

Board of Trustees  
Town of Cunningham, Illinois

We have audited the financial statements of the governmental activities, and each major fund of Town of Cunningham, Illinois as of and for the year ended June 30, 2017, and have issued our report thereon dated November 1, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Cunningham, Illinois are described in Note 1 to the financial statements.

During fiscal year ended June 30, 2017, the Town of Cunningham implemented GASB 77, Tax Abatement Disclosures.

We noted no transactions entered into by the entity 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*

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. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

##### *Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

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.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected 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 auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated November 1, 2017.

***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 entity's financial statements or a determination of the type of auditors' 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.

***Significant issues discussed with management prior to engagement***

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

***Other information in documents containing audited financial statements***

With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with modified cash basis of accounting in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, 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. We have issued our report thereon dated November 1, 2017.

The statistical data accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

**Other audit findings and issues**

We have provided a separate report to you dated November 1, 2017, communicating internal control related matters identified during the audit.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

\* \* \*

This communication is intended solely for the information and use of the Board of Trustees and management of Town of Cunningham, Illinois and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Champaign, Illinois  
November 1, 2017

Client: **004-00475200 - Town of Cunningham, Illinois**  
 Engagement: **AUD 2017 - Town of Cunningham**  
 Period Ending: **6/30/2017**  
 Trial Balance: **0900 - Town Fund TB**  
 Workpaper: **0921.00 - Town Fund - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>2300.01</b>		
To				
correct liability account balances		<b>2300.01</b>		
2210	HEALTH INS W/H		1,688.00	
2400	PAYROLL LIABILITIES		4,133.00	
6060	FICA		69.00	
2110	STATE W/H TAX			69.00
6013	SALARIES - OTHERS			4,133.00
6040	HEALTH INSURANCE			1,688.00
<b>Total</b>			<b><u>5,890.00</u></b>	<b><u>5,890.00</u></b>

Client: **004-00475200 - Town of Cunningham, Illinois**  
 Engagement: **AUD 2017 - Town of Cunningham**  
 Period Ending: **6/30/2017**  
 Trial Balance: **0901 - General Assistance Fund TB**  
 Workpaper: **0921.05 - General Asst Fund - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>2300.01</b>		
To - correct liability account balances				
		<b>2300.01</b>		
2210	HEALTH INS W/H		132.00	
2400	PAYROLL LIABILITIES		3,902.00	
6060	FICA		140.00	
2110	STATE W/H TAX			140.00
6013	SALARIES - OTHERS			3,902.00
6040	HEALTH INSURANCE			132.00
<b>Total</b>			<b>4,174.00</b>	<b>4,174.00</b>