Changes in Fiduciary Net Position for IMRF	F	Management Decision	M-25	802	3,400	-	(2,598)	-	2,598	(2,598)
Understatement of revenue due to a written off receivable from the prior year reducing current year revenue	F	Management Decision	R-01	-	-	-	-	(9,559)	(9,559)	-
Total				9,854	45,230	(32,778)	(35,376)	(33,285)	2,091	(35,376)
Less audit adjustments subsequently booked										
Net unadjusted AD—current year (iron curtain method)				9,854	45,230	(32,778)	(35,376)	(33,285)	2,091	(35,376)
Effect of unadjusted AD—prior years								-	-	-
Combined current year and prior year AD (rollover method)				9,854	45,230	(32,778)	(35,376)	(33,285)	2,091	(35,376)
Financial statement caption totals				2,934,806	1,213,825	1,581,602	1,720,981	2,534,969	2,367,055	167,914
Current year AD as % of F/S captions (iron curtain method)				0.34%	3.73%	-2.07%	-2.06%	-1.31%	0.09%	-21.07%
Current and prior year AD as % of F/S captions (rollover method)				0.34%	3.73%	-2.07%	-2.06%	-1.31%	0.09%	-21.07%