

CUNNINGHAM TOWNSHIP, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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CUNNINGHAM TOWNSHIP, ILLINOIS

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Other Supplementary Information
- Supplemental Schedule

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Township's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

January 5, 2024

Board of Trustees
Cunningham Township
Urbana, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cunningham Township (the Township), Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cunningham Township, Illinois, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - 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 opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cunningham Township, Illinois' basic financial statements. The management's discussion and analysis, other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, management's discussion and analysis, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Cunningham Township, Illinois
January 5, 2024

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the management’s discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CUNNINGHAM TOWNSHIP, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

The management of Cunningham Township (the "Township") offers the readers of our financial statements the following narrative discussion and analysis of our financial activities of the Township for the fiscal period ending June 30, 2023. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Township's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The Township's net position increased as a result of this year's operations. Net position of the governmental activities increased by \$424,344, or 14.2 percent.
- During the year, government-wide revenues for the primary government totaled \$2,369,512, while expenses totaled \$1,945,168, resulting in an increase to net position of \$424,344.
- The Township's net position totaled \$3,414,623 on June 30, 2023, which includes \$518,072 net investment in capital assets, \$1,671,559 subject to external restrictions, and \$1,224,992 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The Town Fund reported an increase this year of \$149,120 or 13.9 percent, resulting in ending fund balance of \$1,224,992.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Township's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the Township's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's infrastructure, is needed to assess the overall health of the Township.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CUNNINGHAM TOWNSHIP, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Township maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Town Fund and General Assistance Fund, which are considered major funds. The Township does not maintain any nonmajor funds.

The Township adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Township's I.M.R.F. employee pension obligation and the budgetary comparison schedules for the Town Fund and major special revenue fund.

CUNNINGHAM TOWNSHIP, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Township, assets/deferred outflows exceeded liabilities/deferred inflows by \$3,414,623.

	Net Position	
	6/30/2023	6/30/2022
Assets		
Current Assets	\$ 2,908,158	2,501,206
Capital Assets	518,072	502,890
Total Assets	<u>3,426,230</u>	<u>3,004,096</u>
Liabilities		
Other Liabilities	<u>11,607</u>	<u>13,817</u>
Net Position		
Net Investment in Capital Assets	518,072	502,890
Restricted	1,671,559	1,411,517
Unrestricted	<u>1,224,992</u>	<u>1,075,872</u>
Total Net Position	<u>3,414,623</u>	<u>2,990,279</u>

A portion of the Township's net position, \$518,072 or 15.2 percent, reflects its investment in capital assets (for example, software, buildings, or vehicles), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$1,671,559 or 48.9 percent, of the Township's net position represents resources that are subject to external restrictions on how they may be used. The remaining 35.9 percent, or \$1,224,992, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

CUNNINGHAM TOWNSHIP, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Changes in Net Position	
	6/30/2023	6/30/2022
Revenues		
Program Revenues		
Capital Grants/Contributions	\$ 336,607	293,601
General Revenues		
Property Taxes	1,851,510	1,839,573
Replacement Taxes	93,308	82,551
Interest Income	46,870	1,568
Other	41,217	36,464
Total Revenues	<u>2,369,512</u>	<u>2,253,757</u>
Expenses		
General Government	699,699	730,624
Public Welfare	1,245,469	1,268,472
Total Expenses	<u>1,945,168</u>	<u>1,999,096</u>
Change in Net Position	424,344	254,661
Net Position - Beginning	<u>2,990,279</u>	<u>2,735,618</u>
Net Position - Ending	<u>3,414,623</u>	<u>2,990,279</u>

Net position of the Township's governmental activities increased by 14.2 percent (\$3,414,623 in 2023 compared to \$2,990,279 in 2022). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$1,224,992 at June 30, 2023.

Revenues for governmental activities totaled \$2,369,512, while the cost of all governmental functions totaled \$1,945,168. This results in an increase of \$424,344. In 2022, revenues of \$2,253,757 exceeded expenses of \$1,999,096, resulting in a surplus of \$254,661. The increase in 2023 was due to an increase of capital grants of \$43,006.

CUNNINGHAM TOWNSHIP, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Township's governmental funds reported combining ending fund balances of \$2,896,551, which is an increase of \$409,162 or 16.4 percent, from last year's total of \$2,487,389. Of the \$2,896,551 total, \$1,102,921 or approximately 56.3 percent, of the fund balance constitutes unassigned fund balance.

The Town Fund reported an increase in fund balance for the year of \$149,120, or 13.9 percent due partially to expenditures decreasing from the prior year.

The Town Fund is the chief operating fund of the Township. At June 30, 2023, unassigned fund balance in the Town Fund was \$1,102,921, which represents 90.0 percent of the total fund balance of the Town Fund. As a measure of the Town Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the Town Fund represents approximately 159.8 percent of total Town Fund expenditures.

The General Assistance Fund reported an increase in fund balance for the year of \$260,042. This was due to an increase of revenues of \$205,197 compared to the prior year.

TOWN FUND BUDGETARY HIGHLIGHTS

The Township Board made one budget amendment to the Town Fund during the year. Town Fund actual revenues for the year totaled \$839,284, compared to budgeted revenues of \$883,270. Property tax revenue came in \$43,986 under budget.

The Town Fund actual expenditures for the year were \$340 under budget (\$690,164 actual compared to \$690,504 budgeted). The Disbursements Supervisor's Office was under budget by \$642 and Assessor's Office function came in over budget by \$302.

CUNNINGHAM TOWNSHIP, ILLINOIS

Management’s Discussion and Analysis

June 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Township’s investment in capital assets for its governmental type activities as of June 30, 2023 was \$518,072 (net of accumulated depreciation). This investment in capital assets includes software and buildings.

	<u>Capital Assets - Net of Depreciation</u>	
	<u>6/30/2023</u>	<u>6/30/2022</u>
Software	\$ 2,906	6,284
Buildings	515,166	496,606
Totals	<u>518,072</u>	<u>502,890</u>

This year's major additions included:

Buildings	<u>\$ 35,400</u>
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Additional information on the Township's capital assets can be found in Note 3 of this report.

Debt Administration

At year end, the Township had no outstanding debt.

ECONOMIC FACTORS

The Township’s elected and appointed officials considered many factors when setting the fiscal year 2024 budget, and the associated property tax rates and charges for services.

In preparing the budget, the Township Board, Management and Treasurer take into consideration long-term goals of the Township, along with any unforeseen expenses that might occur, as well as the potential impact of current economic conditions.

REQUESTS FOR INFORMATION

This financial report is intended to provide our residents, investors, creditors and other interested parties with an overview of the finances of the Cunningham Township and to demonstrate the Township’s accountability for the financial resources it receives. Questions concerning any information contained in this report may be directed to the Administration and Finance Department at 205 West Greet Street, Urbana, IL 61801.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CUNNINGHAM TOWNSHIP, ILLINOIS

Statement of Net Position - Modified Cash Basis

June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 2,908,158
Noncurrent Assets	
Capital Assets	
Depreciable Capital Assets	741,953
Accumulated Depreciation	<u>(223,881)</u>
Total Noncurrent Assets	<u>518,072</u>
Total Assets	<u>3,426,230</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	7,348
Accrued Payroll	<u>4,259</u>
Total Liabilities	<u>11,607</u>
NET POSITION	
Net Investment in Capital Assets	518,072
Restricted	
General Assistance	1,671,559
Unrestricted	<u>1,224,992</u>
Total Net Position	<u>3,414,623</u>

The notes to the financial statements are an integral part of this statement.

CUNNINGHAM TOWNSHIP, ILLINOIS

Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2023

	Program Revenues			Net (Expenses)/ Revenues
	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Expenses				
Governmental Activities				
General Government	\$ 699,699	—	—	(699,699)
Public Welfare	1,245,469	—	336,607	(908,862)
Total Governmental Activities	1,945,168	—	336,607	(1,608,561)
	General Revenues			
	Taxes			
	Property Taxes			1,851,510
	Intergovernmental - Unrestricted			
	Personal Property Replacement Taxes			93,308
	Investment Income			46,870
	Miscellaneous			41,217
				<u>2,032,905</u>
	Change in Net Position			424,344
	Net Position - Beginning			<u>2,990,279</u>
	Net Position - Ending			<u><u>3,414,623</u></u>

The notes to the financial statements are an integral part of this statement.

CUNNINGHAM TOWNSHIP, ILLINOIS

Balance Sheet - Governmental Funds - Modified Cash Basis
June 30, 2023

	Town	General Assistance	Total
ASSETS			
Cash and Investments	\$ 1,225,933	1,682,225	2,908,158
LIABILITIES			
Accounts Payable	—	7,348	7,348
Accrued Payroll	941	3,318	4,259
Total Liabilities	941	10,666	11,607
FUND BALANCES			
Restricted	—	1,671,559	1,671,559
Assigned	122,071	—	122,071
Unassigned	1,102,921	—	1,102,921
Total Fund Balances	1,224,992	1,671,559	2,896,551
Total Liabilities and Fund Balances	1,225,933	1,682,225	2,908,158

The notes to the financial statements are an integral part of this statement.

CUNNINGHAM TOWNSHIP, ILLINOIS

**Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental
Activities - Modified Cash Basis
June 30, 2023**

Total Governmental Fund Balances	\$ 2,896,551
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.	<u>518,072</u>
Net Position of Governmental Activities	<u><u>3,414,623</u></u>

The notes to the financial statements are an integral part of this statement.

CUNNINGHAM TOWNSHIP, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified Cash Basis

For the Fiscal Year Ended June 30, 2023

	Town	General Assistance	Total
Revenues			
Taxes	\$ 768,455	1,083,055	1,851,510
Intergovernmental	46,654	383,261	429,915
Investment Income	23,435	23,435	46,870
Miscellaneous	740	40,477	41,217
Total Revenues	<u>839,284</u>	<u>1,530,228</u>	<u>2,369,512</u>
Expenditures			
General Government	679,481	—	679,481
Public Welfare	—	1,185,437	1,185,437
Capital Outlay	10,683	84,749	95,432
Total Expenditures	<u>690,164</u>	<u>1,270,186</u>	<u>1,960,350</u>
Net Change in Fund Balances	149,120	260,042	409,162
Fund Balances - Beginning	<u>1,075,872</u>	<u>1,411,517</u>	<u>2,487,389</u>
Fund Balances - Ending	<u><u>1,224,992</u></u>	<u><u>1,671,559</u></u>	<u><u>2,896,551</u></u>

The notes to the financial statements are an integral part of the statement.

CUNNINGHAM TOWNSHIP, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 409,162
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	35,400
Depreciation Expense	<u>(20,218)</u>
Changes in Net Position of Governmental Activities	<u><u>424,344</u></u>

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cunningham Township (the Township) operated under the Township organization article 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.

The basic financial statements of the Township have been presented on a modified cash basis of accounting. The 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. The more significant of the Township's accounting policies are described below.

REPORTING ENTITY

In determining the financial reporting entity, the Township complies with the provisions of GASB Statement No. 61 "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Township. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The Township's highways and streets, and general administration are all classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a modified cash, economic resource basis, which recognizes some long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Township's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Township's functions (general government and highways and streets, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, charges for services, investment income, etc.).

This government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into one major category: governmental. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is a primary operating fund of the Township or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all governmental funds.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Township:

Governmental Funds

All of the Township's funds are considered to be major funds. The funds reported by the Township are described below.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Township:

General Fund is the general operating fund of the Township. It accounts for all financial resources except those required to be accounted for in another fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Township maintains one special revenue fund. The General Assistance Fund is used to account for the proceeds of specific revenue sources related to general assistance.

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental funds are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting. This basis recognized revenue when cash is received and expenditures are recorded when payment is made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These financial statements are modified from the cash basis method because the Township records capital assets, depreciation, and long-term debt.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For purpose of the Statement of Net Position, the Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Township's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more (depending on asset class) are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Township as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Software	5 Years
Buildings	20 - 40 Years
Vehicles	5 Years

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Township adheres to the following procedures in establishing the budgetary data included in the financial statements:

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

During the year, one supplementary appropriation was necessary.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
General Assistance	\$ 40,869

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Township maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Township's funds.

Permitted Deposits and Investments - Statutes authorize the Township to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Concentration Risk, and Custodial Credit Risk

Deposits. At year-end, the carrying amount of the Township's deposits totaled \$1,754,225 and the bank balances totaled \$1,774,972. In addition, the Township has \$1,153,933 invested in the Illinois Funds at year-end, which has an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township's does not have an investment policy that addresses interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township does not have an investment policy that addresses credit risk. At year-end, the Township's investments in the Illinois Funds was rated AAA by Fitch.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Township's investment in a single issuer. The Township's does not have an investment policy that addresses concentration of credit risk. At year-end, the Township does not have any investments over 5 percent of cash and investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township's does not have an investment policy that addresses custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township's does not have an investment policy that addresses custodial credit risk for investments. The Township's investment in the Illinois Funds is not subject to custodial credit risk.

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for 2022 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them in two fairly equal payments with a third lesser payment of any disputed taxes.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Software	\$ 50,350	—	—	50,350
Buildings	637,076	35,400	—	672,476
Vehicles	19,127	—	—	19,127
	<u>706,553</u>	<u>35,400</u>	<u>—</u>	<u>741,953</u>
Less Accumulated Depreciation				
Software	44,066	3,378	—	47,444
Buildings	140,470	16,840	—	157,310
Vehicles	19,127	—	—	19,127
	<u>203,663</u>	<u>20,218</u>	<u>—</u>	<u>223,881</u>
 Total Net Depreciable Capital Assets	 <u>502,890</u>	 <u>15,182</u>	 <u>—</u>	 <u>518,072</u>
 Total Net Capital Assets	 <u><u>502,890</u></u>	 <u><u>15,182</u></u>	 <u><u>—</u></u>	 <u><u>518,072</u></u>

Depreciation expense was charged to governmental activities as follows:

General Government	<u><u>\$ 20,218</u></u>
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CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of June 30, 2023:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 518,072</u>

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the Township considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Township first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Township's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Town	General Assistance	Totals
Fund Balances			
Restricted			
Road Expenditures	\$ —	1,671,559	1,671,559
Assigned			
Contingent Repayment of Property Tax	122,071	—	122,071
Unassigned	1,102,921	—	1,102,921
Total Fund Balances	<u>1,224,992</u>	<u>1,671,559</u>	<u>2,896,551</u>

NOTE 4 - OTHER INFORMATION

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; natural disasters; and injuries to the Township's employees. The Township has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

Litigation

The Township has no open legal cases that are probable of unasserted possible claims or assessments.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Township expects such amounts, if any, to be immaterial.

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES - Continued

Property Tax Commitments

The Carle Foundation has paid real estate taxes to Champaign County under protest for the years 2004-2011. The Carle Foundation (Carle) maintained that certain properties should be exempt from real estate taxes due to its charitable status. 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. Since Carle's case prevailed, the Township is required to repay up to an estimated \$593,791 for its share of property taxes collected by the County of Champaign. The Township made no payments in fiscal years 2022 and 2023. For the remaining owed, the Township has assigned \$122,071 of the Town Fund balance and has earmarked \$93,071 of the General Assistance Fund balance.

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.

For the fiscal year ended June 30, 2023, various tax abatement agreements were entered into for a five-year period beginning 2020 at various percentages ranging from 20-100%. The amount of the Township's property tax abated in fiscal year 2023 under these agreements totaled \$96,447.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Township contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	9
Inactive Plan Members Entitled to but not yet Receiving Benefits	13
Active Plan Members	<u>15</u>
Total	<u><u>37</u></u>

Contributions. 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. For the year-ended June 30, 2023, the Township's contribution was 1.95% of covered payroll.

Net Pension (Asset). The Township's net pension (asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Township calculated using the discount rate as well as what the Township's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 205,572	(10,521)	(186,224)

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2021	\$ 2,578,001	3,253,204	(675,203)
Changes for the Year:			
Service Cost	37,506	—	37,506
Interest on the Total Pension Liability	181,357	—	181,357
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	48,390	—	48,390
Changes of Assumptions	—	—	—
Contributions - Employer	—	16,600	(16,600)
Contributions - Employees	—	23,895	(23,895)
Net Investment Income	—	(453,810)	453,810
Benefit Payments, Including Refunds of Employee Contributions	(190,558)	(190,558)	—
Other (Net Transfer)	—	15,886	(15,886)
Net Changes	76,695	(587,987)	664,682
Balances at December 31, 2022	2,654,696	2,665,217	(10,521)

For the year ended June 30, 2023, the Township recognized pension expense of \$11,628 on the modified cash basis. At June 30, 2023 on the accrual basis of accounting, the Township's deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

CUNNINGHAM TOWNSHIP, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 47,949	—	47,949
Change in Assumptions	—	(2,209)	(2,209)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	218,837	—	218,837
Total Pension Expense to be			
Recognized in Future Periods	266,786	(2,209)	264,577
Pension Contributions Made Subsequent			
to the Measurement Date	2,654	—	2,654
 Total Deferred Amounts Related to IMRF	 269,440	 (2,209)	 267,231

On the accrual basis of accounting, the Township would report \$2,654 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and would be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. In addition, on the accrual basis of accounting, the Township would report deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ (4,293)
2025	51,378
2026	80,533
2027	136,959
2028	—
Thereafter	—
Total	264,577

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
Town Fund
General Assistance Fund

INDIVIDUAL FUND DESCRIPTIONS

TOWN FUND

The Town Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

General Assistance Fund

The General Assistance Fund is used to account for the proceeds for specific revenue sources related to general assistance.

CUNNINGHAM TOWNSHIP, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Employer Contributions
June 30, 2023

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 45,716	\$ 46,687	\$ 971	\$ 32,626	143.10%
2016	56,144	56,144	—	352,445	15.93%
2017	57,384	57,384	—	357,977	16.03%
2018	45,056	45,056	—	348,733	12.92%
2019	41,790	71,790	30,000	315,636	22.74%
2020	29,691	99,690	69,999	323,785	30.79%
2021	30,013	30,013	—	372,837	8.05%
2022	20,681	20,681	—	466,911	4.43%
2023	11,628	11,628	—	595,874	1.95%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CUNNINGHAM TOWNSHIP, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2023

	12/31/2014	12/31/2015
Total Pension Liability		
Service Cost	\$ 39,554	35,245
Interest	169,344	178,398
Differences Between Expected and Actual Experience and Actual Experience	(28,564)	3,882
Change of Assumptions	100,947	—
Benefit Payments, Including Refunds of Member Contributions	(154,514)	(155,285)
Net Change in Total Pension Liability	126,767	62,240
Total Pension Liability - Beginning	2,321,443	2,448,210
Total Pension Liability - Ending	2,448,210	2,510,450
Plan Fiduciary Net Position		
Contributions - Employer	\$ 46,687	56,144
Contributions - Members	14,827	15,860
Net Investment Income	118,688	9,924
Benefit Payments, Including Refunds of Member Contributions	(154,514)	(155,285)
Other (Net Transfer)	8,567	141,363
Net Change in Plan Fiduciary Net Position	34,255	68,006
Plan Net Position - Beginning	1,992,213	2,026,468
Plan Net Position - Ending	2,026,468	2,094,474
Employer's Net Pension Liability/(Asset)	\$ 421,742	415,976
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.77%	83.43%
Covered Payroll	\$ 322,626	352,445
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	130.72%	118.03%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2021. Changes in assumptions related to the demographics were made in 2015 and 2017.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
36,673	37,646	33,023	27,582	30,976	33,900	37,506
182,925	188,193	178,872	169,082	174,303	177,786	181,357
17,133	(87,710)	(132,054)	45,001	42,075	21,347	48,390
(9,185)	(77,140)	50,458	—	(24,124)	—	—
(159,996)	(175,153)	(190,771)	(169,983)	(172,701)	(180,607)	(190,558)
67,550	(114,164)	(60,472)	71,682	50,529	52,426	76,695
2,510,450	2,578,000	2,463,836	2,403,364	2,475,046	2,525,575	2,578,001
2,578,000	2,463,836	2,403,364	2,475,046	2,525,575	2,578,001	2,654,696
57,382	45,055	71,790	99,690	30,014	26,446	16,600
16,109	15,693	14,203	14,570	16,778	21,203	23,895
144,659	415,641	(169,756)	450,583	393,952	513,547	(453,810)
(159,996)	(175,153)	(190,771)	(169,983)	(172,701)	(180,607)	(190,558)
14,009	(58,066)	55,158	4,166	11,764	3,351	15,886
72,163	243,170	(219,376)	399,026	279,807	383,940	(587,987)
2,094,474	2,166,637	2,409,807	2,190,431	2,589,457	2,869,264	3,253,204
2,166,637	2,409,807	2,190,431	2,589,457	2,869,264	3,253,204	2,665,217
411,363	54,029	212,933	(114,411)	(343,689)	(675,203)	(10,521)
84.04%	97.81%	91.14%	104.62%	113.61%	126.19%	100.40%
357,977	348,733	315,636	323,785	372,837	466,512	525,343
114.91%	15.49%	67.46%	(35.34%)	(92.18%)	(144.73%)	(2.00%)

CUNNINGHAM TOWNSHIP, ILLINOIS

Town Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 782,325	812,441	768,455
Intergovernmental			
Replacement Taxes	24,000	46,654	46,654
Investment Income	600	23,435	23,435
Miscellaneous	1,500	740	740
Total Revenues	<u>808,425</u>	<u>883,270</u>	<u>839,284</u>
Expenditures			
General Government			
Disbursements Supervisor's Office	358,607	264,196	263,554
Assessor's Office	495,887	415,625	415,927
Capital Outlay	7,000	10,683	10,683
Total Expenditures	<u>861,494</u>	<u>690,504</u>	<u>690,164</u>
Net Change in Fund Balance	<u>(53,069)</u>	<u>192,766</u>	149,120
Fund Balance - Beginning			<u>1,075,872</u>
Fund Balance - Ending			<u><u>1,224,992</u></u>

CUNNINGHAM TOWNSHIP, ILLINOIS

Town Fund

Schedule of Expenditures - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Expenditures			
General Government			
Disbursements Supervisor's Office			
Salaries	\$ 130,426	127,231	127,231
Employee Benefits	45,031	42,566	42,566
Office Supplies	6,650	4,327	4,327
Administrative Services	41,000	5,113	5,113
Janitorial Services	3,000	2,550	2,550
Computer Services	6,000	3,043	3,043
Audit Services	9,000	9,260	9,260
Legal Services	10,000	8,100	8,100
Dues and Subscriptions	2,000	1,711	1,711
Vehicle Maintenance	—	105	105
Repairs and Maintenance	13,000	2,924	2,924
Events	72,000	52,039	52,039
Miscellaneous	2,500	1,235	593
Insurance	7,500	(1,629)	(1,629)
Telephone and Internet	3,500	2,527	2,527
Utilities	4,000	3,094	3,094
Carle/Presence Property Tax Refund	3,000	—	—
Total Disbursements Supervisor's Office	358,607	264,196	263,554
Assessor's Office			
Salaries	249,966	249,751	249,751
Employee Benefits	84,421	34,683	34,985
Office Supplies	9,000	2,928	2,928
Administrative Services	23,000	8,697	8,697
Janitorial Services	5,400	4,200	4,200
Computer Services	24,300	23,679	23,679
Appraisals	34,000	32,195	32,195
Legal Services	20,000	21,345	21,345
Dues and Subscriptions	6,000	2,484	2,484
Travel and Training	21,250	19,207	19,207

CUNNINGHAM TOWNSHIP, ILLINOIS

Town Fund

Schedule of Expenditures - Budget and Actual - Modified Cash Basis - Continued

For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Expenditures -Continued			
General Government - Continued			
Assessor's Office - Continued			
Property Acquisition/Rent	\$ 10,800	12,000	12,000
Miscellaneous	4,000	(6)	(6)
Telephone and Internet	3,150	2,458	2,458
Utilities	600	2,004	2,004
Total Assessor's Office	<u>495,887</u>	<u>415,625</u>	<u>415,927</u>
Total General Government	<u>854,494</u>	<u>679,821</u>	<u>679,481</u>
Capital Outlay	<u>7,000</u>	<u>10,683</u>	<u>10,683</u>
Total Expenditures	<u><u>861,494</u></u>	<u><u>690,504</u></u>	<u><u>690,164</u></u>

CUNNINGHAM TOWNSHIP, ILLINOIS

General Assistance - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,100,124	1,039,069	1,083,055
Intergovernmental			
Replacement Taxes	24,000	46,654	46,654
Donations	78,000	45,048	45,048
Grants and Reimbursements	179,300	291,559	291,559
Investment Income	20	23,435	23,435
Miscellaneous	25,000	10,940	40,477
Total Revenues	<u>1,406,444</u>	<u>1,456,705</u>	<u>1,530,228</u>
Expenditures			
Public Welfare	1,306,920	1,174,568	1,185,437
Capital Outlay	55,000	54,749	84,749
Total Expenditures	<u>1,361,920</u>	<u>1,229,317</u>	<u>1,270,186</u>
Net Change in Fund Balance	<u>44,524</u>	<u>227,388</u>	260,042
Fund Balance - Beginning			<u>1,411,517</u>
Fund Balance - Ending			<u><u>1,671,559</u></u>

CUNNINGHAM TOWNSHIP, ILLINOIS

General Assistance - Special Revenue Fund

Schedule of Expenditures - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Expenditures			
Public Welfare			
Salaries	\$ 365,600	351,633	351,633
Employee Benefits	122,120	101,617	105,091
Office Supplies	15,000	18,536	18,536
Computer Software	12,000	7,750	7,750
Work/Training Supplies	—	885	885
Administrative Services	4,000	3,246	3,246
Janitorial Services	4,000	3,028	3,028
Dues and Subscriptions	1,000	240	240
Travel and Training	23,500	6,949	6,949
Personal Allowances	346,200	236,350	236,350
Build Urbana Program	5,000	15,049	15,049
Rent	20,000	—	—
Rental Assistance	120,000	137,188	137,188
Rapid Rehousing	46,000	55,396	55,396
Intern/Volunteers Program	40,000	55,118	55,118
Emergency Assistance	69,800	121,174	121,174
Angel Donors	50,000	3,590	3,590
Solidarity Gardens	3,000	7,136	7,136
Events	5,000	5,931	5,931
Miscellaneous	5,000	2,313	2,313
Insurance	5,000	3,698	11,093
Telephone and Internet	7,700	3,185	3,185
Utilities	24,000	25,106	25,106
Legal Services	10,000	9,450	9,450
Carle/Presence Property Tax Refund	3,000	—	—
Total Public Welfare	1,306,920	1,174,568	1,185,437
Capital Outlay	55,000	54,749	84,749
Total Expenditures	1,361,920	1,229,317	1,270,186

SUPPLEMENTAL SCHEDULE

CUNNINGHAM TOWNSHIP, ILLINOIS

**Schedule of Assessed Valuations, Tax Rates, Extensions and Collections - Last Eight Fiscal Years
June 30, 2023**

See Following Page

CUNNINGHAM TOWNSHIP, ILLINOIS

Schedule of Assessed Valuations, Tax Rates, Extensions and Collections - Last Eight Fiscal Years
June 30, 2023

	2015	2016	2017
Assessed Valuation	\$ 523,103,317	545,974,455	557,884,512
Tax Rates			
Town	0.1497	0.1435	0.1404
Mental Health	0.0657	0.0629	0.0616
Revenue Recapture	—	—	—
Total Tax Rates	0.2154	0.2064	0.2020
Tax Extensions			
Town	\$ 783,086	783,473	783,270
Mental Health	343,679	343,418	343,657
Revenue Recapture	—	—	—
Total Tax Extensions	1,126,765	1,126,891	1,126,927

2018	2019	2020	2021	2022
583,475,063	596,954,779	605,365,820	624,361,213	693,472,254
0.1354	0.1386	0.1386	0.1253	0.1221
0.0676	0.0670	0.1629	0.1762	0.1794
—	—	—	0.0028	0.0022
0.2030	0.2056	0.3015	0.3043	0.3037
790,025	827,379	839,037	842,640	914,598
394,429	399,960	986,141	1,184,942	1,343,808
—	—	—	18,830	16,479
1,184,454	1,227,339	1,825,178	2,046,412	2,274,885