

**CITY OF ANNA, ILLINOIS**  
**FINANCIAL STATEMENTS**  
**For the Year Ended April 30, 2018**



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Anna, Illinois

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, and each major fund of City of Anna, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City'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 I; 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 opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, the business-type activities, the aggregate discretely presented component units, and each major fund of the City of Anna, Illinois, as of April 30, 2018, and the respective changes in modified cash basis financial position, and, where applicable, the modified cash basis cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note I.

**Basis of Accounting**

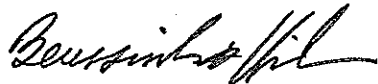
We draw attention to Note I of the financial statements, which describes the basis of accounting. The City of Anna, Illinois prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

**Other Matters****Other Information**

Management's discussion and analysis on pages 5-11, budgetary comparison information on pages 68-76, are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2018, on our consideration of the City of Anna, Illinois's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Anna, Illinois's internal control over financial reporting and compliance.



Anna, Illinois  
October 17, 2018

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council  
City of Anna, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, and each major fund of the City of Anna, Illinois, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Anna, Illinois 's basic financial statements, and have issued our report thereon dated October 17, 2018. That report states that the basic financial statements were 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 were not modified with respect to this matter.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the modified cash basis financial statements, we considered the City of Anna, Illinois 's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the modified cash basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Anna, Illinois 's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Anna, Illinois 's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Anna, Illinois 's modified cash basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the modified cash basis financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Anna, Illinois", written in a cursive style.

Anna, Illinois  
October 17, 2018



**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2018**

The City of Anna, Illinois is presenting the following discussion and analysis to provide an overall review of the City's financial activities for the fiscal year ended April 30, 2018. The City's financial performance is discussed within the context of the accompanying financial statements and notes to the financial statements in order to enhance the understanding of readers.

**Financial Highlights**

- \* The assets of the City exceeded liabilities at the close of the fiscal year ended April 30, 2018 by \$ 16,887,677. Of this amount, \$ 3,413,526 is considered unrestricted. The unrestricted net position of the City's governmental activities were \$ 1,936,157 and may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position of the City's business-type activities were \$ 1,452,373 and may be used to meet the ongoing obligations of the City's water, sewer, and gas utility activities.
- \* The City's total net position decreased by \$ 426,450 or 2.46% in the fiscal year ended April 30, 2018. The net position of governmental activities decreased by \$ 240,769 or 3.04% from the prior fiscal year. The net position of business-type activities decreased \$ 185,681 or 1.98% from the prior fiscal year.
- \* The total cost of all City services for the fiscal year ended April 30, 2018 was \$ 7,135,400, \$ 3,303,933 or 46.30% of which was for governmental services, and \$ 3,831,467 or 53.70% of which was for business-type activities.
- \* A total of \$ 558,899 or 16.92% of governmental services were financed by program revenue, with \$ 85,580 or 2.59% financed by grants and the remaining 80.49% being financed by general revenues. Sales and Use tax revenue represented the single largest source of general revenue, providing 42.70% of expense.
- \* The City's investment in capital assets increased \$ 686,878 during the year as a result of utility improvements, significant park improvements, and additional equipment purchases. Funding for the investments were provided by reserves and a park project grant of \$ 74,800.
- \* The City's total bonded debt and loans decreased by \$ 136,204 or 13.81% during the year as a result of scheduled payments on existing revenue bonds, and the retirement of the 1998 revenue bonds.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: Government-wide Financial Statements; Fund Financial Statements; and Notes to the Financial Statements. This report also includes other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements**

These statements are designed to provide an overview of the City's finances, in a manner similar to a private sector business. The Statement of Net Position - Modified Cash Basis presents information on all of the City's non-fiduciary assets and liabilities resulting from cash transactions, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as an useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities - Modified Cash Basis presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying cash transaction occurs.

**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2018**

**Government-wide Financial Statements (concluded)**

Both statements distinguish functions and activities of the City that are principally supported by taxes, governmental activities, and from other functions and activities that are intended to recover all or a significant portion of costs through user fees or charges, business-type activities. The governmental activities of the City include; general government; public safety; transportation and public works; social services; parks and recreation; and community development. The business-type activities of the City include three enterprise activities; water utility system, sewer utility system, and gas utility system.

**Fund Financial Statements**

These statements report the City's operations in more detail and focus primarily on the specific activities. All funds of the City can be divided into three categories; governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds**

Fund financial statements provide detailed information about each of the City's most significant funds, called major funds. The determination of major funds is established by GASB Statement 34 and replaces combining like funds and presenting them in total. Instead, the City considers each separately budgeted and managed fund to be a major fund, and as such, each is presented separately.

Governmental fund financial statements are presented on the modified cash basis of accounting, which means assets, liabilities, net position, revenues, and expenses are recognized when they result from a cash transaction with a provision for the recognition of notes receivable. Capital assets and long term liabilities are not presented in the governmental fund financial statements. Under the modified cash basis of accounting, certain assets and related revenues, and certain liabilities and the related expenses are not recorded in these financial statements.

**Proprietary Funds**

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and gas utility activities.

Proprietary fund financial statements are presented on the modified cash basis of accounting, which means assets, liabilities, net position, revenues, and expenses are recognized when they result from a cash transaction, with a provision for the recognition of capital assets, depreciation, and debt. Under the modified cash basis of accounting, certain assets and related revenues, and certain liabilities and the related expenses are not recorded in these financial statements.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources are not available to support the functions and activities of the City.

Fiduciary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time that liabilities are incurred, regardless of when the related cash flow takes place.

**Notes to Financial Statements**

The Notes to the Financial Statements: provide additional information that is essential to an understanding of the data provided in the City's financial statements.

**Other Information**

This information includes budgetary comparison schedules which presents the variance with actual results.

**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2018**

**Financial Analysis - Statement of Net Position - Modified Cash Basis**

The assets of the City exceeded its liabilities at the close of the fiscal year ended April 30, 2018 by \$ 16,887,677. Of this amount, \$ 3,413,526 is considered unrestricted. The unrestricted net position of the City's governmental activities were \$ 1,936,157. The unrestricted net position of the City's business-type activities were \$ 1,452,373.

The City's total net position decreased by \$ 426,450 or 2.46% in the fiscal year ended April 30, 2018. The net position of governmental activities decreased by \$ 240,769 or 3.04% from the prior fiscal year. The net position of business-type activities decreased \$ 185,681 or 1.98% from the prior fiscal year.

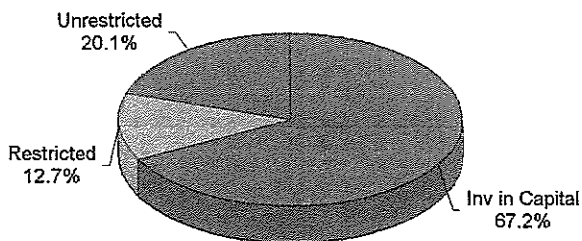
A summary of the City's government-wide Statement of Net Position - Modified Cash Basis follows:

**Condensed Statement of Net Position - Modified Cash Basis**

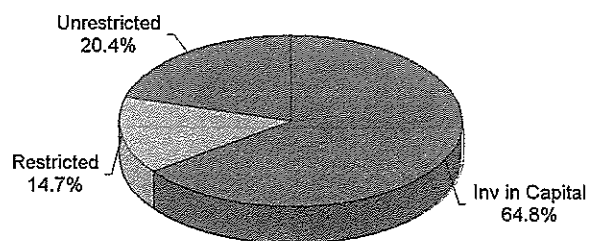
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>ASSETS</b>						
Current Assets	\$ 2,781,720	\$ 3,247,580	\$ 2,836,531	\$ 2,814,454	\$ 5,618,251	\$ 6,062,034
Noncurrent Assets	0	0	32,616	146,008	32,616	146,008
Capital Assets	4,898,642	4,673,551	7,305,581	7,539,515	12,204,223	12,213,066
Other Assets	0	0	0	0	0	0
Total Assets	7,680,362	7,921,131	10,174,728	10,499,977	17,855,090	18,421,108
<b>LIABILITIES</b>						
Current Liabilities	0	0	117,207	120,571	117,207	120,571
Noncurrent Liabilities	0	0	0	0	0	0
Current Debt	0	0	51,180	140,457	51,180	140,457
Noncurrent Debt	0	0	799,026	845,953	799,026	845,953
Total Liabilities	0	0	967,413	1,106,981	967,413	1,106,981
<b>NET POSITION</b>						
Invested in Capital						
Assets net of debt	4,898,642	4,673,551	6,455,375	6,553,105	11,354,017	11,226,656
Restricted	845,563	1,021,487	1,299,567	1,529,089	2,145,130	2,550,576
Unrestricted	1,936,157	2,226,093	1,452,373	1,310,802	3,388,530	3,536,895
Total Net Position	\$ 7,680,362	\$ 7,921,131	\$ 9,207,315	\$ 9,392,996	\$ 16,887,677	\$ 17,314,127

The following are graphical representations of total net position by category for the fiscal years ended April 30, 2018 and April 30, 2017:

City of Anna, Illinois - Net Assets  
April 30, 2018



City of Anna, Illinois - Net Assets  
April 30, 2017



**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2018**

**Financial Analysis - Statement of Net Activities - Modified Cash Basis**

The City's total revenues increased by \$ 220,793 over the prior fiscal year due to increases service fees, and sales taxes. Service revenues increased \$ 196,727, grant revenues increased \$ 5,780, property taxes decreased \$ 23,110, sales taxes increased \$ 51,739, income taxes increased \$ 9,866, replacements taxes decreased \$ 4,521, other taxes decreased \$ 5,619, investment income increased \$ 2,396 and other income decreased \$ 12,466.

Total expenses increased \$ 154,064, due mainly to expected inflationary increases and a increase in commodity costs.

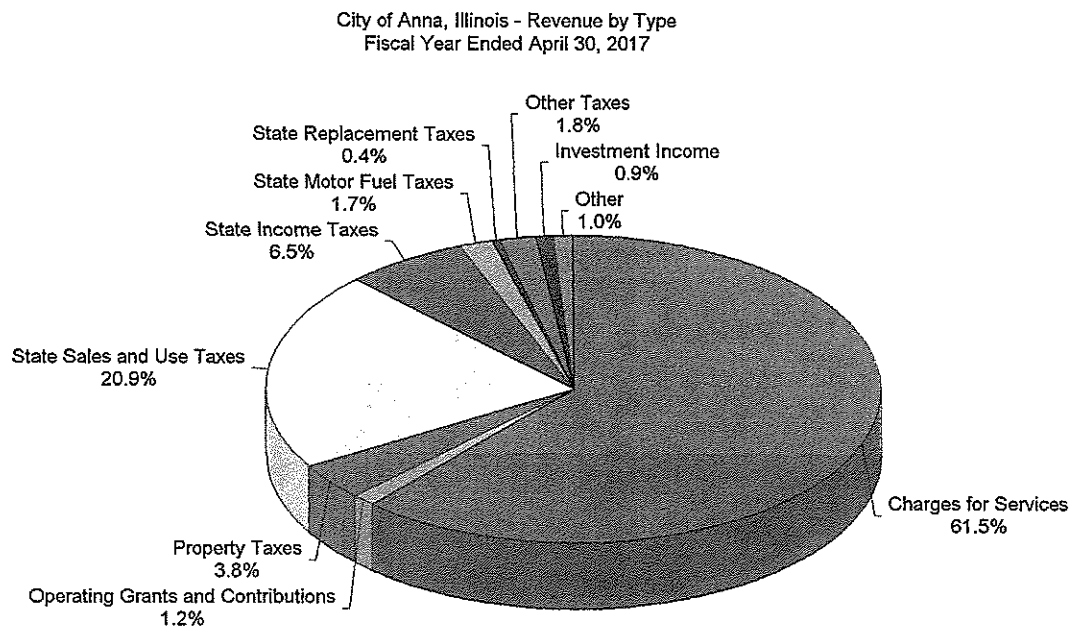
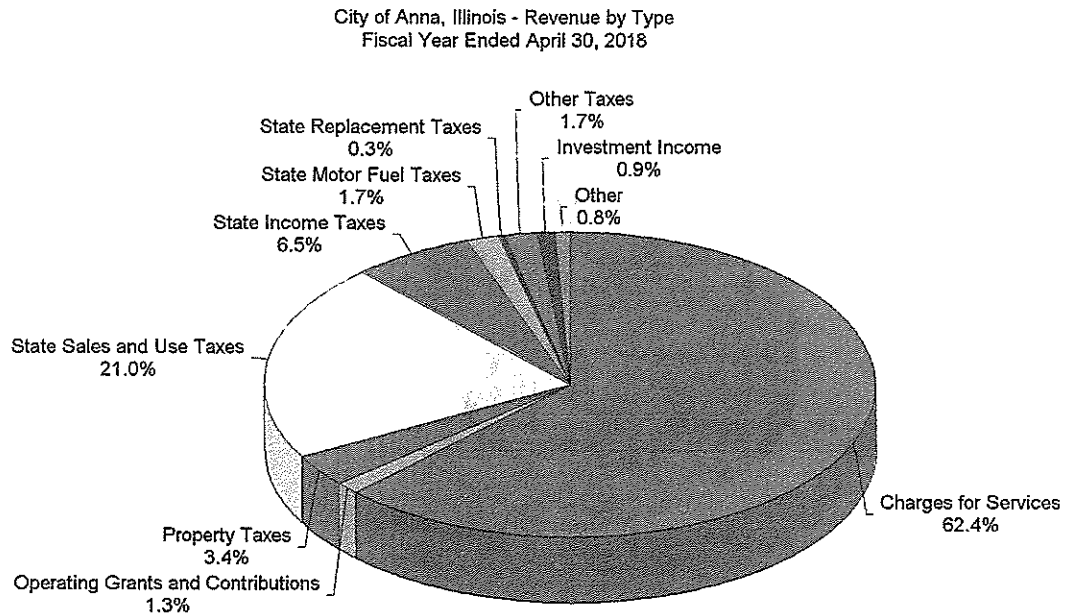
A summary of the City's government-wide Statement of Activities - Modified Cash Basis follows:

**Condensed Statement of Activities and Changes in Net Position - Modified Cash Basis**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>REVENUES</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 558,899	\$ 550,902	\$ 3,628,394	\$ 3,439,664	\$ 4,187,293	\$ 3,990,566
Oper. Grants	5,000	5,000	0	0	5,000	5,000
Capital Grants	80,580	74,800	0	0	80,580	74,800
<b>General Revenues</b>						
Property Taxes	226,566	249,676	0	0	226,566	249,676
State Sales/Use Taxes	1,410,909	1,359,170	0	0	1,410,909	1,359,170
State Income Taxes	432,802	422,936	0	0	432,802	422,936
State Motor Fuel Taxes	112,974	112,973	0	0	112,974	112,973
State Replace Taxes	22,964	27,485	0	0	22,964	27,485
Other Taxes	114,091	119,710	0	0	114,091	119,710
Investment Income	51,836	50,293	9,803	8,950	61,639	59,243
Other	46,543	60,979	7,589	5,619	54,132	66,598
<b>Total Revenues</b>	<b>3,063,164</b>	<b>3,033,924</b>	<b>3,645,786</b>	<b>3,454,233</b>	<b>6,708,950</b>	<b>6,488,157</b>
<b>EXPENSES</b>						
General Government	960,806	922,782	0	0	960,806	922,782
Public Safety	1,018,634	1,059,767	0	0	1,018,634	1,059,767
Transport/Public Works	631,641	990,205	0	0	631,641	990,205
Social Services	468,873	458,835	0	0	468,873	458,835
Culture/Recreation	218,199	213,625	0	0	218,199	213,625
Economic Development	5,780	0	0	0	5,780	0
Debt Service	0	0	0	0	0	0
Water	0	0	1,326,399	1,210,050	1,326,399	1,210,050
Sewer	0	0	761,800	727,821	761,800	727,821
Gas	0	0	1,743,268	1,398,251	1,743,268	1,398,251
<b>Total Expenses</b>	<b>3,303,933</b>	<b>3,645,214</b>	<b>3,831,467</b>	<b>3,336,122</b>	<b>7,135,400</b>	<b>6,981,336</b>
<b>Change in Net Position</b>	<b>(240,769)</b>	<b>(611,290)</b>	<b>(185,681)</b>	<b>118,111</b>	<b>(426,450)</b>	<b>(493,179)</b>
Transfers	0	0	0	0	0	0
<b>Beginning Net Position</b>	<b>7,921,131</b>	<b>8,532,421</b>	<b>9,392,996</b>	<b>9,274,885</b>	<b>17,314,127</b>	<b>17,807,306</b>
<b>Ending Net Position</b>	<b>\$ 7,680,362</b>	<b>\$ 7,921,131</b>	<b>\$ 9,207,315</b>	<b>\$ 9,392,996</b>	<b>\$ 16,887,677</b>	<b>\$ 17,314,127</b>

**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2018**

The following are graphical representations of revenues by type/source for the fiscal years ended April 30, 2018 and April 31, 2017:





## **BASIC FINANCIAL STATEMENTS**

City of Anna, Illinois  
**STATEMENT OF NET POSITION**  
**MODIFIED CASH BASIS**  
**April 30, 2018**

	Primary Government		
	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 648,467	\$ 1,666,531	\$ 2,314,998
Certificates of Deposit	2,030,000	1,170,000	3,200,000
Receivables:			
Accounts Receivable - net	0	0	0
Taxes Receivable - net	0	0	0
Interfund	0	0	0
Accrued Interest	0	0	0
Notes Receivable	103,253	0	103,253
Inventory	0	0	0
Prepaid Items	0	0	0
Total Current Assets	<u>2,781,720</u>	<u>2,836,531</u>	<u>5,618,251</u>
Non-Current Assets			
Restricted:			
Cash and Cash Equivalents	0	32,616	32,616
Certificates of Deposit	0	0	0
Total Restricted Assets	<u>0</u>	<u>32,616</u>	<u>32,616</u>
Capital Assets:			
Land and Right-of-way	1,326,477	0	1,326,477
Plant and Distribution System	0	13,376,480	13,376,480
Buildings and Improvements	4,456,679	428,621	4,885,300
Equipment	3,311,807	1,057,968	4,369,775
Less Accumulated Depreciation	(4,196,321)	(7,557,488)	(11,753,809)
Construction in Progress	0	0	0
Total Capital Assets	<u>4,898,642</u>	<u>7,305,581</u>	<u>12,204,223</u>
Other Assets:			
Unamortized Organization Costs	0	0	0
Unamortized Bond Costs	0	0	0
Escrow	0	0	0
Total Other Assets	<u>0</u>	<u>0</u>	<u>0</u>
Total Non-Current Assets	<u>4,898,642</u>	<u>7,338,197</u>	<u>12,236,839</u>
Total Assets	<u>\$ 7,680,362</u>	<u>\$ 10,174,728</u>	<u>\$ 17,855,090</u>

The Notes to Financial Statements are an integral part of this statement.



	Primary Government		
	Governmental Activities	Business Type Activities	Total
<b>LIABILITIES</b>			
Current Liabilities			
Payable from Current Assets:			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Payroll and Related Items	0	0	0
Interfund	0	0	0
Customer Deposits	0	117,207	117,207
Accrued Interest	0	0	0
Deferred/Unearned Revenue	0	0	0
Bonds/Loans Payable - Current Portion	0	0	0
Total Payable from Current Assets	<u>0</u>	<u>117,207</u>	<u>117,207</u>
Payable from Restricted Assets:			
Accounts Payable	0	0	0
Bonds/Loans Payable - Current Portion	0	51,180	51,180
Accrued Interest Payable	0	0	0
Total Payable from Restricted Assets	<u>0</u>	<u>51,180</u>	<u>51,180</u>
Total Current Liabilities	<u>0</u>	<u>168,387</u>	<u>168,387</u>
Non-Current Liabilities			
Bonds Payable	0	799,026	799,026
Other Liabilities	0	0	0
Accrued Compensated Absences	0	0	0
Total Non-Current Liabilities	<u>0</u>	<u>799,026</u>	<u>799,026</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 967,413</u>	<u>\$ 967,413</u>
<b>NET POSITION</b>			
Investment in Capital Assets, net of related debt	\$ 4,898,642	\$ 6,455,375	\$ 11,354,017
Restricted for:			
Future Expenditures	262,171	0	262,171
Designated Projects/Programs	583,392	1,266,951	1,850,343
Debt Service	0	32,616	32,616
Unrestricted	<u>1,936,157</u>	<u>1,452,373</u>	<u>3,388,530</u>
Total Net Position	<u>\$ 7,680,362</u>	<u>\$ 9,207,315</u>	<u>\$ 16,887,677</u>

(Continued)

City of Anna, Illinois  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**MODIFIED CASH BASIS**  
**For the Year Ended April 30, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 960,806	\$ 75,289	\$ 0	\$ 0	\$ (885,517)		\$ (885,517)
Public Safety	1,018,634	37,322	0	0	(981,312)		(981,312)
Transportation and Public Works	631,641	0	0	0	(631,641)		(631,641)
Social Services	468,873	425,713	5,000	0	(38,160)		(38,160)
Culture and Recreation	218,199	20,575	0	74,800	(122,824)		(122,824)
Community/Economic Development	5,780	0	0	5,780	0		0
Debt Service	0	0	0	0	0		0
<b>Total Governmental Activities</b>	<b>\$ 3,303,933</b>	<b>\$ 558,899</b>	<b>\$ 5,000</b>	<b>\$ 80,580</b>	<b>\$ (2,659,454)</b>		<b>\$ (2,659,454)</b>
<b>Business Type Activities:</b>							
Water Utility	\$ 1,326,399	\$ 1,267,165	\$ 0	\$ 0		\$ (59,234)	\$ (59,234)
Sewer Utility	761,800	683,401	0	0		(78,399)	(78,399)
Gas Utility	1,743,268	1,677,828	0	0		(65,440)	(65,440)
<b>Total Business Type Activities</b>	<b>3,831,467</b>	<b>3,628,394</b>	<b>0</b>	<b>0</b>		<b>(203,073)</b>	<b>(203,073)</b>
<b>Total Primary Government</b>	<b>\$ 7,135,400</b>	<b>\$ 4,187,293</b>	<b>\$ 5,000</b>	<b>\$ 80,580</b>	<b>\$ (2,659,454)</b>	<b>\$ (203,073)</b>	<b>\$ (2,862,527)</b>
<b>General Revenues</b>							
Property Taxes					226,566	0	226,566
State Sales and Use Taxes					1,410,909	0	1,410,909
State Income Taxes					432,802	0	432,802
State Motor Fuel Taxes					112,974	0	112,974
State Replacement Taxes					22,964	0	22,964
Other Taxes					114,091	0	114,091
Investment Income					51,836	9,803	61,639
Other					46,543	7,589	54,132
Transfers					0	0	0
<b>Total General Revenues and Transfers</b>					<b>\$ 2,418,685</b>	<b>\$ 17,392</b>	<b>\$ 2,436,077</b>
<b>Change in Net Position</b>					<b>\$ (240,769)</b>	<b>\$ (185,681)</b>	<b>\$ (426,450)</b>
<b>Net Position, beginning of year</b>					<b>7,921,131</b>	<b>9,392,996</b>	<b>17,314,127</b>
<b>Prior Period Adjustments</b>					<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Position, end of year</b>					<b>\$ 7,680,362</b>	<b>\$ 9,207,315</b>	<b>\$ 16,887,677</b>

The Notes to Financial Statements are an integral part of this statement.

## FUND FINANCIAL STATEMENTS

City of Anna, Illinois  
BALANCE SHEET  
MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
April 30, 2018

	PUBLIC SAFETY			TRANSPORTATION		SOCIAL SERVICES		PARK AND	COMMUNITY	TOTAL
	GENERAL	POLICE DEPT	FIRE DEPT	STREETS DEPT	MOTOR FUEL TAX	SANITATION	CEMETERY	RECREATION	DEVELOPMENT	GOVERNMENTAL FUNDS
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ 181,222	\$ 81,013	\$ 41,004	\$ 74,006	\$ 155,078	\$ 60,592	\$ 6,069	\$ 49,483	\$ 0	\$ 648,467
Certificates of Deposit	2,030,000	0	0	0	0	0	0	0	0	2,030,000
Accounts Receivable - net	0	0	0	0	0	0	0	0	0	0
Taxes Receivable - net	0	0	0	0	0	0	0	0	0	0
Interfund	0	0	0	0	0	0	0	0	0	0
Other Receivables	0	0	0	0	0	0	0	0	0	0
Accrued Interest	0	0	0	0	0	0	0	0	0	0
Notes Receivable	0	0	0	0	0	0	0	0	103,253	103,253
Inventory	0	0	0	0	0	0	0	0	0	0
Prepaid Expense	0	0	0	0	0	0	0	0	0	0
Total Assets	<u>\$ 2,211,222</u>	<u>\$ 81,013</u>	<u>\$ 41,004</u>	<u>\$ 74,006</u>	<u>\$ 155,078</u>	<u>\$ 60,592</u>	<u>\$ 6,069</u>	<u>\$ 49,483</u>	<u>\$ 103,253</u>	<u>\$ 2,781,720</u>
<b>LIABILITIES</b>										
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Payroll and Related Items	0	0	0	0	0	0	0	0	0	0
Interfund	0	0	0	0	0	0	0	0	0	0
Customer Deposits	0	0	0	0	0	0	0	0	0	0
Accrued Interest	0	0	0	0	0	0	0	0	0	0
Deferred Revenue	0	0	0	0	0	0	0	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>FUND BALANCE</b>										
Fund Balance - Non Spendable	0	0	0	0	0	0	0	0	103,253	103,253
Fund Balance - Restricted	3,840	0	0	0	155,078	0	0	0	0	158,918
Fund Balance - Committed	271,225	81,013	41,004	74,006	0	60,592	6,069	49,483	0	583,392
Fund Balance - Assigned	0	0	0	0	0	0	0	0	0	0
Fund Balance - Unassigned	1,936,157	0	0	0	0	0	0	0	0	1,936,157
Total Fund Balance	<u>2,211,222</u>	<u>81,013</u>	<u>41,004</u>	<u>74,006</u>	<u>155,078</u>	<u>60,592</u>	<u>6,069</u>	<u>49,483</u>	<u>103,253</u>	<u>2,781,720</u>
Total Liabilities, and Fund Balance	<u>\$ 2,211,222</u>	<u>\$ 81,013</u>	<u>\$ 41,004</u>	<u>\$ 74,006</u>	<u>\$ 155,078</u>	<u>\$ 60,592</u>	<u>\$ 6,069</u>	<u>\$ 49,483</u>	<u>\$ 103,253</u>	<u>\$ 2,781,720</u>

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Illinois  
RECONCILIATION OF FUND BALANCES TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
April 30, 2018

Total Fund Balances for Governmental Funds \$ 2,781,720

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

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds  
These assets consist of:

Land and Right-of-way	\$ 1,326,477	
Plant and Distribution System	0	
Buildings and Improvements	4,456,679	
Equipment	3,311,807	
Less Accumulated Depreciation	(4,196,321)	
Construction in Progress	0	
Total Capital Assets	<u>0</u>	4,898,642

Sales taxes and property taxes will be collected after year-end, but are not available to pay for the current period's expenditures, and therefore are reported as deferred inflows in the funds

0

Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds  
These liabilities consist of:

Bonds/Notes/Loans Payable	\$ 0	
Accrued Interest	0	
Accrued Compensated Absences	0	
Total Long-Term Liabilities	<u>0</u>	0

Total Net Position of Governmental Activities \$ 7,680,362

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Illinois  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
April 30, 2018

	PUBLIC SAFETY			TRANSPORTATION		SOCIAL SERVICES				TOTAL
	GENERAL	POLICE DEPT	FIRE DEPT	STREETS DEPT	MOTOR FUEL TAX	SANITATION	CEMETERY	PARK AND RECREATION	COMMUNITY DEVELOPMENT	GOVERNMENTAL FUNDS
REVENUES										
Property Taxes	\$ 180,875	\$ 0	\$ 16,992	\$ 28,699	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 226,566
Replacement Tax	0	0	0	22,964	0	0	0	0	0	22,964
Sales and UseTax	211,205	530,158	171,243	306,073	0	0	61,171	131,059	0	1,410,909
Income Tax	69,052	160,744	51,921	92,801	0	0	18,547	39,737	0	432,802
Motor Fuel Tax	0	0	0	0	112,974	0	0	0	0	112,974
Other Taxes	114,091	0	0	0	0	0	0	0	0	114,091
Grants	0	0	0	0	0	5,000	0	74,800	5,780	85,580
License & Permits	75,139	0	0	0	0	500	0	0	0	75,639
Fines	150	35,322	0	0	0	0	0	0	0	35,472
Service Fees	0	0	2,000	0	0	400,438	24,775	20,575	0	447,788
Interest	42,961	150	62	142	485	92	7	91	7,846	51,836
Other Revenues	30,663	1,067	0	1,415	7,313	0	0	6,085	0	46,543
Total Revenues	\$ 724,136	\$ 727,441	\$ 242,218	\$ 452,094	\$ 120,772	\$ 406,030	\$ 104,500	\$ 272,347	\$ 13,626	\$ 3,063,164
EXPENDITURES										
Salaries	\$ 363,258	\$ 390,075	\$ 105,180	\$ 228,943	\$ 0	\$ 0	61,449	\$ 79,223	\$ 0	\$ 1,228,128
Payroll Taxes & Fringes	269,171	200,754	83,427	130,463	0	0	28,897	28,574	0	741,286
Purchased Services	182,180	67,524	30,530	41,422	185,633	352,056	4,412	54,652	5,780	924,189
Supplies	17,749	11,407	4,955	26,257	0	9,161	5,279	25,013	0	99,821
Other	2,250	125	250	0	0	0	0	0	0	2,625
Capital Outlays	4,330	24,265	0	20,610	0	0	0	483,770	0	532,975
Total Expenditures	\$ 838,938	\$ 694,150	\$ 224,342	\$ 447,695	\$ 185,633	\$ 361,217	\$ 100,037	\$ 671,232	\$ 5,780	\$ 3,529,024
				427,085						
REVENUE OVER (UNDER) EXPENDITURES	\$ (114,802)	\$ 33,291	\$ 17,876	\$ 4,399	\$ (64,861)	\$ 44,813	\$ 4,463	\$ (398,885)	\$ 7,846	\$ (465,860)
OTHER SOURCES(USES)										
Transfers	(177,175)	(57,405)	(14,215)	(24,866)	0	(44,721)	(856)	357,999	(38,761)	0
Net Change in Fund Balance	(291,977)	(24,114)	3,661	(20,467)	(64,861)	92	3,607	(40,886)	(30,915)	(465,860)
Fund Balance, beginning	2,503,199	105,127	37,343	94,473	219,939	60,500	2,462	90,369	134,168	3,247,580
Fund Balance, ending	\$ 2,211,222	\$ 81,013	\$ 41,004	\$ 74,006	\$ 155,078	\$ 60,592	\$ 6,069	\$ 49,483	\$ 103,253	\$ 2,781,720

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Illinois  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
April 30, 2018

<b>Net Change in Fund Balances for Governmental Funds</b>	<b>\$ (465,860)</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, and in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	532,975
Depreciation	(307,884)

Revenues are recorded in the statement of activities when earned, they are not reported in the funds until collected or collectible within 60 days of year-end	0
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Payment of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities	0
--	---

Increase in accumulated compensated absences are recorded when earned in the statement of activities	0
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<b>Change in Net Position of Governmental Funds</b>	<b>\$ <u>(240,769)</u></b>
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The Notes to Financial Statements are an integral part of this statement.

City of Anna, Illinois  
**STATEMENT OF NET POSITION**  
**MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**April 30, 2018**

ASSETS	BUSINESS TYPE ACTIVITIES			TOTAL
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	
Current Assets:				
Cash and Equivalents	\$ 414,872	\$ 490,151	\$ 761,508	\$ 1,666,531
Certificates of Deposit	200,000	420,000	550,000	1,170,000
Receivables:				
Accounts Receivable - net	0	0	0	0
Taxes Receivable - net	0	0	0	0
Interfund	0	0	0	0
Accrued Interest	0	0	0	0
Notes Receivable	0	0	0	0
Inventory	0	0	0	0
Prepaid Expenses	0	0	0	0
Total Current Assets	614,872	910,151	1,311,508	2,836,531
Non-Current Assets				
Restricted:				
Cash and Cash Equivalents:				
Bond and Interest Sinking	12,953	19,663	0	32,616
Bond and Interest Reserve	0	0	0	0
Replacement/Improvement/Depreciation	0	0	0	0
Construction/Grant Funds	0	0	0	0
Surplus Account	0	0	0	0
Total Restricted Assets	12,953	19,663	0	32,616
Capital Assets:				
Land and Right-of-way	0	0	0	0
Plant and Distribution System	3,915,118	6,870,916	2,590,446	13,376,480
Buildings and Improvements	169,159	0	259,462	428,621
Equipment	314,536	275,448	467,984	1,057,968
Less Accumulated Depreciation	(2,003,247)	(3,471,656)	(2,082,585)	(7,557,488)
Construction in Progress	0	0	0	0
Total Capital Assets	2,395,566	3,674,708	1,235,307	7,305,581
Other Assets:				
Unamortized Bond Issue Cost	0	0	0	0
Unamortized Bond Discount	0	0	0	0
Escrow	0	0	0	0
Total Other Assets	0	0	0	0
Total Non-Current Assets	2,408,519	3,694,371	1,235,307	7,338,197
Total Assets	\$ 3,023,391	\$ 4,604,522	\$ 2,546,815	\$ 10,174,728

The Notes to Financial Statements are an integral part of this statement.



	BUSINESS TYPE ACTIVITIES			
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	TOTAL
<b>LIABILITIES</b>				
Current Liabilities:				
Payable from Current Assets:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Payroll and Related Items	0	0	0	0
Interfund	0	0	0	0
Customer Deposits	42,665	0	74,542	117,207
Accrued Interest	0	0	0	0
Deferred Revenue	0	0	0	0
Total Payable from Current Assets	42,665	0	74,542	117,207
Payable from Restricted Assets:				
Accounts Payable	0	0	0	0
Current Portion of Revenue Bonds	42,425	8,755	0	51,180
Accrued Interest	0	0	0	0
Total Payable from Restricted Assets	42,425	8,755	0	51,180
Total Current Liabilities	85,090	8,755	74,542	168,387
Non-Current Liabilities:				
Revenue Bonds	652,956	146,070	0	799,026
Accrued Compensated Absences	0	0	0	0
Total Non-Current Liabilities	652,956	146,070	0	799,026
Total Liabilities	\$ 738,046	\$ 154,825	\$ 74,542	\$ 967,413
<b>NET POSITION</b>				
Invested in Capital Assets, net of related debt	1,700,185	3,519,883	1,235,307	6,455,375
Restricted for:				
Future Expenditures	0	0	0	0
Designated Projects/Programs	433,234	272,394	561,323	1,266,951
Debt Service	12,953	19,663	0	32,616
Unrestricted	138,973	637,757	675,643	1,452,373
Total Net Position	\$ 2,285,345	\$ 4,449,697	\$ 2,472,273	\$ 9,207,315

(Continued)

City of Anna, Illinois  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
For the Year Ended April 30, 2018

	BUSINESS TYPE ACTIVITIES			
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	TOTAL
<b>OPERATING REVENUES</b>				
Charges and Fees	\$ 1,267,165	\$ 683,401	\$ 1,677,828	\$ 3,628,394
<b>COST OF SALES</b>				
Commodity Purchases	749,939	2,301	942,830	1,695,070
Commodity Tax	0	0	49,871	49,871
Total Cost of Sales	749,939	2,301	992,701	1,744,941
Gross Profit	\$ 517,226	\$ 681,100	\$ 685,127	\$ 1,883,453
<b>OPERATING EXPENSES</b>				
Salaries	\$ 188,470	\$ 204,977	\$ 303,336	\$ 696,783
Payroll Taxes and Fringes	194,794	134,308	230,176	559,278
Purchased Services	49,027	165,790	85,424	300,241
Supplies	30,998	48,128	37,655	116,781
Administration and Facility	0	0	0	0
Depreciation	102,274	202,595	82,966	387,835
Other Expense	1,812	1,875	6,060	9,747
Total Operating Expense	\$ 567,375	\$ 757,673	\$ 745,617	\$ 2,070,665
Operating Income (Loss)	\$ (50,149)	\$ (76,573)	\$ (60,490)	\$ (187,212)
<b>NON-OPERATING REVENUE(EXPENSE)</b>				
Interest Income	1,320	4,505	3,978	9,803
Interest Expense & Loan Cost	(9,085)	(1,826)	(4,950)	(15,861)
Loan forgiveness	0	0	0	0
Early Retirement Incentive	0	0	0	0
Other Income	6,657	311	621	7,589
Non-Operating Revenue(Expense)	(1,108)	2,990	(351)	1,531
<b>NET INCOME (LOSS)</b>	\$ (51,257)	\$ (73,583)	\$ (60,841)	\$ (185,681)
Net Position, beginning of year	2,336,602	4,523,280	2,533,114	9,392,996
Net Position, end of year	\$ 2,285,345	\$ 4,449,697	\$ 2,472,273	\$ 9,207,315

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Illinois  
**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
For the Year Ended April 30, 2018  
Increase (Decrease) in Cash and Cash Equivalents

	BUSINESS TYPE ACTIVITIES			
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	TOTAL
<b>Cash Flows - Operating Activities:</b>				
Cash received from customers	\$ 1,265,290	\$ 683,401	\$ 1,676,339	\$ 3,625,030
Cash payments for goods & services	(831,776)	(218,094)	(1,121,840)	(2,171,710)
Cash payments to employees	(383,264)	(339,285)	(533,512)	(1,256,061)
Net cash provided(used) by operating	50,250	126,022	20,987	197,259
<b>Cash Flows - Noncapital Activities:</b>				
Operating grants and Retirement incentive	\$ 0	\$ 0	\$ 0	\$ 0
Transfers to other funds	0	0	0	0
Other Income	6,657	311	621	7,589
Net cash provided(used) - noncapital	6,657	311	621	7,589
<b>Cash Flows - Capital Activities:</b>				
Acquisition & construction of assets	\$ (23,909)	\$ (81,851)	\$ (48,142)	\$ (153,902)
Debt proceeds	0	0	0	0
Principal paid on bonds	(41,900)	(4,304)	(90,000)	(136,204)
Interest paid on bonds	(9,085)	(1,826)	(4,949)	(15,860)
Bond escrow returned	0	0	0	0
Net cash provided(used) - capital	(74,894)	(87,981)	(143,091)	(305,966)
<b>Cash Flows - Investment Activities:</b>				
Interest on investments	\$ 1,320	\$ 4,505	\$ 3,978	\$ 9,803
Proceeds(Purchase) of investments	0	0	0	0
Net cash provided(used) - investments	1,320	4,505	3,978	9,803
Net increase(decrease) in cash & equiv	\$ (16,667)	\$ 42,857	\$ (117,505)	\$ (91,315)
Cash & cash equivalents, beginning	644,492	886,957	1,429,013	2,960,462
Cash & cash equivalents, ending	\$ 627,825	\$ 929,814	\$ 1,311,508	\$ 2,869,147
<b>Reconciliation of Operating Income to Net Cash Provided by Operating:</b>				
Operating Income (Loss)	\$ (50,149)	\$ (76,573)	\$ (60,490)	\$ (187,212)
Adjustments to reconcile operating income to net cash provided (used) by operating:				
Depreciation	102,274	202,595	82,966	387,835
Changes in assets and liabilities:				
(Incr)Decr in accounts receivable	0	0	0	0
(Incr)Decr in prepaid expenses	0	0	0	0
Incr(Decr) in accounts payable	0	0	0	0
Incr(Decr) in accrued payroll and related	0	0	0	0
Incr(Decr) in customer deposits	(1,875)	0	(1,489)	(3,364)
Incr(Decr) in deferred revenues	0	0	0	0
Total adjustments	100,399	202,595	81,477	384,471
Net cash provided (used) by operating	\$ 50,250	\$ 126,022	\$ 20,987	\$ 197,259

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Illinois  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**April 30, 2018**

	PENSION TRUST FUNDS		
	POLICE PENSION	FIRE PENSION	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents:			
Cash	\$ 210,270	\$ 54,241	\$ 264,511
Certificates of Deposit	0	0	0
Total Cash and Cash Equivalents	210,270	54,241	264,511
Receivables:			
Taxes Receivable	198,594	96,698	295,292
Employee Contributions	0	0	0
Accrued Interest	5,553	3,374	8,927
Total Receivables	204,147	100,072	304,219
Investments, at fair value (Note III-B)			
Certificates of Deposit	1,412,748	1,200,000	2,612,748
Illinois Funds	0	0	0
Bonds/Deposit Notes	0	0	0
U.S. Treasury Obligations	0	0	0
Government Backed Securities	229,170	54,065	283,235
Annuity Contracts	0	0	0
Mutual Funds	499,562	398,343	897,905
Total Investments	2,141,480	1,652,408	3,793,888
Total Assets	\$ 2,555,898	\$ 1,806,720	\$ 4,362,618
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 0	\$ 0	\$ 0
<b>LIABILITIES</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Refunds Payable	0	0	0
Payroll Withholding	0	(102)	(102)
Total Liabilities	0	(102)	(102)
<b>DEFERRED INFLOWS OF RESOURCES</b>	\$ 0	\$ 0	\$ 0
<b>Net Position Held in Trust for Pension Benefits</b>	<u>\$ 2,555,898</u>	<u>\$ 1,806,822</u>	<u>\$ 4,362,720</u>

The Notes to Financial Statements are an integral part of this statement.

City of Anna, Illinois  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
For the Year Ended April 30, 2018

	PENSION TRUST FUNDS		
	POLICE PENSION	FIRE PENSION	TOTAL
<b>ADDITIONS</b>			
Contributions:			
Property Taxes	\$ 185,334	\$ 89,686	\$ 275,020
Employee Contributions	35,413	5,413	40,826
City Contributions	72,996	49,992	122,988
Total Contributions	293,743	145,091	438,834
Investment Income:			
Interest and Dividends	61,887	48,088	109,975
Net Gain (Loss) on Investments	3,785	7,060	10,845
Investment Management Fees	0	0	0
Net Investment Income	65,672	55,148	120,820
Total Additions	\$ 359,415	\$ 200,239	\$ 559,654
<b>DEDUCTIONS</b>			
Direct Benefit Payments	195,978	203,002	398,980
Accounting Fees	2,830	2,815	5,645
Audit Fees	4,000	3,000	7,000
Dues	500	500	1,000
Education	0	0	0
Insurance	475	475	950
Legal Fees	0	0	0
Medical Fees	0	0	0
Other Expense	583	432	1,015
Refunds	0	0	0
Transfers	0	0	0
Total Deductions	\$ 204,366	\$ 210,224	\$ 414,590
Change in Net Position	\$ 155,049	\$ (9,985)	\$ 145,064
<b>Net Position Held in Trust for Pension Benefits</b>			
Beginning of year	2,400,849	1,816,807	4,217,656
End of year	\$ 2,555,898	\$ 1,806,822	\$ 4,362,720

The Notes to Financial Statements are an integral part of this statement.

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**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2018**

**Note I - Summary of Significant Accounting Policies**

The City of Anna, Illinois was incorporated under the laws of the State of Illinois. The City is governed by an elected Mayor and City Council and provides the following services: General - Administration, Public Safety - Police and Fire, Transportation/Public Works - Streets and Motor Fuel Tax, Social Services - Sanitation and Cemetery, Parks/Recreation - Park and Pool, Community Development, and Public Utilities - Water, Sewer, and Gas.

The financial statements of the City have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, Financial Accounting Standards Board (FASB) and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, and are generally followed to the extent they are applicable to the modified cash basis of accounting, and those standards do not contradict guidance of the Governmental Accounting Standards Board.

**A. The Reporting Entity**

The accompanying financial statements present the activities of the City and its component units, legally separate organizations for which the City is financially accountable or integrated. The following component units provide services or benefits exclusively to the City or its employees and are therefore blended and reported as if they were part of the City: Police Pension Fund, and Firefighters Pension Fund.

The following entities are excluded from the reporting entity of the City because the potential component units have separate elected or appointed boards and the City does not have the ability to exercise influence or control over operations, approve budgets, or provide funding: Anna-Jonesboro High School District #81, and Anna Community Consolidated School District #37. Audited financial statements are available from the organizations.

The following entities are excluded from the reporting entity of the City's accountability is limited to making appointments to the governing board; Anna-Jonesboro Water Commission. Audited financial statements are available from the organization.

**B. Financial Statements**

Financial information of the City is presented as follows:

**1. Management's Discussion and Analysis**

Management's Discussion and Analysis introduces the basic financial statements and provides an overview of the City's financial activities.

**2. Basic Financial Statements**

Government-wide financial statements include a Statement of Net Position - Modified Cash Basis, and Statement of Activities and Changes in Net Position - Modified Cash Basis. These statements report all non-fiduciary activities of the City. For the most part, the effect of any interfund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those which are clearly identifiable to a specific function. Program revenues include; (a) charges, fees, or fines to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, (b) grants and contributions that are restricted to providing the operational or capital requirements of a particular function or program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note 1 - Summary of Significant Accounting Policies**

**B. Financial Statements (concluded)**

**3. Fund Financial Statements**

Governmental Fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental proprietary, and fiduciary; are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Any remaining governmental funds are aggregated and reported in a separate column.

**Governmental Funds**

Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. The difference between fund assets and liabilities is reported as fund balance. The City reports the following types of governmental funds:

**General Fund**

This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Special Revenue Funds**

These funds are established to account for specific revenue sources that have legal restrictions to expenditures for specific purposes. For reporting purposes, blended component units are considered special revenue funds.

Governmental fund financial statements include a Balance Sheet - Modified Cash Basis, and a Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis presenting a column for all major funds and a column for non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

The City reports the following major governmental funds:

**General Fund**

This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Public Safety:

Police Fund

Fire Fund

Transportation/Public Works:

Street Fund

Motor Fuel Tax Fund

Social Services:

Sanitation Fund

Cemetery Fund

Parks and Recreation:

Park/Pool Fund

Community Development:

Community Development Fund

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of income, changes in net position, and cash flows. The difference between fund assets and liabilities is reported as net position. The City reports the following types of proprietary funds:

**Enterprise Funds**

Enterprise funds are operated in a manner similar to a private business enterprise where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.



City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note I - Summary of Significant Accounting Policies (continued)**

**B. Financial Statements (concluded)**

**3. Fund Financial Statements (concluded)**

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues result from non-exchange transactions or ancillary activities.

Proprietary financial statements include a Statement of Net Position - Modified Cash Basis, a Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis, and a Statement of Cash Flows - Modified Cash Basis, presenting a column for all major funds and a column for any non-major funds aggregated.

The City reports the following major proprietary funds:

**Water Utility Fund**

This fund accounts for the activities of the water distribution system.

**Sewer Utility Fund**

This fund accounts for the activities of the sewage treatment facilities.

**Gas Utility Fund**

This fund accounts for the activities of the gas distribution system.

**Fiduciary Funds**

Fiduciary fund reporting focuses on the determination of income, and changes in net position. The difference between fund assets and liabilities is reported as net position held in trust. The City reports the following types of fiduciary funds:

**Pension Trust Funds**

These funds account for the activities of the Police and Firefighter Pension Funds which accumulate resources for the defined benefit pension payments to qualified retirees and their survivors. This fund is excluded from the City's government-wide financial statements.

**4. Notes to the Financial Statements**

Provide additional information essential to an understanding of the data in the financial statements.

**5. Other Supplementary Information**

Other information presented as required and information presented for additional analysis with the financial statements.

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

The Government-wide financial statements and Fund financial statements of the governmental funds and proprietary funds are presented using the modified cash basis of accounting. Under the modified cash basis of accounting, assets, liabilities, net position, revenues, and expenses are recognized when they result from a cash transaction, with a provision for the recognition of notes receivable, capital assets, depreciation and debt. The modified cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Under the modified cash basis of accounting, certain assets and the related revenues (such as accounts receivable for goods or services provided but not yet collected) and certain liabilities and the related expenses (such as accounts payable for goods or services received but not yet paid) are not recorded in these financial statements.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note I - Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting, and Basis of Presentation (continued)**

Under generally accepted accounting principles, the government-wide financial statements, proprietary fund financial statements would be presented on the accrual basis of accounting and the governmental funds would be presented on the modified accrual basis of accounting.

**D. Deposits and Investments**

The City pools the cash of its various funds in order to facilitate cash management. Cash applicable to a particular fund is readily identifiable. The balance maintained in pooled accounts is sufficient to meet current operating requirements. Note III.

Investments are stated at cost, except for pension trust fund investments which are carried at fair value. Gains or losses on the sale of investments are recognized upon realization. The City has adopted a written investment and cash management policy.

**E. Due to and from Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Note IV.

**F. Inventories**

The City does not maintain inventories that would be material to the financial statements and therefore expenses items as they are purchased.

**G. Restricted Assets**

Certain restricted cash and investments are held to satisfy bonded debt covenants, and for the acquisition and construction of capital assets.

**H. Capital Assets**

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are recognized as assets with a cost of \$ 2,500 or more and having an estimated useful life of 3 years or more. Infrastructure assets acquired or substantially improved prior to May 1, 2004 are not recorded as assets. The cost of normal maintenance and repairs that do not meet the minimum capitalization amounts, do not add to asset value, or extend life are expensed. Note V.

All capital assets are reported at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at their estimated fair value on the date donated. Capital outlay costs for constructed assets are capitalized during construction, including interest costs incurred net of interest earned on invested proceeds during the construction period. Exhaustible capital assets in service are depreciated using the straight line method over the following estimated useful lives:

	Years
Plant and Distribution System	10-50
Building and Improvements	20-40
Equipment	5-7
Other Depreciable Assets	10-40

**I. Impairment of Capital Assets**

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The City has considered significant events or changes in circumstances affecting capital assets to determine whether an impairment of a capital asset has occurred. The City has determined that no such events or circumstances were encountered during the year ended April 30, 2018.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note I - Summary of Significant Accounting Policies (continued)**

**J. Accumulated Absences**

City employees are entitled to certain compensated absences based on their length of employment. With the exception of sick time, compensated absences do not vest or accumulate and are recorded as expenditures when paid.

**K. Post-employment Benefits**

The City has established a retiree health insurance program effective May 1, 2009 to provide continuing health insurance coverage to eligible employees through its regular health insurance provider. Note X. The City does not currently provide any other post employment benefits.

**L. Lease Commitments**

The City does not currently have any material lease commitments.

**M. Deferred Compensation Plan**

The City offers employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The Plan, is available to all permanent City employees and permits a portion of salary to be deferred until future years. The deferred compensation is not available to employees until termination, retirement, death, or financial hardship. It is the opinion of the City's management, that the City has no liability for losses under the plan, but does have a duty of due care that would be required of an ordinary prudent investor.

**N. Long-term Obligations**

Long-term debt is reported as a liability in the applicable governmental and enterprise funds. Debts payable are reported net of applicable costs. Bond premiums, discounts, as well as, issuance costs, are reported as expenses when paid. Note VI.

**O. Net Position and Fund Equity**

**1. Government-wide and Proprietary Fund Financial Statements**

Net position represent the difference between total assets and total liabilities, and are classified as: invested in capital assets, net of related debt; restricted; and unrestricted. Note VIII.

- a. Net Position Invested in Capital Assets, net of related debt consist of capital assets less accumulated depreciation and net of outstanding balances of any debts used to finance those those assets, such as bonds, capital leases, and notes.
- b. Restricted Net Position are those assets that may be used to finance specific types of transactions. These restrictions may be established by debt covenants, grantors, laws, or regulations.
- c. Unrestricted Net Position are those assets that do not meet the definition of either net position invested in capital assets net of related debt, or restricted net position.

**2. Governmental Fund Financial Statements**

Fund balances are composed of five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. A detailed classification of theses amounts is provided in Note VIII.

**a. Nonspendable Fund Balance**

This classification includes amounts that cannot be spent because they are (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items not expected to be converted to cash, for example, inventories and prepaid amounts.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note I - Summary of Significant Accounting Policies (continued)**

**N. Net Position and Fund Equity (concluded)**

**2. Governmental Fund Financial Statements (concluded)**

**b. Restricted Fund Balance**

This classification includes amounts that are subject to outside restrictions or constraints imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. This category would include items such as: unexpended state and federal grant revenues, and unexpended tax levies.

**c. Committed Fund Balance**

This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority. The amounts committed cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action used to previously commit the amounts. This classification would also include contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**d. Assigned Fund Balance**

This classification includes amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the governing body (City Council), or a committee (finance or budget), or an official (Manager, Budget Officer), which the governing body has delegated the authority to assign amounts to be used for specific purposes.

**e. Unassigned Fund Balance**

This classification is the residual classification for amounts that have not been restricted, committed, or assigned for specific purposes within the general funds.

Unless specifically identified, expenditures reduce restricted balances first, then committed balances, then assigned balances, and lastly unassigned balances. Expenditures for specifically identified purposes will reduce the specific classification of fund balances that is identified.

**O. Statement of Cash Flows**

For the purposes of the Statement of Cash Flows, the City considers all highly liquid investments (including restricted assets) with a maturity of 3 months or less when purchased to be cash equivalents.

**P. Revenues**

The City considers operating revenues in the enterprise funds as all charges to customers, non-operating revenues include investment earnings, and other revenues not directly resulting from customer charges.

**Q. Estimates**

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could vary from those estimates.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note II - Stewardship, Compliance, and Accountability**

**A. Budgets and Budgetary Accounting**

The budget for all fund types is prepared on the accrual basis of accounting which is the same basis used in financial reporting. This allows for compatibility between the budget and actual amounts. This is an acceptable method in accordance with Chapter 24, Section 8-2, Paragraph 9.3 of the Illinois Revised Statutes. The budget was passed on April 17, 2016.

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. The City follows these procedures in establishing the budget.

1. Prior to May 1, the Budget Officer submits to the City Council a proposed operating budget for the fiscal year.
2. The proposed budget is made available for public inspection and comments for at least ten days prior to adoption.
3. Prior to May 1, the budget is legally adopted by resolution.
4. The budget is employed as a management control device during the year.
5. The City Council may make transfers between the various items in any fund not exceeding in aggregate 10% of the total of such fund as set forth in the budget.
6. The City Council may amend the budget by the same procedures required of its original adoption. The original budget was not amended.

**B. Budget Comparison**

Summary of actual expenditures compared to budget amounts are as follows:

	Budget	Actual	Variance with Budget - Positive (Negative)
General Fund	\$ 1,328,217	\$ 838,938	\$ 489,279
Police Fund	775,138	694,150	80,988
Fire Fund	261,743	224,342	37,401
Street Fund	513,985	447,695	66,290
Motor Fuel Tax Fund	350,000	185,633	164,367
Sanitation Fund	395,750	361,217	34,533
Cemetery Fund	110,139	100,037	10,102
Park & Pool Fund	590,520	671,232	(80,712)
Community Development Fund	150,000	5,780	144,220

Expenditures for the following funds exceeded the budget and appropriation amounts:

Park & Pool Fund

A detailed comparison statement of the actual revenues and expenditures with the budget, including budget variances, is included in the required supplementary information section.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note III - Deposits and Investments**

**A. Deposits**

It is the policy of the City to require that deposits in excess of FDIC insurable limits be secured by eligible collateral instruments acceptable under the Illinois Public Funds Investment Act. The City's deposits are categorized into three levels of custodial risk:

- Category 1 Insured by the FDIC, or registered with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counter party's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the City's name.

A comparison of the carrying value and bank balances at April 30, 2017 are shown below. The difference between the carrying value and bank balance is due to outstanding checks and/or deposits in transit.

Primary Government

	Category			Carrying Value	Bank Balance
	1	2	3		
Petty Cash	\$ 280	\$ 0	\$ 0	\$ 280	\$ 0
Deposit Accounts	2,347,334	0	0	2,347,334	2,352,098
Certificates of Deposit	3,200,000	0	0	3,200,000	3,200,000
Total	<u>\$ 5,547,614</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,547,614</u>	<u>\$ 5,552,098</u>

Reconciliation to Government-Wide Statement of Net Position

Cash and Cash Equivalents	\$ 2,314,998
Certificates of Deposit	3,200,000
Restricted Cash and Cash Equivalents	32,616
Restricted Certificates of Deposit	0
Total	<u>\$ 5,547,614</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note III - Deposits and Investments (continued)**

**B. Investments**

A comparison of investment carrying value and market value at April 30, 2017 are shown below. The carrying amount of marketable securities was adjusted to quoted fair market value at April 30, 2017. Investments are categorized to give an indication of the level or risk assumed by the City into three levels of custodial risk.

- Category 1 Insured by the FDIC, or registered with securities held by the Fund or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counter party's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the City's name.

	Category			Amortized Cost	Fair Value
	1	2	3		
Certificates of Deposit	\$ 3,200,000	\$ 0	\$ 0	\$ 3,200,000	\$ 3,200,000
U.S. Government Securities	0	0	0	0	0
Govt Backed Securities	0	0	0	0	0
<b>Total</b>	<b>\$ 3,200,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,200,000</b>	<b>\$ 3,200,000</b>

Investments not subject to categorization

Illinois Funds	\$ 0	\$ 0
Fixed Income Securities	0	0
Equity Securities	0	0
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Investments</b>	<b>\$ 3,200,000</b>	<b>\$ 3,200,000</b>

Reconciliation to Government-Wide Statement of Net Position

Certificates of Deposit	\$ 3,200,000
U.S. Government Securities	0
Govt Backed Securities	0
Illinois Funds	0
Fixed Income Securities	0
Equity Securities	0
<b>Total</b>	<b>\$ 3,200,000</b>

Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level or risks associated with certain securities, there is a likelihood that changes in the values of the investments will occur that could materially affect the amounts reported. Due to the type of City investments, interest rate risk is not considered to be significant at April 30, 2018.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note III - Deposits and Investments (concluded)**

**C. Fair Value**

Fair value is the price that would be received to sell an asset or the amount paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to determine fair value should maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 Quoted prices for identical assets or liabilities in active markets.
- Level 2 Inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include; quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, such as, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads; market corroborated inputs.
- Level 3 Unobservable inputs for an asset or liability.

The following valuation methods and inputs are used for assets and liabilities measured at fair value on a recurring basis and recognized in the financial statements.

Securities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing service and pricing models, the inputs of which are market based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy; however, no Level 3 securities exist at April 30, 2018.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accounting principles. The following are the assets and liabilities recognized in the financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy as of April 30, 2018:

Investment Category	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Fair Value
Certificates of Deposit	\$ 0	\$ 3,200,000	\$ 0	\$ 3,200,000
U.S. Government Securities	0	0	0	0
Govt Backed Securities	0	0	0	0
Illinois Funds	0	0	0	0
Fixed Income Securities	0	0	0	0
Equity Securities	0	0	0	0
Total	\$ 0	\$ 3,200,000	\$ 0	\$ 3,200,000



City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IV - Due to/from Other Funds**

As of April 30, 2018, interfund receivables and payables that resulted from various transactions were as follows:

	Due to	Due from
Governmental Funds:		
General Fund	\$ 0	\$ 0
Police Fund	0	0
Fire Fund	0	0
Street Fund	0	0
Sanitation Fund	0	0
Cemetery Fund	0	0
Park and Pool Fund	0	0
Proprietary Funds:		
Water Utility Fund	0	0
Sewer Utility Fund	0	0
Gas Utility Fund	0	0
	<hr/>	<hr/>
Total	\$ <u>0</u>	\$ <u>0</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note V - Changes in Capital Assets**

A summary of changes in capital assets and depreciation is as follows:

**A. Governmental Funds**

	Balance 4/30/17	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/18
Land & Right of Way	\$ 1,326,477	\$ 0	\$ 0	\$ 1,326,477
Buildings & Improvements	3,948,979	483,770	23,930	4,456,679
Equipment	3,262,602	49,205	0	3,311,807
Construction in Progress	23,930	0	(23,930)	0
Total Cost	8,561,988	532,975	0	9,094,963
Less: Accumulated Depreciation	(3,888,437)	(307,884)	0	(4,196,321)
Total Capital Assets net of depreciation	\$ 4,673,551	\$ 225,091	\$ 0	\$ 4,898,642

**B. Proprietary Funds**

	Balance 4/30/17	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/18
<b>1. Water Utility</b>				
Land & Right of Way	\$ 0	\$ 0	\$ 0	\$ 0
Plant & Distribution System	3,893,993	21,125	0	3,915,118
Buildings & Improvements	169,159	0	0	169,159
Equipment	311,751	2,785	0	314,536
Construction in Progress	0	0	0	0
Total Cost	4,374,903	23,910	0	4,398,813
Less: Accumulated Depreciation	(1,900,972)	(102,275)	0	(2,003,247)
Total Capital Assets net of depreciation	\$ 2,473,931	\$ (78,365)	\$ 0	\$ 2,395,566

**2. Sewer Utility**

	Balance 4/30/17	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/18
Land & Right of Way	\$ 0	\$ 0	\$ 0	\$ 0
Plant & Distribution System	6,820,186	50,730	0	6,870,916
Buildings & Improvements	0	0	0	0
Equipment	244,327	31,121	0	275,448
Construction in Progress	0	0	0	0
Total Cost	7,064,513	81,851	0	7,146,364
Less: Accumulated Depreciation	(3,269,061)	(202,595)	0	(3,471,656)
Total Capital Assets net of depreciation	\$ 3,795,452	\$ (120,744)	\$ 0	\$ 3,674,708

**3. Gas Utility**

	Balance 4/30/17	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/18
Land & Right of Way	\$ 0	\$ 0	\$ 0	\$ 0
Plant & Distribution System	2,557,496	32,950	0	2,590,446
Buildings & Improvements	259,462	0	0	259,462
Equipment	452,792	15,192	0	467,984
Construction in Progress	0	0	0	0
Total Cost	3,269,750	48,142	0	3,317,892
Less: Accumulated Depreciation	(1,999,618)	(82,967)	0	(2,082,585)
Total Capital Assets net of depreciation	\$ 1,270,132	\$ (34,825)	\$ 0	\$ 1,235,307

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note V - Changes in Capital Assets (concluded)**

**C. Projects, Grants, and Construction in Progress**

A summary of commitments to projects and construction in progress is as follows:

	Estimated Project Cost	Expended through 4/30/18	Funds Committed City/Grants	Required Future Financing
<b>1. General Fund</b>				
None	\$ 0	\$ 0	\$ 0	\$ None
<b>2. Police Fund</b>				
None	\$ 0	\$ 0	\$ 0	\$ None
<b>3. Fire Fund</b>				
None	\$ 0	\$ 0	\$ 0	\$ None
<b>4. Street/MFT Fund</b>				
None	\$ 0	\$ 0	\$ 0	\$ None
<b>5. Park/Recreation Fund</b>				
None	\$ 0	\$ 0	\$ 0	\$ None
<b>6. Water Utility</b>				
None	\$ 0	\$ 0	\$ 0	\$ None
<b>7. Sewer Utility</b>				
None	\$ 0	\$ 0	\$ 0	\$ None
<b>8. Gas Fund</b>				
None	\$ 0	\$ 0	\$ 0	\$ None

These amounts are included as designated retained earnings in the respective fund when City funds are committed to the project. Note VIII.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note VI - Long-term Obligations**

**A. General Long-Term Debt**

The City is subject to the Municipal Finance Law of Illinois which limits the amount of debt that may be incurred (excluding revenue bonds). The limitation is 8.625 percent of the assessed valuation.

Assessed Valuation - 2017 levy year	\$ <u>53,529,588</u>
Legal Debt Limitation - 8.625% of assessed valuation	4,616,927
Outstanding Debt	<u>0</u>
Legal Debt Margin	\$ <u>4,616,927</u>

**1. Changes in Long-Term Debt**

A summary of changes in long-term debt for the year ended April 30, 2018;

	Balance 4/30/17	Increase (Decrease)	Balance 4/30/18	Current Portion
None	\$ 0	\$ 0	\$ 0	0
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

**2. Installment Contracts**

None

\$ 0

Total Long-Term Debt \$ 0

**3. Debt Service Requirements**

The annual requirements to amortize all debt outstanding at April 30, 2018, including interest, to maturity, are estimated as follows:

None

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note VI - Long-term Obligations (continued)**

**B. Water Fund**

**1. Changes in Long-Term Debt**

A summary of changes in long-term debt for the year ended April 30, 2018;

	Balance 4/30/17	Issued	(Retired)	Balance 4/30/18	Current Portion
IEPA Loan - Water	\$ 737,281	\$ 0	\$ (41,900)	\$ 695,381	\$ 42,425
	<u>\$ 737,281</u>	<u>\$ 0</u>	<u>\$ (41,900)</u>	<u>\$ 695,381</u>	<u>\$ 42,425</u>

**2. Bonds and Loans Payable**

Bonds and Loans payable at April 30, 2018 consisted of the following:

IEPA Drinking Water Revolving Fund Loan:

Loan dated September 27, 2011 for \$ 1,179,885 less loan forgiveness of \$ 300,000, due in semi-annual installments of \$ 25,492 beginning on February 1, 2014 through February 1, 2033, with interest at 1.25%.

695,381

Total Long-Term Debt

\$ 695,381

**3. Debt Service Requirements**

The annual requirements to amortize all debt outstanding at April 30, 2018, including interest, to maturity, are estimated as follows:

April 30,	Principal	Interest	Total
2018	\$ 0	\$ 0	\$ 0
2019	42,425	8,560	50,985
2020	42,957	8,028	50,985
2021	43,495	7,490	50,985
2022	44,041	6,944	50,985
2023	44,593	6,392	50,985
2024	45,152	5,833	50,985
2025	45,718	5,267	50,985
2026	46,292	4,693	50,985
2027	46,872	4,113	50,985
2028	47,460	3,525	50,985
2029	48,055	2,930	50,985
2030	48,657	2,328	50,985
2031	49,268	1,717	50,985
2032	49,885	1,100	50,985
2033	50,511	474	50,985
Thereafter	0	0	0
Totals	<u>\$ 695,381</u>	<u>\$ 69,394</u>	<u>\$ 764,775</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note VI - Long-term Obligations (continued)**

**B. Sewer Fund**

**1. Changes in Long-Term Debt**

A summary of changes in long-term debt for the year ended April 30, 2018;

	Balance 4/30/17	Issued	(Retired)	Balance 4/30/18	Current Portion
IEPA Loan - Sewer	\$ 159,129	\$ 0	\$ (4,304)	\$ 154,825	\$ 8,755
	<u>\$ 159,129</u>	<u>\$ 0</u>	<u>\$ (4,304)</u>	<u>\$ 154,825</u>	<u>\$ 8,755</u>

**2. Bonds and Loans Payable**

Bonds and Loans payable at April 30, 2018 consisted of the following:

IEPA Clean Water Revolving Fund Loan:

Loan dated July 25, 2012 for \$ 380,959 less loan forgiveness of  
\$ 189,599, due in semi-annual installments of \$ 6,129 beginning on  
November 30, 2013 through November 30, 2032, with interest at 2.295%.

154,825

Total Long-Term Debt

\$ 154,825

**3. Debt Service Requirements**

The annual requirements to amortize all debt outstanding at April 30, 2018, including interest, to maturity, are estimated as follows:

April 30,	Principal	Interest	Total
2018	\$ 0	\$ 0	\$ 0
2019	8,755	3,503	12,258
2020	8,957	3,301	12,258
2021	9,164	3,094	12,258
2022	9,376	2,883	12,259
2023	9,592	2,667	12,259
2024	9,813	2,445	12,258
2025	10,040	2,219	12,259
2026	10,272	1,987	12,259
2027	10,509	1,750	12,259
2028	10,751	1,507	12,258
2029	11,000	1,259	12,259
2030	11,253	1,005	12,258
2031	11,513	745	12,258
2032	11,779	480	12,259
2033	12,051	208	12,259
Thereafter	0	0	0
Totals	<u>\$ 154,825</u>	<u>\$ 29,053</u>	<u>\$ 183,878</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note VI - Long-term Obligations (continued)**

**C. Gas Fund**

**1. Changes in Long-Term Debt**

A summary of changes in long-term debt for the year ended April 30, 2018;

	Balance 4/30/17	Issued	(Retired)	Balance 4/30/18	Current Portion
1998 Revenue Bonds	\$ 90,000	\$ 0	\$ (90,000)	\$ 0	\$ 0
	<u>\$ 90,000</u>	<u>\$ 0</u>	<u>\$ (90,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>

**2. Bonds Payable**

Bonds payable at April 30, 2018 consisted of the following:

Bonds Issued August 1, 1998 for \$ 1,200,000 due in  
annual installments of \$ 40,000 to \$ 90,000  
through May 1, 2018, interest at 4.75% to 5.50%.

0

Total Long-Term Debt

\$ 0

**3. Debt Service Requirements**

The annual requirements to amortize bonded debt outstanding at April 30, 2018, including interest, to maturity, are as follows:

April 30,	Principal	Interest	Total
2018	\$ 0	\$ 0	\$ 0
2019	0	0	0
Thereafter	0	0	0
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note VII - Property Taxes**

The City's property tax is levied each year on all taxable real property located within the City on or before the last Tuesday in December. The 2017 levy was passed by the City Council on December 15, 2017. Property taxes attach as an enforceable lien on property on January 1 and are payable in two installments. The City receives significant distributions of tax receipts approximately one month after these due dates. The amounts estimated due from the 2017 levy have been recorded as property taxes receivable and property tax revenue in the Pension Trust Funds. The City received the final payment of the 2016 tax levy in the next fiscal year. The City is subject to the Property Tax Extension Limitation Law (PTELL).

	Max Rate	TAX YEAR		
		2015	2016	2017
Equalized Assessed Valuation		\$ 51,208,525	\$ 53,024,098	\$ 53,529,588
RATE (per \$ 100)				
General	0.29400	0.12933	0.11367	0.11555
Tort	Unlimited	0.10208	0.09859	0.09908
Fire Protection	0.09000	0.03569	0.03469	0.03671
Garbage Collection	Unlimited	0.00000	0.00000	0.00000
Park and Recreation	0.07500	0.00000	0.00000	0.00000
Social Security	Unlimited	0.16040	0.15700	0.15596
Police Pension	Unlimited	0.32417	0.32815	0.34860
Fire Pension	Unlimited	0.17107	0.17351	0.16880
Totals		0.92274	0.90561	0.92470
EXTENSIONS				
General		\$ 66,228	\$ 60,272	\$ 61,853
Tort		52,274	52,277	53,037
Fire Protection		18,276	18,394	19,651
Garbage Collection		0	0	0
Park and Recreation		0	0	0
Social Security		82,139	83,248	83,485
Police Pension		166,003	174,000	186,604
Fire Pension		87,602	92,000	90,358
Totals		\$ 472,522	\$ 480,191	\$ 494,988
COLLECTIONS				
General		\$ 66,174	\$ 55,679	NOT YET COLLECTED
Tort		52,230	48,292	
Fire Protection		18,261	16,992	
Garbage Collection		0	0	
Park and Recreation		0	0	
Social Security		82,070	76,904	
Police Pension		165,864	160,740	
Fire Pension		87,529	84,988	
Totals		\$ 472,128	\$ 443,595	
Road and Bridge		\$ 30,941	\$ 28,699	
Percentage collected		99.92%	92.38%	



City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note VIII - Net Position - Government-wide Statement**

A summary of net position by classification as of April 31, 2018, is as follows:

**A. Capital Assets, Net of Related Debt**

**1. Governmental Funds**

	2018	2017
Capital Assets	\$ 9,094,963	\$ 8,561,988
Accumulated Depreciation	(4,196,321)	(3,888,437)
Total Capital Assets	<u>4,898,642</u>	<u>4,673,551</u>
Less: Capital Related Debt		
Current Portion of Capital Related Long-term Debt	0	0
Long-term Portion of Capital Related Long-term Debt	0	0
Unamortized Discount and Premium	0	0
Total Capital Related Debt	<u>0</u>	<u>0</u>

Total Capital Assets, Net of Related Debt - Governmental	<u>\$ 4,898,642</u>	<u>\$ 4,673,551</u>
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**2. Proprietary Funds**

Capital Assets	\$ 14,863,069	\$ 14,709,166
Accumulated Depreciation	(7,557,488)	(7,169,651)
Total Capital Assets	<u>7,305,581</u>	<u>7,539,515</u>
Less: Capital Related Debt		
Current Portion of Capital Related Long-term Debt	51,180	134,840
Long-term Portion of Capital Related Long-term Debt	799,026	986,410
Unamortized Discount and Premium	0	0
Total Capital Related Debt	<u>850,206</u>	<u>1,121,250</u>

Total Capital Assets, Net of Related Debt - Proprietary	<u>\$ 6,455,375</u>	<u>\$ 6,418,265</u>
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Total Capital Assets, Net of Related Debt	<u>\$ 11,354,017</u>	<u>\$ 11,091,816</u>
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**B. Restricted Net Position**

**1. Governmental Funds**

Restricted Cash and Investments		
Future Expenditures	\$ 262,171	\$ 998,122
Capital Projects	583,392	467,136
Debt Service	0	0

Total Restricted Net Position - Governmental	<u>\$ 845,563</u>	<u>\$ 1,465,258</u>
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**2. Proprietary Funds**

Restricted Cash and Investments		
Future Expenditures	\$ 0	\$ 0
Capital Projects	1,266,951	1,145,728
Debt Service	32,616	449,738

Total Restricted Net Position - Proprietary	<u>\$ 1,299,567</u>	<u>\$ 1,595,466</u>
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Total Restricted Net Position	<u>\$ 2,145,130</u>	<u>\$ 3,060,724</u>
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City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note VIII - Net Position - Government-wide Statement (continued)**

**C. Unrestricted Net Position**

**1. Governmental Funds**

	2018	2017
Total Net Position	\$ 7,680,362	\$ 7,921,131
Less:		
Capital Assets, Net of Related Debt	(4,898,642)	(4,673,551)
Restricted Assets	(845,563)	(1,465,258)
Total Unrestricted Net Position - Governmental	<u>\$ 1,936,157</u>	<u>\$ 1,782,322</u>

**2. Proprietary Funds**

Total Net Position	\$ 9,207,315	\$ 9,392,996
Less:		
Capital Assets, Net of Related Debt	(6,455,375)	(6,418,265)
Restricted Assets	(1,299,567)	(1,595,466)
Total Unrestricted Net Assets - Proprietary	<u>\$ 1,452,373</u>	<u>\$ 1,379,265</u>
Total Unrestricted Net Position	<u>\$ 3,388,530</u>	<u>\$ 3,161,587</u>

**D. Restricted Net Position - Governmental Funds**

**1. Restricted for Future Use**

Restricted funds maintained in accordance with terms of grant agreements for cost sharing are restricted in use. Restricted fund balance contains the following at April 30, 2018:

	Required	Actual
General Fund - Special Assessments	\$ 3,840	\$ 3,840
	0	0
	0	0
Total Restricted for Future Use	<u>\$ 3,840</u>	<u>\$ 3,840</u>

**2. Restricted for Debt Service**

Restricted funds maintained in accordance with terms of the bond ordinance are restricted in use. Restricted retained earnings contains the following at April 30, 2018:

	Required	Actual
None	\$ 0	\$ 0
	0	0
	0	0
Total Restricted for Debt Service	<u>\$ 0</u>	<u>\$ 0</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note VIII - Net Position - Government-wide Statement (continued)**

**D. Restricted Net Position - Governmental Funds (concluded)**

**3. Designated for Capital Projects**

Designated funds maintained in accordance the City's capital funding policy and amounts designated for other commitments of capital projects are as follows, at April 30, 2018:

	Capital Projects	Capital Building	Capital Equipment	Total
General Fund	\$ 0	\$ 9,193	\$ 33,467	\$ 42,660
Police Fund	0	14,731	66,282	81,013
Fire Fund	0	14,789	26,215	41,004
Park & Recreation Fund	0	0	49,482	49,482
Sanitation Fund	0	14,592	46,000	60,592
Cemetery Fund	0	0	6,069	6,069
Street Fund	0	14,885	59,121	74,006
Total Designated for Capital	\$ 0	\$ 68,190	\$ 286,636	\$ 354,826

**4. Designated for Early Retirement Incentive**

Designated funds maintained in accordance the City's early retirement incentive program are as follows, at April 30, 2018:

	Total
General Fund	\$ (209,449)
Police Fund	0
Fire Fund	0
Park & Recreation Fund	0
Sanitation Fund	0
Cemetery Fund	0
Street Fund	0
Total Designated for Early Retirement Incentive	\$ (209,449)

**5. Designated for Retiree Health Insurance**

Designated funds maintained in accordance the City's retiree health insurance program are as follows, at April 30, 2018:

	Total
General Fund	\$ 413,018
Police Fund	0
Fire Fund	0
Park & Recreation Fund	0
Sanitation Fund	0
Cemetery Fund	0
Street Fund	0
Total Designated for Retiree Health Insurance	\$ 413,018

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note VIII - Net Assets - Government-wide Statement (continued)**

**E. Restricted Net Position - Proprietary Funds**

**1. Restricted for Future Use**

Restricted funds maintained in accordance with terms of grant agreements for cost sharing are restricted in use. Restricted net position contains the following at April 30, 2018:

	Required	Actual
None	\$ 0	\$ 0
	0	0
	0	0
Total Restricted for Future Use	<u>\$ 0</u>	<u>\$ 0</u>

**2. Restricted for Debt Service**

Restricted funds maintained in accordance with terms of the bond ordinance are restricted in use. Restricted net position contains the following at April 30, 2018:

**Water and Sewer Funds**

	Required	Actual
Bond and Interest	\$ 0	\$ 0
Bond and Interest Reserve	0	0
Replacement and Improvement	0	0
Construction/Grant Funds	0	0
Bond Surplus	0	0
	<u>\$ 0</u>	<u>\$ 0</u>

**Gas Fund**

Bond and Interest	\$ 0	\$ 0
Bond and Interest Reserve	0	0
Replacement and Improvement	0	0
Construction/Grant Funds	0	0
Surplus	0	0
	<u>\$ 0</u>	<u>\$ 0</u>
Total Restricted for Debt Service	<u>\$ 0</u>	<u>\$ 0</u>

**3. Designated for Capital Projects**

Designated funds maintained in accordance the City's capital funding policy and amounts designated for other commitments of general long-term debt and other projects are as follows, at April 30, 2018:

	Capital Projects	Capital Building	Capital Equipment	Total
Water Utility Fund	\$ 0	\$ 15,900	\$ 35,067	\$ 50,967
Sewer Utility Fund	0	29,596	27,501	57,097
Gas Utility Fund	0	13,473	40,586	54,059
	<u>\$ 0</u>	<u>\$ 58,969</u>	<u>\$ 103,154</u>	<u>\$ 162,123</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note VIII - Net Position - Government-wide Statement (concluded)**

**E. Restricted Net Position - Proprietary Funds (concluded)**

**4. Designated for Early Retirement Incentive**

Designated funds maintained in accordance the City's early retirement incentive program are as follows, at April 30, 2018:

	Total
Water Utility Fund	\$ 175,853
Sewer Utility Fund	36,015
Gas Utility Fund	175,853
Total Designated for Early Retirement Incentive	<u>\$ 387,721</u>

**5. Designated for Retiree Health Insurance**

Designated funds maintained in accordance the City's retiree health insurance program are as follows, at April 30, 2018:

	Total
Water Utility Fund	\$ 206,414
Sewer Utility Fund	179,282
Gas Utility Fund	331,410
Total Designated for Retiree Health Insurance	<u>\$ 717,106</u>

**Note VIII - Fund Balance - Governmental Fund Statements**

	Nonspendable	Restricted	Committed	Assigned	Unassigned
General Fund	\$ 0	\$ 3,840	\$ 271,225	\$ 0	\$ 1,936,157
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Police Fund	0	0	81,013	0	0
Grants	0	0	0	0	0
Fire Fund	0	0	41,004	0	0
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Street Fund	0	0	74,006	0	0
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Motor Fuel Tax Fund	0	155,078	0	0	0
Grants	0	0	0	0	0
Sanitation Fund	0	0	60,592	0	0
Grants	0	0	0	0	0
Cemetery Fund	0	0	6,069	0	0
Grants	0	0	0	0	0
Park & Recreation Fund	0	0	49,483	0	0
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Community Development	103,253	0	0	0	0
Grants	0	0	0	0	0
	<u>\$ 103,253</u>	<u>\$ 158,918</u>	<u>\$ 583,392</u>	<u>\$ 0</u>	<u>\$ 1,936,157</u>
Total					<u>\$ 2,781,720</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments**

**A. Illinois Municipal Retirement System**

The employer'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 employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**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).

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.

**Employees Covered by Benefit Terms**

At December 31, 2017, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	31
Inactive plan members entitled to, but not yet receiving benefits	12
Active plan members	23
Total	<u>66</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**A. Illinois Municipal Retirement System (continued)**

**Funding Policy/Contributions**

As set by statute, employer 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 employer's annual required contribution rate for calendar year 2017 was 11.92 percent. For the year ended April 30, 2018, the employer contributed \$ 160,796 to the plan. The employer 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 benefits rate is set by statute.

**Annual Pension Cost**

The required contribution for calendar year 2017 was \$ 146,348.

**Trend Information for the Regular Plan**

Fiscal Year Ending	Annual Pension Cost(APC)	Percentage of (APC) Contributed	Net Pension Obligation
12/31/2017	\$ 146,348	100%	\$ 0
12/31/2016	156,753	100%	0
12/31/2015	158,224	100%	0

The required contribution for 2017 was determined as part of the December 31, 2015 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2015, included: (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.40% to 10.00% per year depending on age and service, attributable to seniority/ merit, and (d) post-retirement benefit increases of 3.00% annually. The actuarial value of the employer regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer regular plan unfunded actuarial accrued liability at December 31, 2015 is being amortized as a level percentage of projected payroll on an open 26 year basis.

**Funding Status and Funding Progress**

As of December 31, 2017, the most recent actuarial valuation date, the regular plan was 84.80% funded. The actuarial accrued liability for benefits was \$ 3,853,862 and the actuarial value of assets was \$ 3,267,978, resulting in an underfunded actuarial accrued liability (UAAL) of \$ 585,884. The covered payroll for calendar year 2017 (annual payroll of active employees covered by the plan) was \$ 1,227,754 and the ratio of the UAAL to the covered payroll was 47.72%.

The schedule of funding progress, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**A. Illinois Municipal Retirement System (concluded)**

**Funding Status and Funding Progress (concluded)**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
12/31/2017	\$ 3,267,978	\$ 3,853,862	\$ 585,884	84.80%	\$ 1,227,754	47.72%
12/31/2016	3,183,753	4,085,889	902,136	77.92%	1,145,017	78.79%
12/31/2015	2,918,072	3,754,742	836,670	77.72%	1,179,895	70.91%
12/31/2014	2,275,748	3,347,920	1,072,172	67.97%	1,116,479	96.03%
12/31/2013	1,855,141	2,983,712	1,128,571	62.18%	1,198,528	94.16%
12/31/2012	2,303,392	3,329,863	1,026,471	69.17%	1,148,712	89.36%
12/31/2011	3,056,661	3,861,760	805,099	79.15%	1,155,614	69.67%
12/31/2010	2,793,799	3,416,793	622,994	81.77%	1,093,903	56.95%
12/31/2009	2,387,826	3,131,496	743,670	76.25%	1,116,944	66.58%
12/31/2008	3,030,286	3,309,869	279,583	91.55%	1,076,468	25.97%

On a market value basis, the actuarial value of assets as of December 31, 2017 is \$ 3,720,822. On a market basis, the funded ratio would be 96.55%. The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the employer. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.



City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**B. Firefighters Pension Fund**

**1. Plan Description**

The Firefighters Pension Fund was established by ordinance of the City Council in 1981 in accordance with state law. The Fund is a single-employer defined benefit plan administered by a 5 member Board of Trustees of which two members are appointed by the mayor of the municipality, two members are elected by and from active participants of the fund and one member is elected by and from retired beneficiaries of the fund. State law authorizes the Board to perform all necessary functions to carry out the provisions of Article 4 of the Illinois Pension Code. Benefit and contribution provisions are established by state law and may be amended only by the Illinois State Legislature. At April 30, 2018, the Fund's membership was as follows:

Retirees and beneficiaries:

Currently receiving benefits	5
Entitled to benefits but not yet receiving them	0

Current members:

Vested	1
Nonvested	0

Total members	<u>6</u>
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**a. Funding**

The members are required to contribute 9.455 percent of their annual salary. The City is required to contribute the remaining amount necessary to fund the plan. This funding is provided by the City through the levy of a property tax. The annual real estate tax levy is based on actuarial computations performed by the Illinois Department of Financial and Professional Regulation. The amount of the tax rate is not restricted by statute. For the year ended April 30, 2018, payroll earnings of \$ 57,289 were reported to and covered by the Fund.

**b. Benefit Provisions**

Tier I - Membership started prior to January 1, 2011:

A firefighter age 50 or more with 20 or more years of creditable service who is no longer in service as a firefighter, shall receive a monthly pension of one-half the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary.

A firefighter who retires or is separated from service having at least 10 but less than 20 years of creditable service, who is not entitled to receive a disability pension, and who did not apply for a refund of contributions at separation from service shall receive a reduced monthly pension upon attainment of age 60 based on the monthly salary attached to rank in the fire service on the date of retirement or separation of service, according to the following years of service: for 10 years, 15% of salary; for 11 years, 17.6% of salary; for 12 years, 20.4% of salary; for 13 years, 23.4% of salary; for 14 years, 26.6% of salary; for 15 years, 30% of salary; for 16 years, 33.6% of salary; for 17 years, 37.4% of salary; for 18 years, 41.4% of salary; for 19 years, 45.6% of salary.

The monthly pension of a firefighter retired from service with 20 or more years of service after January 1, 1987, shall be increased annually, following the first anniversary of the date of retirement or upon the attainment of age 55, if it occurs after the first anniversary, by 3% of the originally granted monthly pension, and by an additional 3% in each January thereafter.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**B. Firefighters Pension Fund (continued)**

**1. Plan Description (concluded)**

**b. Benefit Provisions (concluded)**

Tier II - Membership started on or after January 1, 2011:

A firefighter age 55 or more with 10 or more years of creditable service who is no longer in service as a firefighter, shall have the option to receive a monthly pension computed by multiplying 2.5% for each year of service by the final average salary. The pension of a firefighter retiring after attaining age 55 with 10 or more years of creditable service shall be reduced by one-half of 1% for each month of under age 55. The maximum pension shall be 75% of final average salary.

Final average salary means the average monthly salary obtained by dividing the total salary during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

The monthly pension shall annually be increased by the lesser of (a) 3% of the current amount including all previous adjustments, or (b) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

The Plan also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Members that terminate their participation may withdraw their contributions and forfeit future benefits.

**2. Summary of Significant Accounting Policies**

**a. Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**b. Investments**

The Fund reports securities at fair value. Fixed income securities are reported at amortized cost, with adjustment to fair value determined by using quoted market prices provided by independent pricing services. This valuation was performed as of April 30, 2018, and unrealized gains and losses were recognized as of this date.

**c. Property Taxes**

Property tax is levied each year on all taxable real property located within the City of Anna, Illinois on or before the last Tuesday in December. The 2017 levy for the Firefighters Pension Fund is included in the levy passed by the City Council on December 19, 2017. Property taxes attach as an enforceable lien the property January 1 and are payable in two installments. The amounts estimated due from the 2017 levy have been recorded as property taxes receivable and property tax revenue.

**d. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position that applies to future periods, and will not be recognized as an expense until that time.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to future periods, and will not be recognized as a revenue until that time.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**B. Firefighters Pension Fund (continued)**

**3. Deposits and Investments**

**a. Deposits**

It is the policy of the Fund to require that deposits in excess of FDIC insurable limits be secured by eligible collateral instruments acceptable under the Illinois Public Funds Investment Act. The Fund's deposits are categorized into three levels of custodial risk:

Category 1: Insured by the FDIC, or registered with securities held by the Fund or its agent in the Fund's name.

Category 2: Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Fund's name.

Category 3: Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the Fund's name.

A comparison of the carrying value and bank balances at April 30, 2018 are shown below. The difference between the carrying value and bank balance is due to outstanding checks and/or deposit in transit.

	Category			Carrying	Bank
	1	2	3	Value	Balance
Petty Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Deposit Accounts	54,241	0	0	54,241	54,241
Cert of Deposit	0	0	0	0	0
Total	\$ 54,241	\$ 0	\$ 0	\$ 54,241	\$ 54,241

**b. Investments**

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill their obligation. The Fund is allowed to invest as authorized by Article 5 of the Illinois Pension Code. In general, the Fund may invest in the following items: interest bearing direct obligations of the United States of America; interest bearing obligations fully insured by the United States of America; interest bearing bonds, notes, debentures or other similar obligations of agencies of the United States of America; interest bearing savings accounts or certificates of deposit issued by federally chartered banks or savings and loan associations, by State of Illinois chartered banks or savings and loan associations, and in credit unions, insured by agencies or instrumentalities of the federal government, interest bearing bonds of the State of Illinois; pooled interest bearing accounts managed by the Illinois Public Treasurers Investment Pool; interest bearing bonds of any county, township, or municipal corporation of the State of Illinois; money market mutual funds managed by certain registered investment companies; general accounts of life insurance companies authorized to transact business in Illinois; and with limitations, certain mutual funds, and certain corporate bonds.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**B. Firefighters Pension Fund (continued)**

**3. Deposits and Investments (continued)**

**b. Investments (concluded)**

A comparison of investment carrying value and fair value at April 30, 2018 are shown below. The carrying amount of marketable securities was adjusted to fair value at April 30, 2018. Investments are categorized to give an indication of the level or risk assumed by the Fund into three levels of custodial risk.

Category 1: Insured by the FDIC, or registered with securities held by the Fund or its agent in the Fund's name.

Category 2: Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Fund's name.

Category 3: Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the Fund's name.

	Category			Amortized	Fair
	1	2	3	Cost	Value
Cert of Deposit	\$ 1,200,000	\$ 0	\$ 0	\$ 1,200,000	\$ 1,200,000
U.S. Govt Securities	0	0	0	0	0
Govt Backed Sec	51,247	0	0	51,247	54,065
Total	<u>\$ 1,251,247</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,251,247</u>	<u>\$ 1,254,065</u>

Investments not subject to categorization

Illinois Funds	\$ 0	\$ 0
Fixed Income Securities	0	0
Equity Securities	368,693	398,343
Total	<u>\$ 368,693</u>	<u>\$ 398,343</u>
Total Investments	<u>\$ 1,619,940</u>	<u>\$ 1,652,408</u>

Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level or risks associated with certain securities, there is a likelihood that changes in the values of the investments will occur that could materially affect the amounts reported. Due to the type of Fund investments, interest rate risk is not considered to be significant at April 30, 2018.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**B. Firefighters Pension Fund (continued)**

**3. Deposits and Investments (continued)**

**c. Fair Value**

Fair value is the price that would be received to sell an asset or the amount paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to determine fair value should maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1: Quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include; quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, such as, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads; market corroborated inputs.

Level 3: Unobservable inputs for an asset or liability.

The following valuation methods and inputs are used for assets and liabilities measured at fair value on a recurring basis and recognized in the financial statements.

**Securities**

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing service and pricing models, the inputs of which are market based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy; however, no Level 3 securities exist at April 30, 2018.

**Fair Value Measurements**

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accounting principles. The following are the assets and liabilities recognized in the financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy as of April 30, 2018:

<u>Investment Category</u>	<u>Level 1</u> <u>Inputs</u>	<u>Level 2</u> <u>Inputs</u>	<u>Level 3</u> <u>Inputs</u>	<u>Fair</u> <u>Value</u>
Certificates of Deposit	\$ 0	\$ 1,200,000	\$ 0	\$ 1,200,000
U.S. Government Securities	0	0	0	0
Govt Backed Securities	0	54,065	0	54,065
Illinois Funds	0	0	0	0
Fixed Income Securities	0	0	0	0
Equity Securities	398,343	0	0	398,343
Total	\$ 398,343	\$ 1,254,065	\$ 0	\$ 1,652,408

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**B. Firefighters Pension Fund (continued)**

**4. Investment Income**

Interest income earned from investments, savings accounts, and interest bearing checking accounts was recorded for the year as follows:

	2018	2017
Money Market Account	\$ 276	\$ 129
Certificates of Deposit	23,003	23,198
U.S. Treasury Obligations	0	0
Government Backed Securities	2,317	2,317
Annuity Contracts	0	0
Mutual Funds	22,492	15,271
Total Interest Income	<u>\$ 48,088</u>	<u>\$ 40,915</u>

**5. Benefit Payments**

Benefit payments were recorded for the year as follows:

	Annuitants	2018	Annuitants	2017
Regular Retirement	4	\$ 173,651	4	\$ 164,934
Disability Benefits	0	0	0	0
Survivor Benefits	1	29,350	1	29,350
Total Benefit Payments		<u>\$ 203,001</u>		<u>\$ 194,284</u>

**6. Schedule of Tax Rates, Extensions, and Collections**

Information regarding property taxes for the prior three years is as follows:

	2015	2016	2016
Assessed Valuation	\$ 51,208,525	53,024,098	53,529,588
Tax Rate (per \$ 100)	0.17107	0.17351	0.16880
Taxes Extended	\$ 87,600	\$ 92,000	\$ 90,358
Taxes Collected	\$ 87,529	\$ 91,328	NOT YET COLLECTED

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**B. Firefighters Pension Fund (continued)**

**7. Funding Status and Progress**

The unfunded accrued liability was computed as part of an actuarial valuation performed by the Illinois Department of Insurance as of April 30, 2017. The most recent actuarial valuation performed as of April 30, 2018, is not yet available. Significant actuarial methods and assumptions used in the valuation were as follows:

**Actuarial Methods**

Funding method used	Projected Unit Cost
Amortization method used	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5 year period.

**Actuarial Assumptions**

Interest rate assumption - current fiscal year	5.0%
Interest rate assumption - prior fiscal year	5.0%
Healthy mortality rates - Male	RP-2014 Healthy Annuitant , with Blue Collar Adjustment, Males
Healthy mortality rates - Female	RP-2014 Healthy Annuitant , with Blue Collar Adjustment, Females
Disabled mortality rates - Male	115% of RP-2014 Healthy Annuitant, with Blue Collar Adjustment, Males
Disabled mortality rates - Female	115% of RP-2014 Healthy Annuitant, with Blue Collar Adjustment, Females
Decrements other than mortality	Experience tables
Rates of service-related deaths	20.0%
Rates of service-related disabilities	80.0%
Salary increases	Service related table with rates grading from 12.5% to 3.5% at 31 years of service.
Payroll growth	3.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions	80% of members are assumed to be married, male spouses are assumed to be 3 years older than female spouses.

The actuarial assumptions used in determining the above amounts are based on experience for all Article 4 funds for the State of Illinois in aggregate, not that of each individual fund. The Department of Insurance has approved the actuarial assumptions. Contact the Department of Insurance for complete experience tables.

The above valuation uses personnel data as reported to the Department of Insurance in the Schedule P. Specifically the following data items have been determined as of the date of the Actuarial Valuation Report: attained age, annual salary or pension, and completed years of service of each individual participant. The fund specific information used in the production of the Actuarial Valuation Report was provided to the Illinois Department of Insurance by the pension fund board of trustees through the fund's annual statement filing.

Additional critical information regarding actuarial assumptions, methods, and disclosures are provided in the Actuarial Valuation Report Disclosures Document located on the following Illinois DOI website (<http://insurance.illinois.gov/Applications/Pension/FOIAReporting/FOIAportal.aspx>).

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**B. Firefighters Pension Fund (continued)**

**7. Funding Status and Progress (concluded)**

Total unfunded accrued liability applicable to the Fund's employees was \$ 2,551,103 at April 30, 2017, determined as follows:

Reserves for annuities and benefits in force	
Retirees and beneficiaries currently receiving benefits	
and terminated employees not yet receiving benefits	\$ 4,087,944
Accrued liabilities for active members	371,025
Total accrued liability	<u>4,458,969</u>
Actuarial value of assets available for benefits	<u>1,907,866</u>
Unfunded accrued liability	<u>\$ 2,551,103</u>
Funded ratio	<u>42.79%</u>

**8. Annual Pension Costs and Net Pension Obligation**

The contribution requirements were computed as part of an actuarial valuation performed by the Illinois Department of Insurance as of April 30, 2017. The most recent actuarial valuation performed as of April 30, 2018, is not yet available.

The annual pension cost and net pension obligation for the year ended April 30, 2017, were as follows:

Annual required contribution	\$ 23,948
Annual required contribution to amortize unfunded accrued liability	106,740
Interest on net pension obligation	6,534
Adjustment to annual required contribution	<u>0</u>
Annual Pension Cost	137,222
Contributions made	<u>139,678</u>
Increase(Decrease) in net pension obligation	(2,456)
Net pension obligation, beginning of year	<u>0</u>
Net pension obligation, end of year	<u>\$ 0</u>

**9. Trend Information**

Trend information gives an indication of the progress made accumulating sufficient assets to pay benefits due. For three years ended 2017, 2016, and 2015, respectively available assets were sufficient to fund 42.79, 45.31, and 45.90 percent of the pension benefit obligation. Unfunded pension benefit obligation represents 4453.04, 4149.37, and 2874.71 percent of the annual payroll for participating members covered for 2017, 2016, and 2015, respectively.

Actuarial Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
4/30/17	\$ 137,222	101.79%	\$ 0
4/30/16	112,098	126.60%	0
4/30/15	117,742	132.34%	0



City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**B. Firefighters Pension Fund (concluded)**

**9. Trend Information (concluded)**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
4/30/17	\$ 1,907,866	4,458,969	2,551,103	42.79%	57,289	4453.04%
4/30/16	1,911,758	4,219,638	2,307,880	45.31%	55,620	4149.37%
4/30/15	1,901,407	4,142,501	2,241,094	45.90%	77,959	2874.71%
4/30/14	1,899,028	3,946,369	2,047,341	48.12%	103,635	1975.53%
4/30/13	1,851,077	3,923,284	2,072,207	47.18%	114,011	1817.55%
4/30/12	1,822,008	3,435,306	1,613,298	53.04%	194,258	830.49%
4/30/11	Figures not available					
4/30/10	1,681,827	2,238,440	556,613	75.13%	236,653	235.20%
4/30/09	1,561,755	2,076,366	514,611	75.22%	269,691	190.82%
4/30/08	1,426,845	1,960,212	533,367	72.79%	259,147	205.82%

**10. Related Party Transactions**

There were no securities of the City or related parties included in plan assets.

**11. Risk Management**

The Fund was not covered for fiduciary liability at April 30, 2018, however they were in the process of considering obtaining fiduciary liability coverage.

**12. Commitments and Contingencies**

Litigation

The Fund's management assert that there are no material outstanding claims or litigation as of the report date, and they did not consult with an attorney during the period concerning claims or litigation.

**13. Subsequent Events**

The Fund has evaluated the effect of subsequent events through the date of this report, which is the date the financial statements were available to be issued. No subsequent events were identified.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**C. Police Pension Fund**

**1. Plan Description**

The Police Pension Fund was established by ordinance of the City Council in 1980, in accordance with state law. The Fund is a single-employer defined benefit plan administered by a 5 member Board of Trustees of which two members are appointed by the mayor of the municipality, two members are elected by and from active participants of the fund and one member is elected by and from retired beneficiaries of the fund. State law authorizes the Board to perform all necessary functions to carry out the provisions of Article 3 of the Illinois Pension Code. Benefit and contribution provisions are established by State law and may be amended only by the Illinois State Legislature. At April 30, 2018 the Fund's membership was as follows:

Retirees and beneficiaries:

Currently receiving benefits	6
Entitled to benefits but not yet receiving them	0

Current members:

Vested	4
Nonvested	5

Total members	<u>15</u>
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**a. Funding**

The members are required to contribute 9.91 percent of their annual salary. The City is required to contribute the remaining amount necessary to fund the plan. This funding is provided by the City through the levy of a property tax. The annual real estate tax levy is based on actuarial computations performed by the Illinois Department of Financial and Professional Regulation. The amount of the tax rate is not restricted by statute. For the year ended April 30, 2017, payroll earnings of \$ 357,346 were reported to and covered by the Fund.

**b. Benefit Provisions**

Tier I - Membership started prior to January 1, 2011:

A police officer age 50 or more with 20 or more years of creditable service, who is not a participant in a self-managed plan and who is no longer in service as a police officer, shall receive a monthly pension of one-half the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years of service through 30 years of service, to a maximum of 75% of such salary.

A police officer mandatorily retired from service due to age by operation of law, having at least 8 but less than 20 years of creditable service, shall receive a pension equal to 2.5% of the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater, for each year of creditable service. A police officer who retires or is separated from service having at least 8 years but less than 20 years of creditable service, who is not mandatorily retired due to age by operation of law, and who does not apply for a refund of contributions at separation from police service, shall receive a pension upon attaining age 60 equal to 2.5% of the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater, for each year of creditable service. The monthly pension of an officer shall be increased, upon either the first of the month following the first anniversary of the date of retirement, or upon the first day of the month following attainment of age 55 if it occurs after the first anniversary of retirement by 1/12 of 3% of the pension payable at the time of the increase for each full month elapsed since the pension began, and by an additional 3% of the pension payable at the time of increase in January each year thereafter.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**C. Police Pension Fund (continued)**

**1. Plan Description (concluded)**

**b. Benefit Provisions (concluded)**

Tier II - Membership started on or after January 1, 2011:

A police officer age 55 or more with 10 or more years of creditable service who is no longer in service as a police officer, shall have the option to receive a monthly pension computed by multiplying 2.5% for each year of service by the final average salary. The pension of a police officer retiring after attaining age 50 with 10 or more years of creditable service shall be reduced by one-half of 1% for each month of age under age 55. The maximum pension shall be 75% of final average salary.

Final average salary means the average monthly salary obtained by dividing the total salary during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

The monthly pension shall annually be increased by the lesser of (a) 3% of the current amount including all previous adjustments, or (b) one-half the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1, including all previous adjustments.

The Plan also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Members that terminate their participation may withdraw their contributions and forfeit future benefits.

**2. Summary of Significant Accounting Policies**

**a. Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**b. Investments**

The Fund reports securities at fair value. Fixed income securities are reported at amortized cost, with adjustment to fair value determined by using quoted market prices provided by independent pricing services. This valuation was performed as of April 30, 2018, and unrealized gains and losses were recognized as of this date.

**c. Property Taxes**

Property tax is levied each year on all taxable real property located within the City of Anna, Illinois on or before the last Tuesday in December. The 2017 levy for the Firefighters Pension Fund is included in the levy passed by the City Council on December 19, 2017. Property taxes attach as an enforceable lien the property January 1 and are payable in two installments. The amounts estimated due from the 2017 levy have been recorded as property taxes receivable and property tax revenue. tax revenue.

**d. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position that applies to future periods, and will not be recognized as an expense until that time.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to future periods, and will not be recognized as a revenue until that time.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**C. Police Pension Fund (continued)**

**3. Deposits and Investments**

**a. Deposits**

It is the policy of the Fund to require that deposits in excess of FDIC insurable limits be secured by eligible collateral instruments acceptable under the Illinois Public Funds Investment Act. The Fund's deposits are categorized into three levels of custodial risk:

Category 1: Insured by the FDIC, or registered with securities held by the Fund or its agent in the Fund's name.

Category 2: Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Fund's name.

Category 3: Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the Fund's name.

A comparison of the carrying value and bank balances at April 30, 2018 are shown below. The difference between the carrying value and bank balance is due to outstanding checks and/or deposit in transit.

	Category			Carrying Value	Bank Balance
	1	2	3		
Petty Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Deposit Accounts	210,270	0	0	210,270	210,138
Cert of Deposit	0	0	0	0	0
Total	<u>\$ 210,270</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 210,270</u>	<u>\$ 210,138</u>

**Investments**

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill their obligation. The Fund is allowed to invest as authorized by Article 5 of the Illinois Pension Code. In general, the Fund may invest in the following items: interest bearing direct obligations of the United States of America; interest bearing obligations fully insured by the United States of America; interest bearing bonds, notes, debentures or other similar obligations of agencies of the United States of America; interest bearing savings accounts or certificates of deposit issued by federally chartered banks or savings and loan associations, by State of Illinois chartered banks or savings and loan associations, and in credit unions, insured by agencies or instrumentalities of the federal government, interest bearing bonds of the State of Illinois; pooled interest bearing accounts managed by the Illinois Public Treasurers Investment Pool; interest bearing bonds of any county, township, or municipal corporation of the State of Illinois; money market mutual funds managed by certain registered investment companies; general accounts of life insurance companies authorized to transact business in Illinois; and with limitations, certain mutual funds, and certain corporate bonds.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**C. Police Pension Fund (continued)**

**3. Deposits and Investments (continued)**

**b. Investments (concluded)**

A comparison of investment carrying value and fair value at April 30, 2018 are shown below. The carrying amount of marketable securities was adjusted to fair value at April 30, 2018. Investments are categorized to give an indication of the level or risk assumed by the Fund into three levels of custodial risk.

Category 1: Insured by the FDIC, or registered with securities held by the Fund or its agent in the Fund's name.

Category 2: Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Fund's name.

Category 3: Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the Fund's name.

	Category			Amortized	Fair
	1	2	3	Cost	Value
Cert of Deposit	\$ 1,412,748	\$ 0	\$ 0	\$ 1,412,748	\$ 1,412,748
U.S. Govt Securities	0	0	0	0	0
Govt Backed Sec	229,334	0	0	229,334	229,170
Total	<u>\$ 1,642,082</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,642,082</u>	<u>\$ 1,641,918</u>

Investments not subject to categorization

Illinois Funds	\$ 0	\$ 0
Fixed Income Securities	0	0
Equity Securities	448,102	499,562
Total	<u>\$ 448,102</u>	<u>\$ 499,562</u>
Total Investments	<u>\$ 2,090,184</u>	<u>\$ 2,141,480</u>

Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level or risks associated with certain securities, there is a likelihood that changes in the values of the investments will occur that could materially affect the amounts reported. Due to the type of Fund investments, interest rate risk is not considered to be significant at April 30, 2018.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**C. Police Pension Fund (continued)**

**3. Deposits and Investments (continued)**

**c. Fair Value**

Fair value is the price that would be received to sell an asset or the amount paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to determine fair value should maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1: Quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include; quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, such as, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads; market corroborated inputs.

Level 3: Unobservable inputs for an asset or liability.

The following valuation methods and inputs are used for assets and liabilities measured at fair value on a recurring basis and recognized in the financial statements.

Securities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing service and pricing models, the inputs of which are market based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy; however, no Level 3 securities exist at April 30, 2018.

Fair Value Measurements

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accounting principles. The following are the assets and liabilities recognized in the financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy as of April 30, 2018:

<u>Investment Category</u>	<u>Level 1</u> <u>Inputs</u>	<u>Level 2</u> <u>Inputs</u>	<u>Level 3</u> <u>Inputs</u>	<u>Fair</u> <u>Value</u>
Certificates of Deposit	\$ 0	\$ 1,412,748	\$ 0	\$ 1,412,748
U.S. Government Securities	0	0	0	0
Govt Backed Securities	0	229,170	0	229,170
Illinois Funds	0	0	0	0
Fixed Income Securities	0	0	0	0
Equity Securities	499,562	0	0	499,562
Total	\$ 499,562	\$ 1,641,918	\$ 0	\$ 2,141,480

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**C. Police Pension Fund**

**4. Investment Income**

Interest income earned from investments, savings accounts, and interest bearing checking accounts was recorded for the year as follows:

	2018	2017
Money Market Accounts	\$ 440	\$ 127
Certificates of Deposit	25,320	21,960
U.S. Treasury Obligations	0	2,021
Government Backed Securities	7,629	8,575
Annuity Contracts	0	0
Mutual Funds	28,498	24,560
Total Interest Income	<u>\$ 61,887</u>	<u>\$ 57,243</u>

**5. Benefit Payments**

Benefit payments were recorded for the year as follows:

	Annuitants	2018	Annuitants	2017
Regular Retirement	5	\$ 171,429	4	\$ 156,789
Disability Benefits	0	0	0	0
Survivor Benefits	1	24,549	1	24,549
Total Benefit Payments		<u>\$ 195,978</u>		<u>\$ 181,338</u>

**6. Schedule of Tax Rates, Extensions, and Collections**

Information regarding property taxes for the prior three years is as follows:

	2015	2016	2017
Assessed Valuation	\$ 51,208,525	53,024,098	53,529,588
Tax Rate (per \$ 100)	0.3242	0.3282	0.3486
Taxes Extended	\$ 166,000	\$ 174,000	\$ 186,604
Taxes Collected	\$ 165,864	\$ 172,730	\$ NOT YET COLLECTED

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**C. Police Pension Fund (continued)**

**7. Funding Status and Progress**

The unfunded accrued liability was computed as part of an actuarial valuation performed by the Illinois Department of Insurance as of April 30, 2017. The most recent actuarial valuation performed as of April 30, 2018, is not yet available. Significant actuarial methods and assumptions used in the valuation were as follows:

**Actuarial Methods**

Funding method used	Projected Unit Cost
Amortization method used	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Asset valuation method	Investment gains and losses are recognized over a 5 year period.

**Actuarial Assumptions**

Interest rate	5.0%
Interest rate, prior fiscal year	5.0%
Healthy mortality rates - Male	RP-2014 Healthy Annuitant, with Blue Collar Adjustment, Males
Healthy mortality rates - Female	RP-2014 Healthy Annuitant, with Blue Collar Adjustment, Females
Disabled mortality rates - Male	115% of RP-2014 Healthy Annuitant, with Blue Collar Adjustment, Males
Disabled mortality rates - Female	115% of RP-2014 Healthy Annuitant, with Blue Collar Adjustment, Females
Decrements other than mortality	Experience tables
Rates of service-related deaths	10.0%
Rates of service-related disabilities	60.0%
Salary increases	Service related table with rates grading from 11% to 3.5% at 33 years of service.
Payroll growth	3.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions	80% of members are assumed to be married, male spouses are assumed to be 3 years older than female spouses.

The actuarial assumptions used in determining the above amounts are based on experience for all Article 3 funds for the State of Illinois in aggregate, not that of each individual fund. The Department of Insurance has approved the actuarial assumptions. Contact the Department of Insurance for complete experience tables.

The above valuation uses personnel data as reported to the Department of Insurance in the Schedule P. Specifically the following data items have been determined as of the date of the Actuarial Valuation Report: attained age, annual salary or pension, and completed years of service of each individual participant. The fund specific information used in the production of the Actuarial Valuation Report was provided to the Illinois Department of Insurance by the pension fund board of trustees through the fund's annual statement filing.

Additional critical information regarding actuarial assumptions, methods, and disclosures are provided in the Actuarial Valuation Report Disclosures Document located on the following Illinois DOI website (<http://insurance.illinois.gov/Applications/Pension/FOIAReporting/FOIAportal.aspx>).



City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**C. Police Pension Fund (continued)**

**8. Funding Status and Progress (concluded)**

Total unfunded accrued liability applicable to the Fund's employees was \$ 3,112,446 at April 30, 2017, determined as follows:

Reserves for annuities and benefits in force	
Retirees and beneficiaries currently receiving benefits	
and terminated employees not yet receiving benefits	\$ 3,751,428
Accrued liabilities for active members	1,879,235
Total accrued liability	<u>5,630,663</u>
Actuarial value of assets available for benefits	<u>2,518,217</u>
Unfunded accrued liability	<u>\$ 3,112,446</u>
Funded ratio	<u>44.72%</u>

**9. Annual Pension Costs and Net Pension Obligation**

The contribution requirements were computed as part of an actuarial valuation performed by the Illinois Department of Insurance as of April 30, 2017. The most recent actuarial valuation performed as of April 30, 2018, is not yet available.

The annual pension cost and net pension obligation for the year ended April 30, 2017, were as follows:

Annual required contribution	\$ 120,436
Annual required contribution to amortize unfunded accrued liability	129,261
Interest on net pension obligation	12,485
Adjustment to annual required contribution	<u>0</u>
Annual Pension Cost	262,182
Contributions made	<u>258,330</u>
Increase(Decrease) in net pension obligation	3,852
Net pension obligation, beginning of year	<u>0</u>
Net pension obligation, end of year	<u>\$ 3,852</u>

**10. Trend Information**

Trend information gives an indication of the progress made accumulating sufficient assets to pay benefits due. For three years ended 2017, 2016, and 2015, respectively available assets were sufficient to fund 44.72, 45.37, and 45.05 percent of the pension benefit obligation. Unfunded pension benefit obligation represents 862.60, 779.33, and 786.82 percent of the annual payroll for participating members covered for 2017, 2016, and 2015 respectively.

Actuarial Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
4/30/17	\$ 262,182	98.53%	\$ 3,852
4/30/16	238,902	104.17%	0
4/30/15	222,442	102.68%	0

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2018

**Note IX - Retirement Fund Commitments (continued)**

**C. Police Pension Fund (concluded)**

**9. Trend Information (concluded)**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((b-a)/c)
4/30/17	\$ 2,518,217	5,630,663	3,112,446	44.72%	360,823	862.60%
4/30/16	2,370,634	5,225,041	2,854,407	45.37%	366,263	779.33%
4/30/15	2,253,897	5,003,463	2,749,566	45.05%	349,452	786.82%
4/30/14	2,153,901	4,800,409	2,646,508	44.87%	250,286	1057.39%
4/30/13	2,008,964	4,890,717	2,881,753	41.08%	303,116	950.71%
4/30/12	1,899,138	4,926,112	3,026,974	38.55%	337,525	896.81%
4/30/11	Figures not available					
4/30/10	1,709,599	3,463,586	1,753,987	49.36%	361,300	485.47%
4/30/09	1,626,052	3,294,474	1,668,422	49.36%	350,678	475.77%
4/30/08	1,545,168	3,080,003	1,534,835	50.17%	336,746	455.78%

**11. Related Party Transactions**

There were no securities of the City or related parties included in plan assets.

**12. Risk Management**

The Fund was not covered for fiduciary liability at April 30, 2018, however they were in the process of considering obtaining fiduciary liability coverage.

**13. Commitments and Contingencies**

Litigation

The Fund's management assert that there are no material outstanding claims or litigation as of the report date, and they did not consult with an attorney during the period concerning claims or litigation.

**14. Subsequent Events**

The Fund has evaluated the effect of subsequent events through the date of this report, which is the date the financial statements were available to be issued. No subsequent events identified.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONCLUDED  
April 30, 2018

**Note X - Retirement Fund Commitments (concluded)**

**D. Social Security**

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund, Firefighters Pension Fund or Police Pension Fund are considered "non-participating employees". These employees are covered under the Social Security system.

**Note XI - Risk Management**

Significant losses are covered by commercial insurance for all major categories: liability, property, and workers' compensation. During the year ended April 30, 2018, there were no significant reductions in coverage. Also there have been no settlement amounts which have exceeded insurance coverage in the past three fiscal years.

The City's insurance premiums for workers compensation and liability coverages are adjusted annually by audit, based on the actual levels of activity during the period of coverage. These premium audit adjustments are recorded in the year when paid or received. During the year ended April 30, 2018, the net audit adjustment, based on actual experience was \$ 0.

**Note XII - Commitments and Contingencies**

**A. Litigation**

The City's management asserts that there are no material outstanding claims or litigation as of the report date.

**B. State and Federal Grants**

In the normal course of operations, the City receives grant funds from various State and Federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**Note XIII - Subsequent Events**

The City has evaluated the effect of subsequent events through the date of this report, which is the date the financial statements were available to be issued. No subsequent events were identified.



## OTHER INFORMATION

City of Anna, Illinois  
**BUDGETARY COMPARISON SCHEDULES - CASH BASIS**  
**GENERAL FUND**  
**Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Budget-Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 211,100	\$ 211,100	\$ 180,875	\$ (30,225)
State Replacement Taxes	0	0	0	0
State Sales and Use Taxes	214,387	214,387	211,205	(3,182)
State Income Taxes	66,330	66,330	69,052	2,722
State Motor Fuel Taxes	0	0	0	0
Other Taxes	125,000	125,000	114,091	(10,909)
Grants	0	0	0	0
Licenses and Permits	69,000	69,000	75,139	6,139
Fines	0	0	150	150
Service Fees	0	0	0	0
Investment Income	42,850	42,850	42,961	111
Other Revenues	3,900	3,900	30,663	26,763
Total Revenues	<u>\$ 732,567</u>	<u>\$ 732,567</u>	<u>\$ 724,136</u>	<u>\$ (8,431)</u>
<b>EXPENDITURES</b>				
Salaries	\$ 278,348	\$ 278,348	\$ 363,258	\$ (84,910)
Payroll Taxes & Fringes	777,414	777,414	269,171	508,243
Purchased Services	197,305	197,305	182,180	15,125
Supplies	11,150	11,150	17,749	(6,599)
Other	4,000	4,000	2,250	1,750
Capital Outlay	60,000	60,000	4,330	55,670
Debt Service	0	0	0	0
Total Expenditures	<u>\$ 1,328,217</u>	<u>\$ 1,328,217</u>	<u>\$ 838,938</u>	<u>\$ 489,279</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (595,650)</u>	<u>\$ (595,650)</u>	<u>\$ (114,802)</u>	<u>\$ 480,848</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	(177,175)	(177,175)
Debt Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(177,175)</u>	<u>(177,175)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (595,650)</u>	<u>\$ (595,650)</u>	<u>\$ (291,977)</u>	<u>\$ 303,673</u>
Fund Balance, beginning of year	<u>2,503,199</u>	<u>2,503,199</u>	<u>2,503,199</u>	
Fund Balance, end of year	<u>\$ 1,907,549</u>	<u>\$ 1,907,549</u>	<u>\$ 2,211,222</u>	<u>\$ 303,673</u>

City of Anna, Illinois  
**BUDGETARY COMPARISON SCHEDULES - CASH BASIS**  
**POLICE FUND**  
**Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Budget-Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
State Replacement Taxes	0	0	0	0
State Sales and Use Taxes	538,144	538,144	530,158	(7,986)
State Income Taxes	160,744	160,744	160,744	0
State Motor Fuel Taxes	0	0	0	0
Other Taxes	0	0	0	0
Grants	0	0	0	0
Licenses and Permits	0	0	0	0
Fines	48,000	48,000	35,322	(12,678)
Service Fees	0	0	0	0
Investment Income	0	0	150	150
Other Revenues	750	750	1,067	317
Total Revenues	\$ 747,638	\$ 747,638	\$ 727,441	\$ (20,197)
<b>EXPENDITURES</b>				
Salaries	\$ 436,043	\$ 436,043	\$ 390,075	\$ 45,968
Payroll Taxes & Fringes	214,449	214,449	200,754	13,695
Purchased Services	82,746	82,746	67,524	15,222
Supplies	13,650	13,650	11,407	2,243
Other	750	750	125	625
Capital Outlay	27,500	27,500	24,265	3,235
Debt Service	0	0	0	0
Total Expenditures	\$ 775,138	\$ 775,138	\$ 694,150	\$ 80,988
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (27,500)	\$ (27,500)	\$ 33,291	\$ 60,791
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	(57,405)	(57,405)
Debt Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	0	0	(57,405)	(57,405)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (27,500)	\$ (27,500)	\$ (24,114)	\$ 3,386
Fund Balance, beginning of year	105,127	105,127	105,127	
Fund Balance, end of year	\$ 77,627	\$ 77,627	\$ 81,013	\$ 3,386

City of Anna, Illinois  
**BUDGETARY COMPARISON SCHEDULES - CASH BASIS**  
**FIRE FUND**  
**Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Budget-Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 19,000	\$ 19,000	\$ 16,992	\$ (2,008)
State Replacement Taxes	0	0	0	0
State Sales and Use Taxes	173,822	173,822	171,243	(2,579)
State Income Taxes	51,921	51,921	51,921	0
State Motor Fuel Taxes	0	0	0	0
Other Taxes	0	0	0	0
Grants	0	0	0	0
Licenses and Permits	0	0	0	0
Fines	0	0	0	0
Service Fees	2,000	2,000	2,000	0
Investment Income	0	0	62	62
Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>\$ 246,743</b>	<b>\$ 246,743</b>	<b>\$ 242,218</b>	<b>\$ (4,525)</b>
<b>EXPENDITURES</b>				
Salaries	\$ 106,689	\$ 106,689	\$ 105,180	\$ 1,509
Payroll Taxes & Fringes	77,641	77,641	83,427	(5,786)
Purchased Services	48,588	48,588	30,530	18,058
Supplies	9,825	9,825	4,955	4,870
Other	400	400	250	150
Capital Outlay	18,600	18,600	0	18,600
Debt Service	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 261,743</b>	<b>\$ 261,743</b>	<b>\$ 224,342</b>	<b>\$ 37,401</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (15,000)</b>	<b>\$ (15,000)</b>	<b>\$ 17,876</b>	<b>\$ 32,876</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	(14,215)	(14,215)
Debt Proceeds	0	0	0	0
<b>Net Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>(14,215)</b>	<b>(14,215)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (15,000)</b>	<b>\$ (15,000)</b>	<b>\$ 3,661</b>	<b>\$ 18,661</b>
<b>Fund Balance, beginning of year</b>	<b>37,343</b>	<b>37,343</b>	<b>37,343</b>	
<b>Fund Balance, end of year</b>	<b>\$ 22,343</b>	<b>\$ 22,343</b>	<b>\$ 41,004</b>	<b>\$ 18,661</b>



City of Anna, Illinois  
**BUDGETARY COMPARISON SCHEDULES - CASH BASIS**  
**STREET FUND**  
**Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Budget-Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 30,000	\$ 30,000	\$ 28,699	\$ (1,301)
State Replacement Taxes	25,000	25,000	22,964	(2,036)
State Sales and Use Taxes	310,684	310,684	306,073	(4,611)
State Income Taxes	92,801	92,801	92,801	0
State Motor Fuel Taxes	0	0	0	0
Other Taxes	0	0	0	0
Grants	0	0	0	0
Licenses and Permits	0	0	0	0
Fines	0	0	0	0
Service Fees	0	0	0	0
Investment Income	0	0	142	142
Other Revenues	500	500	1,415	915
<b>Total Revenues</b>	<b>\$ 458,985</b>	<b>\$ 458,985</b>	<b>\$ 452,094</b>	<b>\$ (6,891)</b>
<b>EXPENDITURES</b>				
Salaries	\$ 249,467	\$ 249,467	\$ 228,943	\$ 20,524
Payroll Taxes & Fringes	126,272	126,272	130,463	(4,191)
Purchased Services	76,196	76,196	41,422	34,774
Supplies	32,050	32,050	26,257	5,793
Other	0	0	0	0
Capital Outlay	30,000	30,000	20,610	9,390
Debt Service	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 513,985</b>	<b>\$ 513,985</b>	<b>\$ 447,695</b>	<b>\$ 66,290</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (55,000)</b>	<b>\$ (55,000)</b>	<b>\$ 4,399</b>	<b>\$ 59,399</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	(24,866)	(24,866)
Debt Proceeds	0	0	0	0
<b>Net Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>(24,866)</b>	<b>(24,866)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (55,000)</b>	<b>\$ (55,000)</b>	<b>\$ (20,467)</b>	<b>\$ 34,533</b>
<b>Fund Balance, beginning of year</b>	<b>94,473</b>	<b>94,473</b>	<b>94,473</b>	
<b>Fund Balance, end of year</b>	<b>\$ 39,473</b>	<b>\$ 39,473</b>	<b>\$ 74,006</b>	<b>\$ 34,533</b>

City of Anna, Illinois  
**BUDGETARY COMPARISON SCHEDULES - CASH BASIS**  
**MOTOR FUEL TAX FUND**  
**Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Budget-Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
State Replacement Taxes	0	0	0	0
State Sales and Use Taxes	0	0	0	0
State Income Taxes	0	0	0	0
State Motor Fuel Taxes	120,000	120,000	112,974	(7,026)
Other Taxes	0	0	0	0
Grants	0	0	0	0
Licenses and Permits	0	0	0	0
Fines	0	0	0	0
Service Fees	0	0	0	0
Investment Income	1,500	1,500	485	(1,015)
Other Revenues	0	0	7,313	7,313
<b>Total Revenues</b>	<b>\$ 121,500</b>	<b>\$ 121,500</b>	<b>\$ 120,772</b>	<b>\$ (728)</b>
<b>EXPENDITURES</b>				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Taxes & Fringes	0	0	0	0
Purchased Services	350,000	350,000	185,633	164,367
Supplies	0	0	0	0
Other	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 185,633</b>	<b>\$ 164,367</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (228,500)</b>	<b>\$ (228,500)</b>	<b>\$ (64,861)</b>	<b>\$ 163,639</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	0	0
Debt Proceeds	0	0	0	0
<b>Net Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (228,500)</b>	<b>\$ (228,500)</b>	<b>\$ (64,861)</b>	<b>\$ 163,639</b>
<b>Fund Balance, beginning of year</b>	<b>219,939</b>	<b>219,939</b>	<b>219,939</b>	
<b>Fund Balance, end of year</b>	<b>\$ (8,561)</b>	<b>\$ (8,561)</b>	<b>\$ 155,078</b>	<b>\$ 163,639</b>

City of Anna, Illinois  
BUDGETARY COMPARISON SCHEDULES - CASH BASIS  
SANITATION FUND  
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance with Budget-Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
State Replacement Taxes	0	0	0	0
State Sales and Use Taxes	0	0	0	0
State Income Taxes	0	0	0	0
State Motor Fuel Taxes	0	0	0	0
Other Taxes	0	0	0	0
Grants	0	0	5,000	5,000
Licenses and Permits	750	750	500	(250)
Fines	0	0	0	0
Service Fees	375,000	375,000	400,438	25,438
Investment Income	0	0	92	92
Other Revenues	5,000	5,000	0	(5,000)
<b>Total Revenues</b>	<b>\$ 380,750</b>	<b>\$ 380,750</b>	<b>\$ 406,030</b>	<b>\$ 25,280</b>
<b>EXPENDITURES</b>				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Taxes & Fringes	0	0	0	0
Purchased Services	371,500	371,500	352,056	19,444
Supplies	9,250	9,250	9,161	89
Other	0	0	0	0
Capital Outlay	15,000	15,000	0	15,000
Debt Service	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 395,750</b>	<b>\$ 395,750</b>	<b>\$ 361,217</b>	<b>\$ 34,533</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (15,000)</b>	<b>\$ (15,000)</b>	<b>\$ 44,813</b>	<b>\$ 59,813</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	(44,721)	(44,721)
Debt Proceeds	0	0	0	0
<b>Net Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>(44,721)</b>	<b>(44,721)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (15,000)</b>	<b>\$ (15,000)</b>	<b>\$ 92</b>	<b>\$ 15,092</b>
<b>Fund Balance, beginning of year</b>	<b>60,500</b>	<b>60,500</b>	<b>60,500</b>	
<b>Fund Balance, end of year</b>	<b>\$ 45,500</b>	<b>\$ 45,500</b>	<b>\$ 60,592</b>	<b>\$ 15,092</b>

City of Anna, Illinois  
BUDGETARY COMPARISON SCHEDULES - CASH BASIS  
CEMETERY FUND  
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance with Budget-Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
State Replacement Taxes	0	0	0	0
State Sales and Use Taxes	62,092	62,092	61,171	(921)
State Income Taxes	18,547	18,547	18,547	0
State Motor Fuel Taxes	0	0	0	0
Other Taxes	0	0	0	0
Grants	0	0	0	0
Licenses and Permits	0	0	0	0
Fines	0	0	0	0
Service Fees	27,500	27,500	24,775	(2,725)
Investment Income	0	0	7	7
Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>\$ 108,139</b>	<b>\$ 108,139</b>	<b>\$ 104,500</b>	<b>\$ (3,639)</b>
<b>EXPENDITURES</b>				
Salaries	\$ 61,230	\$ 61,230	\$ 61,449	\$ (219)
Payroll Taxes & Fringes	28,828	28,828	28,897	(69)
Purchased Services	9,081	9,081	4,412	4,669
Supplies	5,400	5,400	5,279	121
Other	0	0	0	0
Capital Outlay	5,600	5,600	0	5,600
Debt Service	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 110,139</b>	<b>\$ 110,139</b>	<b>\$ 100,037</b>	<b>\$ 10,102</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (2,000)</b>	<b>\$ (2,000)</b>	<b>\$ 4,463</b>	<b>\$ 6,463</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	(856)	(856)
Debt Proceeds	0	0	0	0
<b>Net Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>(856)</b>	<b>(856)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (2,000)</b>	<b>\$ (2,000)</b>	<b>\$ 3,607</b>	<b>\$ 5,607</b>
<b>Fund Balance, beginning of year</b>	<b>2,462</b>	<b>2,462</b>	<b>2,462</b>	
<b>Fund Balance, end of year</b>	<b>\$ 462</b>	<b>\$ 462</b>	<b>\$ 6,069</b>	<b>\$ 5,607</b>

City of Anna, Illinois  
**BUDGETARY COMPARISON SCHEDULES - CASH BASIS**  
**PARK AND POOL FUND**  
**Year Ended April 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Budget-Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
State Replacement Taxes	0	0	0	0
State Sales and Use Taxes	133,033	133,033	131,059	(1,974)
State Income Taxes	39,737	39,737	39,737	0
State Motor Fuel Taxes	0	0	0	0
Other Taxes	0	0	0	0
Grants	0	0	74,800	74,800
Licenses and Permits	0	0	0	0
Fines	0	0	0	0
Service Fees	25,250	25,250	20,575	(4,675)
Investment Income	0	0	91	91
Other Revenues	0	0	6,085	6,085
<b>Total Revenues</b>	<b>\$ 198,020</b>	<b>\$ 198,020</b>	<b>\$ 272,347</b>	<b>\$ 74,327</b>
<b>EXPENDITURES</b>				
Salaries	\$ 89,013	\$ 89,013	\$ 79,223	\$ 9,790
Payroll Taxes & Fringes	31,601	31,601	28,574	3,027
Purchased Services	51,956	51,956	54,652	(2,696)
Supplies	15,225	15,225	25,013	(9,788)
Other	250	250	0	250
Capital Outlay	402,475	402,475	483,770	(81,295)
Debt Service	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 590,520</b>	<b>\$ 590,520</b>	<b>\$ 671,232</b>	<b>\$ (80,712)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (392,500)</b>	<b>\$ (392,500)</b>	<b>\$ (398,885)</b>	<b>\$ (6,385)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	357,999	357,999
Debt Proceeds	0	0	0	0
<b>Net Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>357,999</b>	<b>357,999</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (392,500)</b>	<b>\$ (392,500)</b>	<b>\$ (40,886)</b>	<b>\$ 351,614</b>
<b>Fund Balance, beginning of year</b>	<b>90,369</b>	<b>90,369</b>	<b>90,369</b>	
<b>Fund Balance, end of year</b>	<b>\$ (302,131)</b>	<b>\$ (302,131)</b>	<b>\$ 49,483</b>	<b>\$ 351,614</b>

City of Anna, Illinois  
**BUDGETARY COMPARISON SCHEDULES - CASH BASIS**  
**COMMUNITY DEVELOPMENT FUND**  
Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance with Budget-Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
State Replacement Taxes	0	0	0	0
State Sales and Use Taxes	0	0	0	0
State Income Taxes	0	0	0	0
State Motor Fuel Taxes	0	0	0	0
Other Taxes	0	0	0	0
Grants	0	0	5,780	5,780
Licenses and Permits	0	0	0	0
Fines	0	0	0	0
Service Fees	0	0	0	0
Investment Income	900	900	7,846	6,946
Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>\$ 900</b>	<b>\$ 900</b>	<b>\$ 13,626</b>	<b>\$ 12,726</b>
<b>EXPENDITURES</b>				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Taxes & Fringes	0	0	0	0
Purchased Services	0	0	5,780	(5,780)
Supplies	0	0	0	0
Other	150,000	150,000	0	150,000
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 5,780</b>	<b>\$ 144,220</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (149,100)</b>	<b>\$ (149,100)</b>	<b>\$ 7,846</b>	<b>\$ 156,946</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	(38,761)	(38,761)
Debt Proceeds	0	0	0	0
<b>Net Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>(38,761)</b>	<b>(38,761)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (149,100)</b>	<b>\$ (149,100)</b>	<b>\$ (30,915)</b>	<b>\$ 118,185</b>
<b>Fund Balance, beginning of year</b>	<b>134,168</b>	<b>134,168</b>	<b>134,168</b>	
<b>Fund Balance, end of year</b>	<b>\$ (14,932)</b>	<b>\$ (14,932)</b>	<b>\$ 103,253</b>	<b>\$ 118,185</b>