

**TOWN OF CUNNINGHAM**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2017**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**TOWN OF CUNNINGHAM  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2017**

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
Statement of Net Position – Modified Cash Basis	3
Statement of Activities – Modified Cash Basis	4
<b>FUND FINANCIAL STATEMENTS</b>	
Balance Sheet – Modified Cash Basis – Governmental Funds	5
Statement of Receipts, Disbursements, and Changes in Fund Balance – Modified Cash Basis – Governmental Funds	6
Reconciliation of the Statement of Receipts, Disbursements, and Changes in Fund Balance of Governmental Funds to the Statement of Activities – Modified Cash Basis	7
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>8</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND         BALANCE – MODIFIED CASH BASIS – BUDGET TO ACTUAL – TOWN FUND</b>	<b>17</b>
<b>STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND         BALANCE – MODIFIED CASH BASIS – BUDGET TO ACTUAL – GENERAL         ASSISTANCE FUND</b>	<b>19</b>
<b>NOTE TO SUPPLEMENTARY INFORMATION</b>	<b>20</b>
<b>STATISTICAL DATA (UNAUDITED)</b>	
<b>SCHEDULE OF ASSESSED VALUATIONS, RATES, EXTENSIONS, AND         COLLECTIONS (UNAUDITED)</b>	<b>21</b>

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Town of Cunningham  
Urbana, Illinois

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Town of Cunningham, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Cunningham'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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### ***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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor 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 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 opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the Town of Cunningham, as of June 30, 2017, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting described in Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

**Other Matters**

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cunningham's basic financial statements. The statements of receipts, disbursements, and changes in fund balance, budget to actual, and statistical data, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budget to actual information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, these statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The schedule of assessed valuations, rates, extensions, and collections listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



**CliftonLarsonAllen LLP**

Champaign, Illinois  
November 1, 2017

**TOWN OF CUNNINGHAM**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**JUNE 30, 2017**

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 3,462,354
Capital Assets, Net	50,687
Total Assets	3,513,041
<b>LIABILITIES</b>	
Payroll Withholdings	209
<b>NET POSITION</b>	
Investment in Capital Assets	50,687
Restricted for General Assistance	2,132,216
Unrestricted	1,329,929
Total Net Position	\$ 3,512,832

See accompanying Notes to Basic Financial Statements.

**TOWN OF CUNNINGHAM  
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2017**

		Program Revenues			Net (Expense) Revenue and Change in Net Position
<b>PROGRAMS</b>	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 518,040	\$ -	\$ -	\$ -	\$ (518,040)
Social Services	319,822	22,141	-	-	(297,681)
Total Governmental Activities	\$ 837,862	\$ 22,141	\$ -	\$ -	(815,721)
		General Revenues:			
					1,134,705
					30,132
					2,502
					4,765
					1,172,104
					<b>CHANGE IN NET POSITION</b>
					356,383
					Net Position - Beginning of Year
					3,156,449
					<b>NET POSITION - END OF YEAR</b>
					\$ 3,512,832

See accompanying Notes to Basic Financial Statements.

**TOWN OF CUNNINGHAM  
BALANCE SHEET – MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Town Fund	General Assistance Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,329,998	\$ 2,132,356	\$ 3,462,354
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Payroll Withholdings	69	140	209
Total Liabilities			
Fund Balances			
Restricted for:			
General Assistance	-	2,132,216	2,132,216
Assigned to:			
Contingent Repayment of Property Tax	330,509	-	330,509
Unassigned	999,420	-	999,420
Total Fund Balances	1,329,929	2,132,216	3,462,145
 Total Liabilities and Fund Balances	 \$ 1,329,998	 \$ 2,132,356	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

	50,687
Net Position of Governmental Activities	\$ 3,512,832

**TOWN OF CUNNINGHAM  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE –  
MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	Town Fund	General Assistance Fund	Total Governmental Funds
<b>RECEIPTS</b>			
Property Taxes	\$ 788,794	\$ 345,911	\$ 1,134,705
Replacement Taxes	15,066	15,066	30,132
Interest	2,785	1,980	4,765
SSI Reimbursements	-	22,141	22,141
Miscellaneous	1,320	1,182	2,502
Total Receipts	<u>807,965</u>	<u>386,280</u>	<u>1,194,245</u>
<b>DISBURSEMENTS</b>			
Current			
General Government	518,040	-	518,040
Social Services	125,000	190,448	315,448
Total Disbursements	<u>643,040</u>	<u>190,448</u>	<u>833,488</u>
<b>CHANGE IN FUND BALANCE</b>	164,925	195,832	360,757
Fund Balance - Beginning of Year	<u>1,165,004</u>	<u>1,936,384</u>	<u>3,101,388</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 1,329,929</u></u>	<u><u>\$ 2,132,216</u></u>	<u><u>\$ 3,462,145</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF CUNNINGHAM**  
**RECONCILIATION OF THE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN**  
**FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES –**  
**MODIFIED CASH BASIS**  
**YEAR ENDED JUNE 30, 2017**

Net Changes in Fund Balance - Total Governmental Funds	\$ 360,757
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as disbursements. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	<u>(4,374)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 356,383</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF CUNNINGHAM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Town of Cunningham (the Township) operates under the Township organization article of 60 ILCS. The Township provides the following services as authorized by statute: general assistance, property tax assessment, health and social services, and general administrative services. Since the Township is coterminous with the city of Urbana, duties that would normally be associated with a Township Road District or Highway Commissioner are not applicable to the Township.

These financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**Principles Used to Determine the Scope of the Reporting Entity**

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The Township's reporting entity includes the Township's governing board and all related organizations for which the Township is financially accountable.

The Township is not aware of any entity which would be financially accountable to the Township to the extent that they would be considered a component unit of the entity.

**Government-Wide and Fund Financial Statements**

The government-wide focus is on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The statement of net position and statement of activities display information about the Township as a whole. The effect of interfund activity has been removed from these statements. The government-wide statement of activities reflects both disbursements and net cost of each function of the Township's governmental activities. Program receipts include charges paid by a recipient for the goods or services offered by the program, grants, and contributions that are restricted to meeting operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Receipts, which are not classified as program receipts, such as property taxes, are presented as general receipts of the Township. The comparison of direct disbursements with program receipts identifies the extent to which each Township function is self-financing or draws from the general receipts of the Township.

**TOWN OF CUNNINGHAM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government–Wide and Fund Financial Statements (Continued)**

The financial transactions of the Township are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, receipts, and disbursements. Fund financial statements are provided for the governmental funds. The emphasis of fund financial statements is on major governmental funds; therefore, each is displayed in a separate column.

**Measurement Focus, Basis of Accounting, and Basis of Presentation**

The government-wide statements report using the economic resources measurement focus.

Governmental fund financial statements report using the current financial resources measurement focus. Since the governmental fund financial statements are presented on a different measurement focus than the government-wide statements (due mainly to inclusion of capital assets activity in the government-wide presentation) a reconciliation is presented, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Basis of accounting refers to when receipts received and disbursements disbursed are recognized in the accounts and how they are reported on the financial statements. The Township maintains its accounting records for all funds on the modified cash basis of accounting. Accordingly, receipts are recognized and recorded in the accounts when cash is received. In the same manner, disbursements are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Governmental funds are those through which governmental functions of the Township are financed. The acquisition, use, and balances of the Township's expendable resources and the related liabilities are accounted for through governmental funds. The Township reports the following major governmental funds:

**Town Fund** – Reports as the primary fund (or the General Fund) of the Township. This fund is used to account for all financial resources not reported in other funds.

**General Assistance Fund** – Accounts for the accumulation of financial resources for assistance provided to Township residents who meet certain requirements. The Township annually levies a tax restricted for the payment of these costs.

**TOWN OF CUNNINGHAM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Township maintains cash balances to meet current operating requirements. The Township maintains pooled cash accounts for its funds which are used to account for all cash transactions. Cash in excess of current requirements is invested in interest bearing deposit accounts and is included in the financial statements as cash and cash equivalents.

**Capital Assets and Depreciation**

Capital assets, which include property, equipment, and software are reported in the government-wide financial statements. The Township currently has no infrastructure assets. Capital assets are defined by the Township as individual assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one year or more, with the exception of buildings and improvements, which are defined as capital assets with an individual cost of more than \$10,000. Such assets are recorded at historical costs if purchased or constructed, except for assets acquired before January 1, 2004, for which historical cost was not available which are valued based on insured value at that date, adjusted for inflation to the date of acquisition. Donated capital assets are not recorded because they did not result from a cash transaction.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Building Improvements	20
Vehicles	5
Software	5

**Fund Balance**

Fund balance is categorized based on the nature and extent of the constraints placed on the fund balance. The following classifications describe the relative strengths of the spending constraints:

**Nonspendable**

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually to be maintained intact.

**TOWN OF CUNNINGHAM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance (Continued)**

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Trustees. These amounts cannot be used for any other purpose unless the Trustees removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned

This classification includes amounts that are constrained by the Township's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Trustees or through delegating this responsibility to the Township Supervisor or other official. This classification also includes the remaining positive fund balance for all governmental funds, except for the Town Fund.

Unassigned

This classification includes the residual fund balance for the Town Fund and includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The Township would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**Net Position**

Net position represents the difference between assets and liabilities in the government-wide statements. Net position in investment in capital assets consist of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations. Any remaining amounts are reported as unrestricted.

**TOWN OF CUNNINGHAM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in November of the prior year and are payable in two installments on June 1st and September 1st. Property taxes are billed and collected by Champaign County, which in turn, remits them to the appropriate taxing authorities. Payments are typically made by Champaign County during the period June through November. This fiscal year includes property taxes received from the 2016 levy and the 2015 levy.

**NOTE 2 CASH AND CASH EQUIVALENTS**

The deposit of Township monies is governed by the provisions of the Illinois Compiled Statutes. In accordance with these provisions, all Township monies must be invested in one or more of the following:

- Interest bearing savings accounts, interest bearing certificates of deposit, or interest bearing time deposits constituting direct obligations of any bank as shall have been selected and designated under the terms of the Statutes and as shall have complied with the requirements thereof;
- Shares or other forms of securities legally issuable by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States, provided such shares or securities are insured by the Federal Savings and Loan Insurance Corporation;
- Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest; and
- Short term discount obligations of the Federal National Mortgage Association.

**Deposits**

*Custodial Credit Risk* – The risk that a government will not be able to recover deposits if the depository financial institution fails or will not be able to recover collateral securities that are in the possession of an outside party. The Township has an investment policy which requires deposits in excess of the federally insured amount to be collateralized, in the Township's name.

The Township's cash deposits consist of checking, savings, and money market accounts. The carrying amount of the Township's bank deposits was \$3,462,354, and the respective bank balances totaled \$3,475,121 at June 30, 2017. As of June 30, 2017, the Township's bank deposits were fully insured or collateralized.

**TOWN OF CUNNINGHAM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3 CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance July 01, 2016	Additions	Deletions	Balance June 30, 2017
Depreciable Capital Assets				
Buildings	\$ 159,173	\$ -	\$ -	\$ 159,173
Vehicles	19,127	-	-	19,127
Software	22,000	-	-	22,000
Total	<u>200,300</u>	<u>-</u>	<u>-</u>	<u>200,300</u>
Less: Accumulated Depreciation				
Buildings	104,479	4,007	-	108,486
Vehicles	19,127	-	-	19,127
Software	21,633	367	-	22,000
Total	<u>145,239</u>	<u>4,374</u>	<u>-</u>	<u>149,613</u>
 Total Depreciable Capital Assets	 <u>\$ 55,061</u>	 <u>\$ (4,374)</u>	 <u>\$ -</u>	 <u>\$ 50,687</u>

Depreciation expense of \$4,374 for governmental activities is charged to general government expenses in the statement of activities.

**NOTE 4 PENSION PLAN**

**Plan Description**

The Township's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Township's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the state of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**Funding Policy**

As set by statute, the Township's regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The annual required contribution rate for calendar year 2017 and 2016 was 12.92% and 16.03%, respectively. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**TOWN OF CUNNINGHAM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4 PENSION PLAN (CONTINUED)**

**Contributions Made**

The District contributed \$52,508 for fiscal year 2017. The amount contributed for fiscal year 2016 and 2015 was \$57,408 and \$36,328, respectively.

The required contribution for 2016 was determined as part of the December 31, 2014, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2014, included (a) 7.5% investment rate of return (net of administrative and direct investment disbursements), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually.

**NOTE 5 OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The Township provides limited health care coverage for eligible retired employees (employees are eligible after working for at least 10 continuous years) by allowing these retired employees to remain on the Township's health insurance plan. These employees are required to pay 100% of the current premium cost. The benefit levels are the same as provided to active employees.

The Township's health care coverage was historically under the city of Urbana's health care plan. As of January 1, 2017, the Township has its own small group plan, except for the dental plan, which is still through the City of Urbana.

**NOTE 6 RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township is a member of a public entity risk pool which is described below that provided insurance coverage for those risks.

Town of Cunningham is a member of the Township Officials of Illinois Risk Management Association (TOIRMA), an insurance pool whose members are all Illinois townships. TOIRMA provides risk management services and insures all the Township's property, general liability, automobile, employee dishonesty, and excess liability claims up to specified limits.

**TOWN OF CUNNINGHAM  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 RISK MANAGEMENT (CONTINUED)**

TOIRMA is a separate entity which sets rates and purchases commercial excess and stop loss coverage for townships electing excess and stop loss coverage. Town of Cunningham pays annual premiums to TOIRMA for coverage. Supplementary payments may also be required by TOIRMA’s Board of Directors should the premiums paid be insufficient to fund operations. No such supplemental payments have been required. Settled claims have not exceeded the coverage in any of the past three years and there has not been a significant reduction in coverage during the year ended June 30, 2017.

**NOTE 7 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

There were no funds which incurred disbursements in excess of their appropriations.

**NOTE 8 RELATED GOVERNMENT**

As described in Note 1, the Township is coterminous with the city of Urbana. The City Council of Urbana also serves ex-officio as the governing board of the Township. In addition, the City Clerk of Urbana serves as the Town Clerk of Cunningham and the mayor of the city of Urbana serves as Chair of the Board of Trustees. During the year ended June 30, 2017, the Township paid \$1,128 for data processing, \$1,222 for maintenance and janitorial services, and \$4,458 for the Build Urbana to the city of Urbana. Build Urbana is a tax rebate program which helps to encourage the creation of new subdivisions and the expansion of existing subdivisions in Urbana.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

On April 29, 2016, the Township entered into a computer lease for a copier. Payments are \$200 a month for 60 months. The Township paid \$2,400 on the lease in fiscal year 2017. Total owed by fiscal year on the lease of June 30, 2017 was as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 2,400
2019	2,400
2020	2,400
2021	2,000
Total	<u><u>\$ 9,200</u></u>

**TOWN OF CUNNINGHAM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The Carle Foundation has paid real estate taxes to Champaign County under protest for the years 2004 to 2011. The Carle Foundation (Carle) maintains that certain properties should be exempt from real estate taxes due to its charitable status. If Carle's case were to prevail, the Township could be required to repay up to an estimated \$593,791 for its share of property taxes collected by the County of Champaign. On March 7, 2013, the Illinois Department of Revenue ruled that Carle Foundation will not be required to pay future real estate taxes to Champaign County beginning with the 2012 tax year. The Township has assigned \$330,509 of the Town Fund fund balance and has earmarked \$263,282 of the General Assistance Fund fund balance for this potential repayment.

**NOTE 10 TAX ABATEMENTS**

The Township has not entered into an intergovernmental agreements for direct tax abatements. The Township tax base is, however, affected by certain tax abatement agreements entered into by other taxing bodies, including tax increment financing district agreements. The amount of tax the Township did not receive in fiscal year 2017 due to these agreements is not known.

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

**TOWN OF CUNNINGHAM**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE –**  
**MODIFIED CASH BASIS – BUDGET TO ACTUAL**  
**TOWN FUND**  
**YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>RECEIPTS</b>				
Property Taxes	\$ 767,385	\$ 767,385	\$ 788,794	\$ 21,409
Replacement Taxes	15,000	15,000	15,066	66
Interest	500	500	2,785	2,285
Miscellaneous	200	200	1,320	1,120
Total Receipts	<u>783,085</u>	<u>783,085</u>	<u>807,965</u>	<u>24,880</u>
<b>DISBURSEMENTS</b>				
General Government				
Supervisor's Office:				
Salaries	116,752	116,917	110,001	6,916
Employee Benefits	42,984	42,819	35,291	7,528
Office Supplies	4,200	2,508	1,388	1,120
Dues and Subscriptions	1,300	725	319	406
Travel and Training	2,300	3,013	2,732	281
Miscellaneous	50	1,033	1,033	-
Legal Services	100,000	100,000	38,914	61,086
Accounting Services	8,300	9,600	9,600	-
Repairs and Maintenance	28,800	29,909	5,572	24,337
Janitor Services	4,600	4,775	4,775	-
Build Urbana	20,000	20,000	4,458	15,542
Computer Services	1,900	1,900	100	1,800
Telephone	6,700	5,400	3,795	1,605
Utilities	6,000	5,287	5,090	197
Insurance	9,500	9,500	9,117	383
Capital Outlay	9,100	9,100	975	8,125
Carle/Presence Property Tax Refund	149,651	149,651	-	149,651
Total Supervisor's Office	<u>512,137</u>	<u>512,137</u>	<u>233,160</u>	<u>278,977</u>
Assessor's Office:				
Salaries	195,300	195,300	191,443	3,857
Employee Benefits	86,450	86,450	72,192	14,258
Office Supplies	6,500	6,361	3,676	2,685
Dues and Subscriptions	3,500	3,500	2,633	867
Travel and Training	4,500	4,500	1,600	2,900
Miscellaneous	-	22	-	22
Repairs and Maintenance	950	4,800	4,375	425
Janitor Services	2,100	2,100	525	1,575
Computer Services	8,000	8,028	2,028	6,000
Appraisals	6,500	2,600	1,500	1,100
Telephone	3,700	3,839	3,839	-
Noncapital Equipment	3,100	3,100	1,069	2,031
Carle/Presence Property Tax Refund	149,651	149,651	-	149,651
Total Assessor's Office	<u>470,251</u>	<u>470,251</u>	<u>284,880</u>	<u>185,371</u>
Total General Government	<u>982,388</u>	<u>982,388</u>	<u>518,040</u>	<u>464,348</u>

See accompanying Note to Supplementary Information.

**TOWN OF CUNNINGHAM**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE –**  
**MODIFIED CASH BASIS – BUDGET TO ACTUAL**  
**TOWN FUND (CONTINUED)**  
**YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Social Services				
Grants	\$ 175,000	\$ 175,000	\$ 125,000	\$ 50,000
Total Disbursements	<u>1,157,388</u>	<u>1,157,388</u>	<u>643,040</u>	<u>514,348</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (374,303)</u>	<u>\$ (374,303)</u>	164,925	<u>\$ 539,228</u>
Fund Balance - Beginning of Year			<u>1,165,004</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,329,929</u>	

See accompanying Note to Supplementary Information.

**TOWN OF CUNNINGHAM**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE –**  
**MODIFIED CASH BASIS – BUDGET TO ACTUAL**  
**GENERAL ASSISTANCE FUND**  
**YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>RECEIPTS</b>				
Property Taxes	\$ 333,199	\$ 333,199	\$ 345,911	\$ 12,712
Replacement Taxes	10,000	10,000	15,066	5,066
Interest	200	200	1,980	1,780
SSI Reimbursements	15,000	15,000	22,141	7,141
Miscellaneous	280	280	1,182	902
Total Receipts	<u>358,679</u>	<u>358,679</u>	<u>386,280</u>	<u>27,601</u>
<b>DISBURSEMENTS</b>				
Social Services:				
Salaries	73,600	69,213	63,909	5,304
Employee Benefits	26,380	30,767	28,024	2,743
Office Supplies	4,000	4,000	650	3,350
Computer Software	1,200	1,200	-	1,200
Miscellaneous Expense	49	49	8	41
Work/Training Supplies	700	700	-	700
Dues and Subscriptions	350	338	173	165
Travel and Training	3,100	3,100	2,718	382
Medical Care	63,500	63,500	-	63,500
Personal Allowances	160,000	160,000	93,893	66,107
Computer Services	1,000	1,000	100	900
Repairs and Maintenance	200	212	12	200
Client Employment Verification	600	600	75	525
Noncapital Equipment	9,000	9,000	886	8,114
Carle/Presence Property Tax Refund	299,299	299,299	-	299,299
Total Social Services	<u>642,978</u>	<u>642,978</u>	<u>190,448</u>	<u>452,530</u>
Total Disbursements	<u>642,978</u>	<u>642,978</u>	<u>190,448</u>	<u>452,530</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (284,299)</u>	<u>\$ (284,299)</u>	195,832	<u>\$ 480,131</u>
Fund Balance - Beginning of Year			<u>1,936,384</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 2,132,216</u>	

See accompanying Note to Supplementary Information.

**TOWN OF CUNNINGHAM  
NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2017**

**NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements, which is on the modified cash basis of accounting:

1. The Supervisor submits to the Town Board a proposed operating budget, for the fiscal year commencing July 1.
2. A public hearing is conducted at an advertised location to obtain taxpayer comments.
3. The budget must be adopted in ordinance form by the end of the first quarter of the fiscal year.

**TOWN OF CUNNINGHAM**  
**SCHEDULE OF ASSESSED VALUATIONS, RATES, EXTENSIONS, AND COLLECTIONS**  
**YEAR ENDED JUNE 30, 2017**  
**(UNAUDITED)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Assessed Valuations	<u>\$ 545,974,455</u>	<u>\$ 523,103,317</u>	<u>\$ 523,905,080</u>	<u>\$ 527,290,271</u>	<u>\$ 576,355,669</u>
Rates Extended					
Town Fund	0.1435	0.1497	0.1452	0.1248	0.1053
General Assistance Fund	<u>0.0629</u>	<u>0.0657</u>	<u>0.1036</u>	<u>0.1224</u>	<u>0.1111</u>
Total Rate	<u>0.2064</u>	<u>0.2154</u>	<u>0.2488</u>	<u>0.2472</u>	<u>0.2164</u>
Tax Extensions					
Town Fund	\$ 783,473	\$ 783,086	\$ 760,710	\$ 658,058	\$ 606,903
General Assistance Fund	<u>343,418</u>	<u>343,679</u>	<u>542,766</u>	<u>645,403</u>	<u>640,331</u>
Total Extensions	<u>\$ 1,126,891</u>	<u>\$ 1,126,765</u>	<u>\$ 1,303,476</u>	<u>\$ 1,303,461</u>	<u>\$ 1,247,234</u>