

**Ways and Means Committee Meeting
Tom Karr, CHAIRMAN
(Proehl, Drury)**

**Thursday, October 27, 2016
4:30 PM**

AGENDA

1. Call to Order
2. Roll Call
3. Public Input
4. Approval of Minutes of September 22, 2016.
5. Recommend to Commission the approval of September 2016 Financial Reports and Billings (Resolution 17-19)
6. Recommend to Commission the approval of 2016 Audit (Resolution 17-22)
7. Other
8. Adjournment

Ways and Means Committee Meeting
Tom Karr, CHAIRMAN
(Proehl, Drury)

Thursday, September 22, 2016
4:30 PM

MINUTES

1. Call to Order
Chairman Karr called the meeting to order at 4:30 pm
2. Roll Call
Present: Karr, and Drury. Excused: Proehl
3. Public Input-none
4. Approval of Minutes of July 28, 2016 Meeting. August did not have a meeting due to lack of quorum.
Drury moved to approve the July 28, 2016 minutes and Karr seconded. Motion carried.
5. Recommend to Commission the approval of August 2016 Financial Reports and Billings (Resolution 17-13)
Drury moved to recommend to Commission the approval of August 2016 Financial Reports and billings (Resolution 17-13) and Karr seconded. Motion carried.
Fletcher updated the committee that the operating cash is \$348,511, accounts receivables are \$238,242. August revenue was \$108,952 and expenses were \$93,648. Operating revenue was up 5% from July. Operating expenses were down 6%. Overall positive month.
6. Recommend to Commission the approval to purchase Computer Equipment for Commission (Resolution 17-16)
Drury moved to recommend to Commission the approval to purchase Computer Equipment for Commission (Resolution 17-16) and Karr seconded. Motion carried.
 - Miller reported they did not update computer hardware due to state budget situation.
 - Sachau explained the server was purchased in 2008. We have a bid from Facet in the amount of \$3300 for the server and to purchase 2 workstations which are experiencing performance issues. The project is not to exceed \$8,000 and has been included in the equipment and maintenance line of our FY17 budget.

7. Other

- Miller updated the counties shares to be Tazewell approved \$14,850, Woodford County at \$11,000, and Peoria County is \$16,000 based on population. Drury asked if more counties can be added and Miller said this is a PUATS Policy issue but yes we can. Logan and Fulton are interested.
- Miller and Fletcher mentioned that the office work for the audit is complete. There is not going to be a Federal single audit this year. Hope to finish up and bring back in October.

8. Adjournment

Drury moved to adjourn at 4:30 pm and Karr seconded. Motion carried.

RESOLUTION 17-19

A RESOLUTION OF THE TRI-COUNTY REGIONAL PLANNING COMMISSION TO APPROVE THE FINANCIAL REPORTS AND BILLINGS FOR SEPTEMBER 2016

WHEREAS, the Tri-County Regional Planning Commission is required to establish and maintain proper accounting procedures and cash management records in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental agencies, and

WHEREAS, on a monthly basis, the staff accountant prepares end-of-month financial reports and a listing of cash disbursements, and

WHEREAS, the Ways & Means Committee has reviewed the end-of-month financial statements and cash disbursements report for September 2016, and recommends that the Commission approve said reports.

THEREFORE BE IT RESOLVED BY THE COMMISSION AS FOLLOWS:

That the financial reports and cash disbursements for September 2016 are approved.

Presented this 27th day of October 2016

Adopted this 27th day of October 2016

Stephen Van Winkle, Chairman
Tri-County Regional Planning Commission

ATTEST:

Eric Miller
Executive Director
Tri-County Regional Planning Commission

TRI-COUNTY REGIONAL PLANNING COMMISSION
COMPARATIVE STATEMENTS OF ASSETS, LIABILITES, & NET ASSETS
SEPTEMBER 30, 2016

ASSETS	SEP 30, 2016	AUG 31, 2016	SEP 30, 2015
Current Assets			
Checking/Savings			
Restricted Cash:			
100012 · Checking - Flexible Benefits	1,490	1,720	1,610
100016 · South Side - Unvested Retirement	9,633	9,022	7,907
100011 · Checking - PPUATS	160,231	146,499	165,807
100018 · Checking - IL MPO Advisory Council	19,238	19,238	19,238
Total Restricted Cash - South Side Bank	<u>190,593</u>	<u>176,479</u>	<u>194,562</u>
Unrestricted Cash:			
100010 · Checking - South Side Bank	321,859	348,511	306,820
Total Checking/Savings South Side Bank	<u>512,451</u>	<u>524,991</u>	<u>501,382</u>
100020 · Accounts Receivable	247,871	238,242	212,875
Other Current Assets			
100025 · Due from Grant Funds			
100050 · Prepaid Expenses	10,312	12,479	3,501
Total Other Current Assets	<u>10,312</u>	<u>12,479</u>	<u>3,501</u>
Total Current Assets	<u>770,635</u>	<u>775,712</u>	<u>717,758</u>
Fixed Assets			
100040 · Office Furniture	54,533	54,533	54,533
100042 · Computer Equipment	71,648	71,648	71,648
100044 · Vehicles	41,567	41,567	41,567
100046 · Leasehold Improvements	7,080	7,080	7,080
Less: Accumulated Depreciation	<u>(170,628)</u>	<u>(170,489)</u>	<u>(166,871)</u>
Total Fixed Assets	<u>4,200</u>	<u>4,338</u>	<u>7,957</u>
TOTAL ASSETS	<u>\$ 774,834</u>	<u>\$ 780,050</u>	<u>\$ 725,715</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
200010 · Accounts Payable	10,985	11,151	56,157
Other Current Liabilities			
200009 · IDOT Payable		103,751	103,751
200015 · Accrued Expenses	2,250	2,000	
200021 · Accrued Payroll	21,619	21,174	20,096
200055 · Vacation/Personal Time	38,507	36,418	43,574
200056 · Unvested Retirement Account	9,624	9,013	7,901
200060 · Employee Deductions	2,958	3,422	2,704
200071 · Deferred Revenue - PPUATS	165,247	178,258	142,829
200092 · Deferred Revenue - IDNR			10,506
200095 · Deferred Revenue - IL MPO	19,238	19,238	19,238
200103 · Deferred Revenue - Woodford Co.	2,667	4,000	2,667
200104 · Deferred Revenue - Regional Server	6,750	7,500	11,250
200105 · Deferred Revenue - MPO Special Project	1,101	1,101	
Total Other Current Liabilities	<u>269,960</u>	<u>385,875</u>	<u>364,517</u>
Total Current Liabilities	<u>280,945</u>	<u>397,026</u>	<u>420,673</u>
Total Liabilities	280,945	397,026	420,673
Equity			
310000 · General Fixed Asset Equity	5,710	5,710	5,710
350000 · Capital Contribution	193,000	193,000	193,000
390000 · Retained Earnings	268,859	165,108	101,038
Net Income	26,321	19,206	5,294
Total Equity	<u>493,890</u>	<u>383,024</u>	<u>305,042</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 774,834</u>	<u>\$ 780,050</u>	<u>\$ 725,715</u>

TRI-COUNTY REGIONAL PLANNING COMMISSION
COMPARATIVE STATEMENTS OF INCOME AND EXPENSE
SEPTEMBER 2016

	Month of SEP 2016	Month of AUG 2016	Current FY YTD	Previous FY YTD	Annual FY17 Budget	% Annual FY17 Budget
Income						
400010 · FHWA PL Fund	40,856	43,816	124,501	69,984	640,420	19.4%
400011 · FTA Section 8	11,189	12,002	35,048	21,496	175,511	20.0%
400015 · PPUATS Matching	13,011	13,954	39,887	22,870	203,983	19.6%
400020 · Regional/Local Funds	4,000	4,000	12,000	12,000	48,000	25.0%
400022 · Woodford County GIS	5,449	6,551	18,126	13,517	70,000	25.9%
400136 · Municipal GIS Support Services		825	1,283		2,000	64.1%
400140 · Tazewell Co. Zoning	834	833	2,500	2,500	10,050	24.9%
400200 · Interest Income	74	76	226	194	500	45.1%
400240 · Woodford County Planning					300	0.0%
400254 · Human Services Trans. Plan	7,108	8,924	23,655	6,212	62,000	38.2%
400271 · Regional Server Partnership	750	750	6,000	3,750	10,000	60.0%
400276 · JARC/New Freedom					119,000	0.0%
400279 · Homeless Info. Mgt. Systems	1,613	2,400	4,913	5,081	10,000	49.1%
400290 · Tazewell Co. GIS Data Requests				38		
400291 · JARC - carpool				716	5,000	0.0%
400315 · GPSD GIS Staffing	2,606	1,586	6,307		25,000	25.2%
400319 · IDOT State Planning Funds				18,967	-	
400323 · Peoria Park District	398	713	2,025	2,925	-	
400324 · Regional Ortho Photo				61,936	-	
400325 · FTA 5310 Admin Fee					10,000	0.0%
400326 · Para-Transit Study					10,000	0.0%
400327 · Tri County LEPC Mapping				4,860	-	
400328 · MPO Special Projects		12,522	12,522		-	
Total Income	\$ 87,887	\$ 108,952	\$ 288,991	\$ 247,045	\$ 1,401,764	20.6%
Expense						
500010 · Advertising and Printing		30	211	1,142	3,000	7.0%
500015 · Contractual Services	7,664	29,350	40,764	52,900	334,000	12.2%
500020 · Copier	378	453	1,351	1,175	10,000	13.5%
500025 · Computer Software and Support	7,163	2,630	25,429	2,832	57,800	44.0%
500030 · Equipment Maintenance			93	265	4,000	2.3%
500035 · Group Health Insurance	6,078	6,078	18,268	17,080	80,674	22.6%
500036 · General Insurance	1,023	1,023	3,069	3,683	18,000	17.1%
500040 · Membership and Subscriptions	213		1,813	1,600	7,500	24.2%
500050 · Miscellaneous	392	198	729	557	2,500	29.2%
500070 · Office Supplies	301	426	1,050	920	5,000	21.0%
500080 · Postage		293	293	118	500	58.6%
500085 · Rent	2,849	2,849	8,546	8,546	34,184	25.0%
500086 · Retirement	2,481	2,481	7,793	6,770	35,333	22.1%
500090 · Telephone	714	896	2,139	1,442	7,500	28.5%
500100 · Conference Travel	677	231	909		10,000	9.1%
500110 · Utilities	332	393	1,118	399	6,000	18.6%
500111 · Travel	168	212	519	425	2,500	20.7%
500115 · Conference Registration	640	295	1,962	585	11,500	17.1%
500120 · Professional Services		540	540	3,413	45,000	1.2%
500130 · Space Costs	1,019	1,033	3,122	3,800	13,000	24.0%
510000 · Depreciation Expense	139	139	416	1,074	5,000	8.3%
520000 · Salaries	45,245	40,847	132,389	123,517	578,419	22.9%
520600 · Payroll Taxes	3,295	3,252	10,147	9,511	45,514	22.3%
Total Expense	\$ 80,772	\$ 93,648	\$ 262,671	\$ 241,751	\$ 1,316,924	19.9%
Net Income	\$ 7,115	\$ 15,304	\$ 26,321	\$ 5,294	\$ 84,840	31.0%

**TRI-COUNTY REGIONAL PLANNING COMMISSION
STATEMENTS OF CASH FLOW
SEPTEMBER 2016**

OPERATING ACTIVITIES	SEP 2016	YTD
Net Income	\$ 7,115	\$ 26,321
Adjustments to reconcile Net Income to net cash provided by operations:		
Depreciation	139	416
Effects of changes in operating assets and liabilities:		
100020 · Accounts Receivable	(9,630)	(83,044)
100050 · Prepaid Expenses	2,167	4,731
200010 · Accounts Payable	(166)	(24,546)
200015 · Accrued Expenses	250	750
200021 · Accrued Payroll	445	1,189
200055 · Vacation/Personal Time	2,089	(608)
200056 · Unvested Retirement Account	611	1,620
200060 · Employee Deductions	(464)	55
200071 · Deferred Revenue - PPUATS	(13,011)	113,800
200103 · Deferred Revenue - Woodford Co.	(1,333)	(4,000)
200104 · Deferred Revenue - Regional Server	(750)	6,750
200105 · Deferred Revenue - MPO Special Project		(12,522)
Net cash provided by Operating Activities	(12,539)	30,912
INVESTING ACTIVITIES		
100042 · Computer Equipment	-	
100046 · Leasehold Improvements	-	
Net cash provided by Investing Activities	-	-
FINANCING ACTIVITIES		
350000 · Capital Contribution	-	
Net cash provided by Financing Activities	-	-
Net cash increase/(decrease) for period	(12,539)	30,912
Cash at beginning of period	524,991	481,539
Cash at end of period	\$ 512,451	\$ 512,451

Check Register - General Fund
Tri-County Regional Planning Commission
SEPTEMBER 2016

DATE	CHECK #	VENDOR NAME	MEMO	AMOUNT
09/01/2016	13983	Andrew Hendon'	August expenses	-21.62
09/01/2016	13984	FACET, Inc.	Software support	-425.00
09/01/2016	13985	Greg. Sachau	August expenses	-93.15
09/01/2016	13986	Hannah Martin'	August expenses	-558.50
09/01/2016	13987	Maggie Martino'	August expenses	-271.02
09/01/2016	13988	Nicholas Hayward'	August expenses	-65.00
09/01/2016	13989	Quill Corporation	Office supplies	-233.13
09/02/2016	ACH	Staff	Payroll 9/2/16	-1,426.19
09/02/2016	ACH	Staff	Payroll 9/2/16	-2,293.62
09/02/2016	ACH	Staff	Payroll 9/2/16	-2,469.60
09/02/2016	ACH	Staff	Payroll 9/2/16	-511.05
09/02/2016	ACH	Staff	Payroll 9/2/16	-1,342.34
09/02/2016	ACH	Staff	Payroll 9/2/16	-1,804.87
09/02/2016	ACH	Staff	Payroll 9/2/16	-1,343.37
09/02/2016	ACH	Staff	Payroll 9/2/16	-3,091.68
09/02/2016	ACH	Staff	Payroll 9/2/16	-1,311.03
09/02/2016	ACH	IL Dept of Revenue	Payroll taxes	-753.20
09/02/2016	ACH	United States Treasury	Payroll taxes	-5,891.88
09/02/2016	ACH	Nationwide Retirement Solutions	Retirement 9/2/16 payroll	-1,385.10
09/09/2016	13990	A5.com, Inc.	Computer support	-10.00
09/09/2016	13991	City of Peoria - Rent	September rent	-2,848.67
09/09/2016	13992	Hasler, Inc.	Postage	-38.91
09/09/2016	13993	Heartland Parking	Monthly parking	-868.00
09/09/2016	13994	Heyl Royster Voelker Allen	Legal services	-540.00
09/09/2016	13995	Houseal Lavigne Associates	Contractual services	-8,390.00
09/09/2016	13996	The Cleaning Source	Cleaning services	-165.00
09/09/2016	13997	Verizon Wireless	Cell phones	-266.32
09/12/2016	13998	California Assoc for Coordinated Transpor	Conference registration	-540.00
09/12/2016	13999	Everbank Commercial Finance, Inc.	Copier	-453.30
09/16/2016	14000	AT & T	Telephones	-447.21
09/16/2016	14001	FACET, Inc.	Computer support	-239.98
09/16/2016	14002	Peoria Park District	Bike Plan Open House	-200.00
09/16/2016	14003	Quill Corporation	Office supplies	-47.96
09/20/2016	ACH	Staff	Payroll 9/20/16	-1,360.69
09/20/2016	ACH	Staff	Payroll 9/20/16	-2,293.62
09/20/2016	ACH	Staff	Payroll 9/20/16	-2,377.27
09/20/2016	ACH	Staff	Payroll 9/20/16	-778.28
09/20/2016	ACH	Staff	Payroll 9/20/16	-1,342.33
09/20/2016	ACH	Staff	Payroll 9/20/16	-1,804.88
09/20/2016	ACH	Staff	Payroll 9/20/16	-1,343.36
09/20/2016	ACH	Staff	Payroll 9/20/16	-3,091.68
09/20/2016	ACH	Staff	Payroll 9/20/16	-1,311.01
09/20/2016	ACH	IL Dept of Revenue	Payroll taxes	-758.26
09/20/2016	ACH	United States Treasury	Payroll taxes	-5,922.50
09/20/2016	ACH	Nationwide Retirement Solutions	Retirement 9/20/16 payroll	-1,385.10
09/26/2016	14004	Void		
09/26/2016	14005	FACET, Inc.	Computer servers	-5,965.97
09/26/2016	14006	Hinckley Springs	Water	-95.27
09/26/2016	14007-8	Void		
09/26/2016	14009	Everbank Commercial Finance, Inc.	Copier	-378.30
09/28/2016	14010	Guardian	October vision insurance	-360.08
09/28/2016	14011	United Healthcare of the River Valley	October health insurance	-4,571.70
09/28/2016	14012	Illinois Association of Regional Councils	Conference registration	-100.00
09/28/2016	Transfer	Tri-County Regional Planning Commission	Unvested Retirement Funding September	-610.82
09/28/2016	Transfer	TCRPC Flex Account	EE Flex withholding September	-10.00
09/30/2016	ACH	South Side Bank	Service Charge	-29.84

-76,237.66

Tri-County Regional Planning Commission
A/R Aging Summary
 As of September 30, 2016

10:32 AM
 10/17/16

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
1000-METRO FUNDS FY14	0.00	0.00	0.00	0.00	5,592.51	5,592.51
205-ciCarpool	0.00	0.00	0.00	1.09	-1.31	-0.22
207-HSTP	7,108.18	8,924.29	0.00	7,622.23	0.01	23,654.71
304.1-Mackinaw Contract	0.00	0.00	0.00	0.00	-512.50	-512.50
500-GREATER PEORIA SANITARY DISTRICT	2,605.90	0.00	0.00	0.00	0.00	2,605.90
5310 Administration	0.00	0.00	0.00	0.00	-0.10	-0.10
600-WOODFORD COUNTY GIS IMPLEMENTATION	11,999.94	0.00	0.00	0.00	0.00	11,999.94
800-HMIS	1,612.50	0.00	0.00	0.00	0.00	1,612.50
Community Foundation	0.00	0.00	0.00	0.00	0.00	0.00
FTA 8 Fund	11,188.64	12,432.00	0.00	11,427.17	0.00	35,047.81
JARC	0.00	0.00	0.00	-12,601.30	12,601.30	0.00
Logan County	0.00	0.00	0.00	1,250.00	0.00	1,250.00
PEORIA COUNTY DUES	2,666.67	0.00	1,333.33	0.00	0.00	4,000.00
Peoria Park District'	397.50	712.50	0.00	0.00	0.00	1,110.00
PL Funds	40,855.68	42,885.66	0.00	40,759.57	0.00	124,500.91
PPUATS City of Washington	0.00	0.00	0.00	-0.60	0.60	0.00
PPUATS Peoria County	0.00	0.00	0.00	0.00	33,176.04	33,176.04
PPUATS Woodford County	0.00	0.00	0.00	0.00	0.80	0.80
TAZ CO PLANNING CONTRACT	834.00	833.00	0.00	833.00	0.00	2,500.00
TAZEWLL COUNTY DUES	2,666.67	0.00	0.00	0.00	-1,333.34	1,333.33
Woodford County Digital Ortho Photo	0.00	0.00	0.00	0.00	0.00	0.00
WOODFORD COUNTY DUES	-0.01	0.01	0.00	0.00	0.00	0.00
TOTAL	81,935.67	65,787.46	1,333.33	49,291.16	49,524.01	247,871.63

RESOLUTION 17-22

A RESOLUTION OF THE TRI-COUNTY REGIONAL PLANNING COMMISSION TO ACCEPT AND FILE THE FISCAL YEAR 2016 INDEPENDENT AUDIT REPORT.

WHEREAS, the Tri-County Regional Planning Commission, hereafter referred to as the Commission, is required by all funding sources to conduct a yearly audit of revenue and expenditures, and

WHEREAS, the Commission has contracted with the firm of Martin, Hood, Friese & Associates, LLC to conduct the FY 2016 Audit, which covers July 1, 2015 to June 30, 2016, and

WHEREAS, the firm of Martin, Hood, Friese & Associates, LLC conducted the audit in accordance with accounting principles generally accepted in the United States of America; this includes 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,

WHEREAS, on October 27, 2016 the Ways & Means reviewed the audit and forwarded it on to the Full Commission for acceptance,

THEREFORE BE IT RESOLVED BY THE COMMISSION AS FOLLOWS:

that the Commission accepts the FY 2016 Independent Auditors Report and directs Executive Director Eric Miller, and managing staff to sign off on the final audit conducted by the firm of Martin, Hood, Friese & Associates, LLC.

Presented this 27th day of October 2016

Adopted this 27th day of October 2016

Stephen Van Winkle, Chairman
Tri-County Regional Planning Commission

ATTEST:

Eric Miller, Executive Director
Tri-County Regional Planning Commission



2507 South Neil St.
Champaign, Illinois 61820
Phone 217.351.2000
Fax 217.351.7726
www.mhfa.net

October 13, 2016

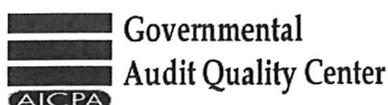
Board of Commissioners
Tri-County Regional Planning Commission
456 Fulton St., Suite 401
Peoria, Illinois 61602

We have audited the financial statements of the Tri-County Regional Planning Commission (the Commission) for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, 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 Commission's County Chairs dated August 29, 2016. Professional standards also require that we communicate to you the following information related to our audit.

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. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2016. 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 accounts receivable, (2) the estimated useful lives of property and equipment, and (3) the amount of direct and indirect expenses eligible for reimbursement under the Commission's state and federal operating grants.



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Management's estimate of the allowance for uncollectible accounts receivable is based on past payment history with the state or federal agencies or private clients from which accounts receivable are due at June 30, 2016. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimated useful lives of property and equipment are based on historical experience with similar assets. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the eligible expenses, including indirect cost allocations, for the grants was based on all available guidance from Illinois Department of Transportation and the U.S. Department of Transportation. We evaluated the key factors and assumptions used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole.

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 attached Adjusting, Eliminating, and/or Reclassifying Journal Entries, 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 13, 2016.

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 Issues

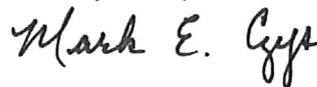
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses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

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.

Very truly yours,

Martin, Hood, Friese & Associates, LLC



Mark E. Czys, CPA

Client: **19302 - Tri-County Regional Planning Commission**
 Engagement: **AUD - 19302 Tri-County Regional Planning Commission**
 Period Ending: **6/30/2016**
 Trial Balance: **TB**
 Workpaper: **TB-02 - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
To adjust Retained Earnings to actual due to rounding. Discussed with and approved by Cindy Fletcher, Accountant. Immaterial				
390000	Retained Earnings	TB-06	1.00	
400200	Interest Income			1.00
Total			<u>1.00</u>	<u>1.00</u>
Adjusting Journal Entries JE # 2				
To adjust AP and AR to actual as a result of additional JARC/New Freedom Grant liabilities and FY16 expenses. Discussed with and approved by Cindy Fletcher, Accountant, on 9/16/16. Immaterial				
100020	Accounts Receivable	L-02	12,601.00	
500015	Contractual Services		12,601.00	
200010	Accounts Payable			12,601.00
400276	JARC/New Freedom			12,601.00
Total			<u>25,202.00</u>	<u>25,202.00</u>
Adjusting Journal Entries JE # 3				
To record the IDOT debt forgiveness. Discussed with and approved by Cindy Fletcher, Accountant, on 9/19/16. (Journal entry was discussed during planning) Material				
200009	IDOT Payable	STATE-06/TB-01	103,751.00	
499999	Grant Debt Forgiven			103,751.00
Total			<u>103,751.00</u>	<u>103,751.00</u>
Adjusting Journal Entries JE # 4				
To record fixed asset disposals during the current year. Discussed with and approved by Cindy Fletcher, Accountant, on 9/19/16. Immaterial				
100043	Accum. Depr. - Computer Equip	F-01	980.00	
100042	Computer Equipment			980.00
Total			<u>980.00</u>	<u>980.00</u>

Index

ALG-CX-12.2: Audit Difference Evaluation Form

Governmental Unit: Tri-County Regional Planning Commission

Financial Statement Date: June 30, 2016

Opinion Unit:

A Listing of Known Audit Differences Over: \$ 1,250

Description (Nature) of Audit Difference (AD)	Factual (F), Judgmental (J), or Projected (P)	Cause	Work-paper Ref.	Financial Statement Effect—Amount of Over- (Under-) statement of:					Change in Net Position	
				Total Assets	Total Liabilities	Working Cap.	Net Position	Revenues		Expen.
Additional 6/30/16 account payable noted during audit testing that has not been recorded	F	Management Decision	L-01		-14,750	14,750	14,750		-14,750	14,750
Total				0	-14,750	14,750	14,750	0	-14,750	14,750
Less audit adjustments subsequently booked				0	-14,750	14,750	14,750	0	-14,750	14,750
Net unadjusted AD—current year (iron curtain method)										
Effect of unadjusted AD—prior years										
Combined current year and prior year AD (rollover method)				0	-14,750	14,750	14,750	0	-14,750	14,750
Financial statement caption totals				652,402	184,835	467,866	467,567	1,133,802	965,982	167,820
Current year AD as % of F/S captions (iron curtain method)				0.00%	-7.98%	3.15%	3.15%	0.00%	-1.53%	8.79%
Current and prior year AD as % of F/S captions (rollover method)				0.00%	-7.98%	3.15%	3.15%	0.00%	-1.53%	8.79%

TRI-COUNTY REGIONAL PLANNING COMMISSION

Peoria, Illinois

Basic Financial Statements

For the Year Ended

June 30, 2016

CONTENTS

	<i>Page</i>
INDEPENDENT AUDITOR'S REPORT	1-2
BASIC FINANCIAL STATEMENTS	
Balance Sheet (Exhibit A)	3
Statement of Revenues, Expenses, and Changes in Net Position (Exhibit B)	4
Statement of Cash Flows (Exhibit C)	5
Notes to Basic Financial Statements.....	6-13

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Tri-County Regional Planning Commission (the Commission) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

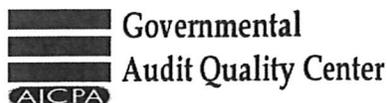
Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2016, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Commission has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

Martin, Hood, Friese & Associates, LLC

Champaign, Illinois
October 13, 2016

TRI-COUNTY REGIONAL PLANNING COMMISSION

Balance Sheet

June 30, 2016

ASSETS

Current Assets

Cash	\$ 391,117
Cash - Restricted	90,422
Accounts and Grants Receivable	151,204
Prepaid Expenses	15,043
Total Current Assets	<u>647,786</u>

Capital Assets, Net of Accumulated Depreciation

4,616

Total Assets

\$ 652,402

LIABILITIES AND NET POSITION

Current Liabilities

Accounts Payable	\$ 35,531
Accrued Expenses	32,837
Unearned Revenue	77,352
Accrued Compensated Absences	34,200
Total Current Liabilities	<u>179,920</u>

Long-Term Liabilities

Accrued Compensated Absences, Net of Current Portion	4,915
Total Liabilities	<u>184,835</u>

Net Position

Net Investment in Capital Assets	4,616
Unrestricted	462,951
Total Net Position	<u>467,567</u>

Total Liabilities and Net Position

\$ 652,402

See Accompanying Notes

TRI-COUNTY REGIONAL PLANNING COMMISSION
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2016

Operating Revenues	
Charges for Services	<u>\$ 230,441</u>
Operating Expenses	
Salaries and Wages	484,810
Contractual Services	178,396
Employee Benefits	93,342
Rent and Utilities	52,588
Payroll Taxes	38,385
Professional Services	33,815
Equipment and Maintenance	29,758
Travel	14,382
General Insurance	11,650
Office Supplies and Expenses	10,449
Telephone	6,221
Depreciation	4,416
Dues and Subscriptions	2,735
Other	5,035
Total Operating Expenses	<u>965,982</u>
Operating Income (Loss)	<u>(735,541)</u>
Non-Operating Revenues (Expenses)	
Federal Grants	599,452
Local Matching Contributions	114,252
Grant Debt Forgiven	103,751
Member Dues	48,000
State Grants	36,992
Interest Income	914
Total Non-Operating Revenues (Expenses)	<u>903,361</u>
Increase (Decrease) in Net Position	167,820
Net Position, Beginning of Year	<u>299,747</u>
Net Position, End of Year	<u><u>\$ 467,567</u></u>

See Accompanying Notes

TRI-COUNTY REGIONAL PLANNING COMMISSION
Statement of Cash Flows
For the Year Ended June 30, 2016

Cash Flows From Operating Activities	
Receipts from Customers	\$ 219,526
Payments to Employees and Benefits	(587,357)
Payments to Vendors	(364,589)
Net Cash Provided by (Used in) Operating Activities	<u>(732,420)</u>
Cash Flows from Non-Capital Financing Activities	
Federal and State Grants	586,391
Local Matching Contributions	153,771
Member Dues	49,333
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>789,495</u>
Cash Flows From Investing Activities	
Interest Received	<u>914</u>
Increase (Decrease) in Cash	57,989
Cash, Beginning of Year	<u>423,550</u>
Cash, End of Year	<u><u>\$ 481,539</u></u>
Included in the Balance Sheet Under the Following Captions	
Cash	\$ 391,117
Cash - Restricted	90,422
Total Cash	<u><u>\$ 481,539</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating Income (Loss)	<u>\$ (735,541)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	4,416
(Increase) Decrease in Current Assets	
Accounts Receivable	4,085
Prepaid Expenses	(9,318)
Increase (Decrease) in Current Liabilities	
Accounts Payable	26,643
Accrued Expenses	(3,709)
Unearned Revenue	(15,000)
Accrued Compensated Absences	(3,996)
Net Adjustments	<u>3,121</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (732,420)</u></u>

See Accompanying Notes

TRI-COUNTY REGIONAL PLANNING COMMISSION
Notes to Basic Financial Statements
June 30, 2016

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 Number 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 Number 14, as amended by GASB Statement Number 61. According to GASB Statement 14, as amended by Statement 61, 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, 2016, 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, 2016 as management estimates that all receivables are fully collectible.

f. Capital Assets

Capital assets, which consist of office furniture and fixtures, computer equipment, vehicles, and leasehold improvements, are valued at cost (or estimated historical cost if actual cost is unavailable). Estimated historical cost was used to value assets acquired prior to June 30, 1999. 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 of depreciation.

The range of estimated useful lives by types of asset is as follows:

	<u>Years</u>
Computer and Equipment	3
Vehicles	5
Office Furniture and Fixtures	7
Leasehold Improvements	Life of Lease

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, 2016.

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, 2016.

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, 2016.

i. Operating Revenue

Operating Revenue consists of revenue received from contracted services. Non-operating revenue consists of grant revenue, Peoria/Pekin Urbanized Area Transportation Studies Committee (PPUATS) matching contributions, member county contributions, and interest income.

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

j. Net Position

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.

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, 2016, the Commission held \$8,012 of cash restricted for payment to the employee’s retirement account trustee, \$1,700 for employee flexible spending account payments, and \$80,710 for PPUATS activities.

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 does not have a formal written investment policy; however, the Commission’s management maintains a goal of protecting all deposits by requiring that all bank deposit amounts in excess of federal depository insurance are to be collateralized by a pledge of securities from the depository bank at 110 percent of the uninsured amount. At June 30, 2016, \$310,741 of the Commission’s bank deposits of \$560,741, which reconciled to a book balance of \$481,539, was exposed to custodial credit risk. The \$310,741 balance exposed to custodial credit risk was collateralized by securities pledged by the Commission’s bank, which are not held in the Commission’s name. The pledged securities had a market value of \$492,030 at June 30, 2016.

4. Accounts and Grants Receivable

Accounts and grants receivable from other governmental agencies as of June 30, 2016 were as follows:

Due from Federal Agencies	\$ 87,425
Due from State of Illinois Agencies	37,917
Due from Counties	17,389
Due from Municipalities	2,586
Due from Other	<u>5,887</u>
Total Accounts and Grants Receivable	<u><u>\$ 151,204</u></u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

Capital Assets	June 30, 2015	Additions	Deductions	June 30, 2016
Depreciable Capital Assets:				
Computer Equipment	\$ 71,648	\$ -	\$ 980	\$ 70,668
Office Furniture and Equipment	54,533	-	-	54,533
Vehicles	41,567	-	-	41,567
Leasehold Improvements	7,081	-	-	7,081
	<u>174,829</u>	<u>-</u>	<u>980</u>	<u>173,849</u>
Accumulated Depreciation:				
Computer Equipment	68,399	3,000	980	70,419
Office Furniture and Equipment	54,533	-	-	54,533
Vehicles	41,567	-	-	41,567
Leasehold Improvements	1,298	1,416	-	2,714
	<u>165,797</u>	<u>4,416</u>	<u>980</u>	<u>169,233</u>
Total Capital Assets	<u>\$ 9,032</u>	<u>\$ (4,416)</u>	<u>\$ -</u>	<u>\$ 4,616</u>

6. Accrued Expenses

As of June 30, 2016, the Commission had accrued expenses consisting of the following:

Accrued Payroll	\$ 20,430
Unvested Retirement Contributions	8,004
Other Accruals	4,403
Total Accrued Expenses	<u>\$ 32,837</u>

7. Unearned Revenue

As of June 30, 2016, the Commission had unearned revenue consisting of the following:

Unearned Service Contract Revenue	\$ 19,238
Unearned Local Matching	51,447
Unearned Grant Revenue	6,667
Total Unearned Revenue	<u>\$ 77,352</u>

8. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

	June 30, 2015	Issued	Retired	June 30, 2016	Due Within One Year
Accrued Compensated Absences	\$ 43,111	\$ 30,175	\$ 34,171	\$ 39,115	\$ 34,200
Grant Refund Payable	103,751	-	103,751	-	-
Total	<u>\$ 146,862</u>	<u>\$ 30,175</u>	<u>\$ 137,922</u>	<u>\$ 39,115</u>	<u>\$ 34,200</u>

9. Revolving Line of Credit

The Commission maintains a revolving line of credit agreement with a bank on which it may borrow up to \$100,000. The agreement runs through August 30, 2017. The line of credit bears interest at the U.S. Prime Rate with a minimum rate of 4.25 percent and is secured by all of the accounts of the Commission. This line of credit had no outstanding balance as of June 30, 2016 and the interest rate was 4.25 percent.

10. Grant Debt Forgiven

In fiscal year 2015, the Commission entered into an agreement with the Illinois Department of Transportation (IDOT) to refund \$103,751 in cost reimbursements received by the Commission for fiscal year 2014 on two federal grants passed through IDOT to the Commission. At June 30, 2015, the Commission recorded a total liability of \$103,751 related to this refund agreement. During fiscal year 2016, that liability was formally forgiven by IDOT and the Commission has recorded non-operating revenue of \$103,751 related to this action by IDOT.

11. 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 earning in years one through ten of employment and 7 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 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, 2016 was 28,051. At June 30, 2016, the Commission had a payable of \$1,213 due to the Plan.

12. Risk of Loss

Significant losses are covered by commercial insurance for property, liability, and workers' compensation. During the year ended June 30, 2016, 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.

13. Lease Commitments

The Commission leases its office space under an operating lease which requires monthly lease payments through the expiration of the lease on July 31, 2019. The lease agreement provides for cancellation of the lease under certain conditions after July 31, 2016.

Subsequent to June 30, 2016, the Commission entered into a lease for a copier under an operating lease, which requires monthly lease payments through the expiration of the lease on July 31, 2021.

The future annual minimum lease payments under these operating leases are as follows:

Fiscal Year Ending June 30,	
2017	\$ 38,283
2018	38,656
2019	38,656
2020	7,320
2021	4,472
2022	373
Total	<u>\$ 127,760</u>

Total rent expense for the year ended June 30, 2016 was \$38,825 including \$34,184 in rent and utilities and \$4,641 in office supplies and expenses on Exhibit B.

14. Related Party Transactions

During the year ended June 30, 2016, the Commission received \$48,000 in member dues from the three counties that are the member organizations of the Commission and \$161,655 in charges for services from the member organizations.

At June 30, 2016, the Commission had \$17,389 due from the member organizations.

15. Concentrations of Revenues and Receivables

For the year ended June 30, 2016, the Commission had the following concentration of revenues:

- Approximately 53 percent, or \$599,452, of the Commission's revenue was earned from grants originating from the U.S. Department of Transportation through IDOT.

At June 30, 2016, the Commission had the following concentration of receivables:

- Approximately 11 percent, or \$74,794, of the Commission's assets was due from receivables for grants originating from the U.S. Department of Transportation through IDOT.

16. 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, 2016.