

CITY OF ANNA, ILLINOIS

**ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**
For the Year Ended April 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Anna, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Anna, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Anna, Illinois's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Anna, Illinois, as of April 30, 2021, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note I.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management 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, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Anna, Illinois's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the City of Anna, Illinois's basic financial statements. The management's discussion and analysis on pages 6-13, and budgetary comparison information on pages 61-66, other information related to pensions on pages 67-70, which are the responsibility of management, are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We have applied certain limited procedures to the other 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 February 26, 2024, 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 solely 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 the effectiveness of the City of Anna, Illinois's 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 the City of Anna, Illinois's internal control over financial reporting and compliance.



Anna, Illinois
February 26, 2024

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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, each major fund, and the aggregate remaining fund information of the City of Anna, Illinois, as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise City of Anna, Illinois's basic financial statements, and have issued our report thereon dated February 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Anna, Illinois's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as findings 2021-001, 2021-002, and 2021-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Anna, Illinois's 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, and are described in the accompanying schedule of findings and responses as findings 2021-004.

Response to Findings

The City of Anna, Illinois's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Anna, Illinois's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Anna, Illinois
February 26, 2024

City of Anna, Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2021 and 2020

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, 2021 and 2020. 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, 2021 by \$ 18,995,794. Of this amount, \$ 6,329,941 is considered unrestricted. The unrestricted net position of the City's governmental activities were \$ 3,736,936 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 \$ 2,593,005 and may be used to meet the ongoing obligations of the City's utility activities.
- * The City's total net position increased by \$ 1,317,553 or 7.45% in the fiscal year ended April 30, 2021. The net position of governmental activities increased by \$ 1,204,671 or 14.83% from the prior fiscal year. The net position of business-type activities increased \$ 112,882 or 1.18% from the prior fiscal year.
- * The total cost of all City services for the fiscal year ended April 30, 2021 was \$ 6,927,839, \$ 3,208,369 or 46.30% of which was for governmental services, and \$ 3,719,470 or 53.70% of which was for business-type activities.
- * A total of \$ 518,004 or 16.15% of governmental services were financed by program revenue, with \$ 703,199 or 21.92% financed by grants and the remaining 61.93% being financed by general revenues. Sales and Use tax revenue represented the single largest source of general revenue, providing 60.68% of expense.
- * The City's investment in capital assets increased \$ 322,034 during the year as a result of additional operating equipment purchases utility extensions. Funding for the investments were provided by reserves.
- * The City's total bonded debt and loans decreased by \$ 52,659 or 7.05% during the year as a result of scheduled payments on existing 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 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. Both statements report separately the functions and activities into governmental activities, that are principally supported by taxes and intergovernmental revenues, and business-type activities that are intended to recover all or a significant portion of costs through user fees or charges. The governmental activities of the City include; general government; public safety; transportation and public works; social services; and community and economic development. The business-type activities of the City include three enterprise activities; water utility, sewer utility and gas utility system.

The Statement of Net Position - Modified Cash Basis presents the assets and liabilities of all non-fiduciary activities of the City.

The Statement of Activities - Modified Cash Basis presents information showing how the government's direct expenses by function are offset by direct program revenues, grants and contributions, with the net expense remaining to be offset by general revenues and transfers.

City of Anna, Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2021 and 2020

Overview of the Financial Statements (concluded)

Government-wide Financial Statements (concluded)

The Government-wide 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 cash transactions with provisions for internal balances, capital assets, depreciation, and debt. Under the modified cash basis of accounting, certain assets and the related revenues, and certain liabilities and the related expenses are not recorded in these statements.

Fund Financial Statements

These statements report the City's operations in more detail and focus primarily on the specific activities. The funds of the City are divided into two categories; governmental funds and proprietary funds. The fiduciary funds are presented separately.

Governmental Funds

Fund financial statements provide detailed information about each of the City's most significant funds, called major funds. A fund is considered major if it is the primary operating fund or it meets the criteria that the total assets, liabilities, revenues, or expenses are at least 10% of the corresponding total for that fund type, or are at least 5% of the corresponding total of all fund types.

Governmental fund financial statements are presented on the modified cash basis of accounting, with provisions for the recognition of internal balances and 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 the related revenues, and certain liabilities and the related expenses are not recorded in these 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, with provisions for the recognition of internal balances, capital assets, depreciation, and debt. Under the modified cash basis of accounting, certain assets and the 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 presented on the modified cash basis of accounting, with provisions for the recognition of investments at fair value.

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

Combining fund financial statements provide detailed information about each of the City's nonmajor funds which are presented in aggregate on the government-wide and fund financial statements. The combining fund financial statements are presented on the modified cash basis of accounting. This section also includes budgetary comparison schedules for the governmental funds required to have a budget.

City of Anna, Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2021 and 2020

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, 2021 by \$ 18,995,794. Of this amount, \$ 6,329,941 is considered unrestricted. The unrestricted net position of the City's governmental activities were \$ 3,736,936. The unrestricted net position of the City's business-type activities were \$ 2,593,005.

The City's total net position increased by \$ 1,317,553 or 7.45% in the fiscal year ended April 30, 2021. The net position of governmental activities increased by \$ 1,204,671 or 14.83% from the prior fiscal year. The net position of business-type activities increased \$ 112,882 or 1.18% from the prior fiscal year.

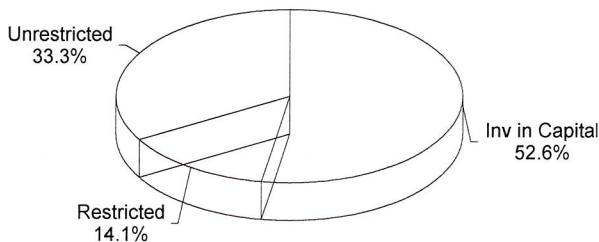
A summary of the City's government-wide Statement of Net Position - Modified Cash Basis follows:

Condensed Statement of Net Position - Modified Cash Basis

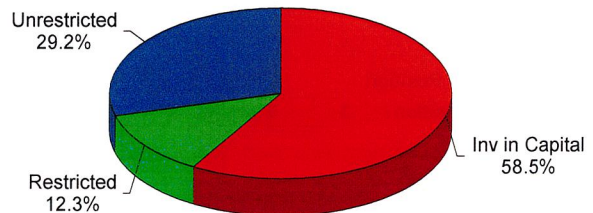
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current Assets	\$ 5,154,936	\$ 3,720,246	\$ 3,922,309	\$ 3,701,952	\$ 9,077,245	\$ 7,422,198
Noncurrent Assets	0	0	27,224	27,214	27,224	27,214
Capital Assets	4,174,766	4,404,785	6,516,293	6,684,804	10,691,059	11,089,589
Other Assets	0	0	0	0	0	0
Total Assets	9,329,702	8,125,031	10,465,826	10,413,970	19,795,528	18,539,001
LIABILITIES						
Current Liabilities	0	0	105,281	113,647	105,281	113,647
Noncurrent Liabilities	0	0	0	0	0	0
Current Debt	0	0	53,417	52,660	53,417	52,660
Noncurrent Debt	0	0	641,036	694,453	641,036	694,453
Total Liabilities	0	0	799,734	860,760	799,734	860,760
NET POSITION						
Invested in Capital						
Assets net of debt	4,174,766	4,404,785	5,821,840	5,937,691	9,996,606	10,342,476
Restricted	1,418,000	861,010	1,251,247	1,306,968	2,669,247	2,167,978
Unrestricted	3,736,936	2,859,236	2,593,005	2,308,551	6,329,941	5,167,787
Total Net Position	\$ 9,329,702	\$ 8,125,031	\$ 9,666,092	\$ 9,553,210	\$ 18,995,794	\$ 17,678,241

The following are graphical representations of total net position by category for the fiscal years ended April 30, 2021 and April 30, 2020:

City of Anna, Illinois - Net Assets
April 30, 2021



City of Anna, Illinois - Net Assets
April 30, 2020



City of Anna, Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2021 and 2020

Financial Analysis - Statement of Net Activities - Modified Cash Basis

The City's total revenues increased by \$ 1,190,037 over the prior fiscal year due to increases in grants, sales tax, motor fuel taxes. Grant revenues increased \$ 511,617, sales tax revenues increased \$ 375,529, income taxes increased \$ 27,775, most other tax revenues had modest increases and decreases.

Total expenses increased \$ 506,756, due mainly to increases in grant spending due to covid related programs. Other expenses had modest increases and decreases.

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

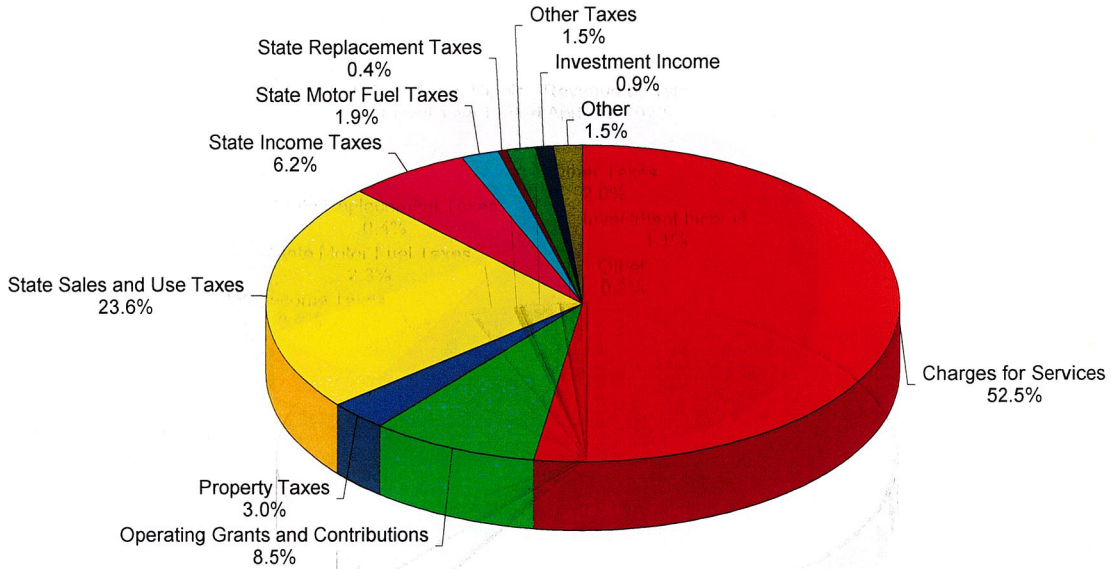
Condensed Statement of Activities and Changes in Net Position - Modified Cash Basis

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program Revenues						
Charges for Services	\$ 518,004	\$ 570,433	\$ 3,808,571	\$ 3,557,047	\$ 4,326,575	\$ 4,127,480
Oper. Grants	703,199	191,582	0	0	703,199	191,582
Capital Grants	0	0	0	0	0	0
General Revenues						
Property Taxes	248,509	255,450	0	0	248,509	255,450
State Sales/Use Taxes	1,946,874	1,571,345	0	0	1,946,874	1,571,345
State Income Taxes	509,219	481,444	0	0	509,219	481,444
State Motor Fuel Taxes	157,583	160,575	0	0	157,583	160,575
State Replace Taxes	34,383	25,330	0	0	34,383	25,330
Other Taxes	120,859	142,443	0	0	120,859	142,443
Investment Income	53,023	54,434	21,510	22,656	74,533	77,090
Other	121,387	18,973	2,271	3,643	123,658	22,616
Total Revenues	<u>4,413,040</u>	<u>3,472,009</u>	<u>3,832,352</u>	<u>3,583,346</u>	<u>8,245,392</u>	<u>7,055,355</u>
EXPENSES						
General Government	863,922	632,033	0	0	863,922	632,033
Public Safety	986,902	1,119,982	0	0	986,902	1,119,982
Transport/Public Works	555,898	459,173	0	0	555,898	459,173
Social Services	523,144	471,426	0	0	523,144	471,426
Culture/Recreation	137,611	201,672	0	0	137,611	201,672
Economic Development	140,892	191,582	0	0	140,892	191,582
Debt Service	0	0	0	0	0	0
Water	0	0	1,378,889	1,264,883	1,378,889	1,264,883
Sewer	0	0	749,574	714,355	749,574	714,355
Gas	0	0	1,591,007	1,365,977	1,591,007	1,365,977
Total Expenses	<u>3,208,369</u>	<u>3,075,868</u>	<u>3,719,470</u>	<u>3,345,215</u>	<u>6,927,839</u>	<u>6,421,083</u>
Change in Net Position	<u>1,204,671</u>	<u>396,141</u>	<u>112,882</u>	<u>238,131</u>	<u>1,317,553</u>	<u>634,272</u>
Transfers	0	0	0	0	0	0
Beginning Net Position	<u>8,125,031</u>	<u>7,728,890</u>	<u>9,553,210</u>	<u>9,315,079</u>	<u>17,678,241</u>	<u>17,043,969</u>
Ending Net Position	<u>\$ 9,329,702</u>	<u>\$ 8,125,031</u>	<u>\$ 9,666,092</u>	<u>\$ 9,553,210</u>	<u>\$ 18,995,794</u>	<u>\$ 17,678,241</u>

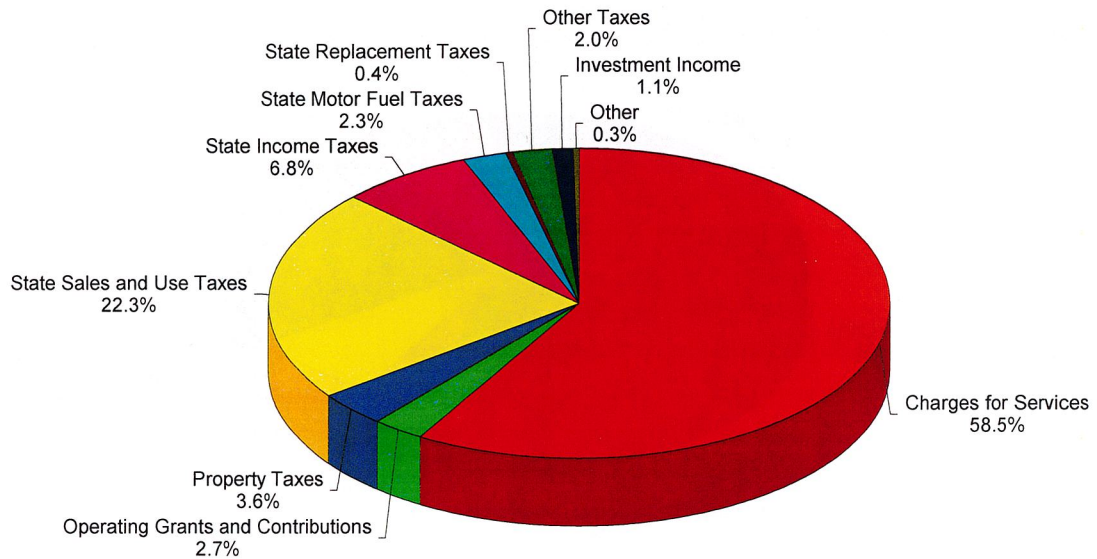
City of Anna, Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2021 and 2020

The following are graphical representations of revenues by type/source for the fiscal years ended April 30, 2021 and April 31, 2020:

City of Anna, Illinois - Revenue by Type
 Fiscal Year Ended April 30, 2021



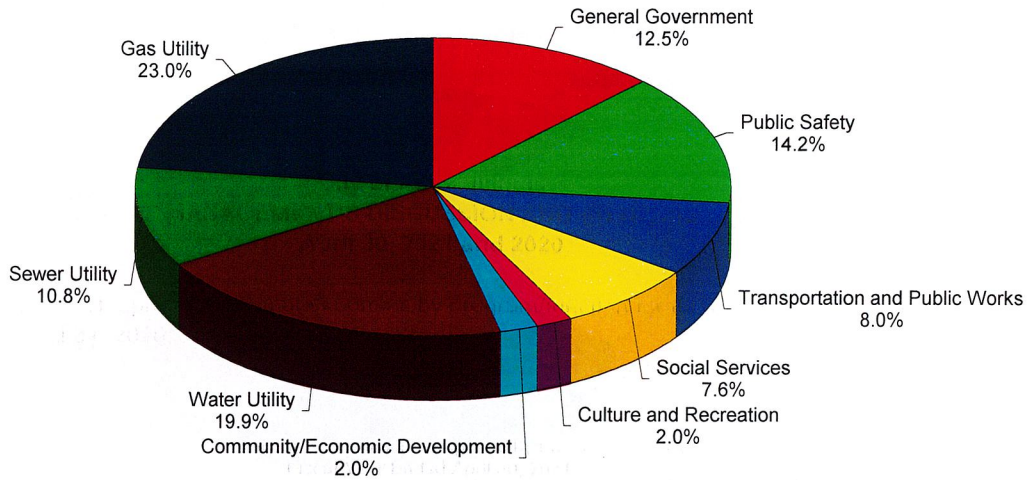
City of Anna, Illinois - Revenue by Type
 Fiscal Year Ended April 30, 2020



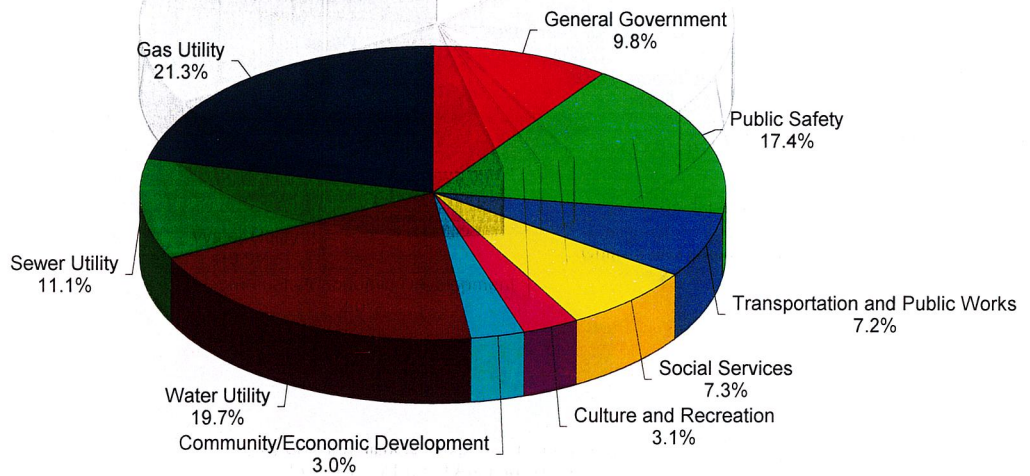
**City of Anna, Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2021 and 2020**

The following are graphical representations of expenses by program/function for the fiscal years ended April 30, 2021 and April 31, 2020:

City of Anna, Illinois - Expense by Function
Fiscal Year Ended April 30, 2021



City of Anna, Illinois - Expense by Function
Fiscal Year Ended April 30, 2020



City of Anna, Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2021 and 2020

Budgetary Highlights

The City prepares an operating budget for each year. The current budget was adopted by the City Council on April 21, 2020. The budget is prepared on the cash basis of accounting which is a different basis than that used for financial reporting. The original budget was not amended. Summary budgetary comparison to entity results follows:

	Final Budget	Actual	Over (Under) Budget
Governmental Activities			
Program Revenues	\$ 548,500	\$ 1,221,203	\$ 672,703
General Revenues	2,955,656	3,191,837	236,181
Total Revenues	<u>3,504,156</u>	<u>4,413,040</u>	<u>908,884</u>
Operating Expenses	3,657,906	2,895,285	(762,621)
Capital/Depreciation Expense	192,000	313,084	121,084
Non-Operating Expenses	0	0	0
Total Expenses	<u>3,849,906</u>	<u>3,208,369</u>	<u>(641,537)</u>
Change in Net Position	<u>\$ (345,750)</u>	<u>\$ 1,204,671</u>	<u>\$ 1,550,421</u>

Actual revenues exceeded the budget due to additional grants revenues and an increase in ,sales and income taxes above expectations. Expenses were less than budgeted due to less than expected increases in capital costs.

	Final Budget	Actual	Over (Under) Budget
Business Type Activities			
Program Revenues	\$ 3,681,987	\$ 3,808,571	\$ 126,584
General Revenues	12,800	23,781	10,981
Total Revenues	<u>3,694,787</u>	<u>3,832,352</u>	<u>137,565</u>
Operating Expenses	3,613,544	3,301,407	(312,137)
Depreciation Expense	198,000	407,479	209,479
Non-Operating Expenses	63,243	10,584	(52,659)
Total Expenses	<u>3,874,787</u>	<u>3,719,470</u>	<u>(155,317)</u>
Change in Net Position	<u>\$ (180,000)</u>	<u>\$ 112,882</u>	<u>\$ 292,882</u>

Actual revenues exceeded the budget due to additional utility sales as the result of rate increases. Expenses were less than budgeted due less than expected repair costs.

City of Anna, Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2021 and 2020

Capital Expenditures

The City expended a total of \$ 322,034 for capital expenditures during the year.

Capital Assets

	2021	2020
Land & Right of Way	\$ 1,326,477	\$ 1,326,477
Plant & Dist. System	13,445,711	13,445,711
Building	4,885,300	4,885,300
Other Equipment	4,765,414	4,620,509
Construction in Progress	0	0
Less: Accumulated Depreciation	(13,908,972)	(13,188,408)
 Total Capital Assets net of depreciation	 \$ 10,513,930	 \$ 11,089,589

The following significant changes occurred during the fiscal year ended April 30, 2021:

- * Vehicle and equipment purchases
- * Utility line extensions

Long Term Debt

	2021	2020
IEPA Loan - Water	\$ 566,504	\$ 609,999
IEPA Loan - Sewer	127,949	137,113
 Total Long Term Debt	 \$ 694,453	 \$ 747,112

The following significant changes occurred during the fiscal year ended April 30, 2021:

- * None - normal Debt reduction

Additional information can be found in Note V to the financial statements.

Economic Factors

The City strives to maintain awareness of local economic conditions. The City is continually upgrading the infrastructure, and promotes the industrial park with the desire to attract potential businesses which will provide job creation and stimulate business activity in the local economy.

Future Budget Issues

The City reviews its financial results monthly and annually in order to develop realistic and workable operating budgets. In addition to the operating budgets, the City also prepares long term budgets for capital expenditures to plan for future capital asset acquisition and maintenance costs as well as the means of financing them.

Contact Information

This report is designed to provide readers with a general overview of the City's finances and to demonstrate the City's accountability for the funds received. Anyone with questions regarding this report or desiring additional information, may contact: City of Anna, 103 Market Street, Anna, Illinois 62906, or by phone at (619)833-8528.

BASIC FINANCIAL STATEMENTS

City of Anna, Illinois
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
April 30, 2021

	Primary Government		
	Governmental Activities	Business Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 2,874,936	\$ 2,502,309	\$ 5,377,245
Certificates of Deposit	2,280,000	1,420,000	3,700,000
Receivables:			
Accounts Receivable - net	0	0	0
Taxes Receivable - net	0	0	0
Interfund	0	0	0
Accrued Interest	0	0	0
Notes Receivable	0	0	0
Inventory	0	0	0
Prepaid Items	0	0	0
Total Current Assets	5,154,936	3,922,309	9,077,245
Non-Current Assets			
Restricted:			
Cash and Cash Equivalents	0	27,224	27,224
Certificates of Deposit	0	0	0
Total Restricted Assets	0	27,224	27,224
Capital Assets:			
Land and Right-of-way	1,326,477	0	1,326,477
Plant and Distribution System	0	13,445,711	13,445,711
Buildings and Improvements	4,456,679	428,621	4,885,300
Equipment	3,531,048	1,234,366	4,765,414
Less Accumulated Depreciation	(5,139,438)	(8,769,534)	(13,908,972)
Construction in Progress	0	177,129	177,129
Total Capital Assets	4,174,766	6,516,293	10,691,059
Other Assets:			
Escrow	0	0	0
Other	0	0	0
Total Other Assets	0	0	0
Total Non-Current Assets	4,174,766	6,543,517	10,718,283
Total Assets	\$ 9,329,702	\$ 10,465,826	\$ 19,795,528

	Primary Government		
	Governmental Activities	Business Type Activities	Total
LIABILITIES			
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	105,281	105,281
Accrued Interest	0	0	0
Bonds/Loans Payable - Current Portion	0	0	0
Total Payable from Current Assets	<u>0</u>	<u>105,281</u>	<u>105,281</u>
Payable from Restricted Assets:			
Accounts Payable	0	0	0
Bonds/Loans Payable - Current Portion	0	53,417	53,417
Accrued Interest Payable	0	0	0
Total Payable from Restricted Assets	<u>0</u>	<u>53,417</u>	<u>53,417</u>
Total Current Liabilities	<u>0</u>	<u>158,698</u>	<u>158,698</u>
Non-Current Liabilities			
Bonds Payable	0	641,036	641,036
Other Liabilities	0	0	0
Accrued Compensated Absences	0	0	0
Total Non-Current Liabilities	<u>0</u>	<u>641,036</u>	<u>641,036</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 799,734</u>	<u>\$ 799,734</u>
NET POSITION			
Investment in Capital Assets, net of related debt	\$ 4,174,766	\$ 5,821,840	\$ 9,996,606
Restricted for:			
Future Expenditures	593,151	0	593,151
Designated Projects/Programs	824,849	1,224,023	2,048,872
Debt Service	0	27,224	27,224
Unrestricted	<u>3,736,936</u>	<u>2,593,005</u>	<u>6,329,941</u>
Total Net Position	<u>\$ 9,329,702</u>	<u>\$ 9,666,092</u>	<u>\$ 18,995,794</u>

(Continued)

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

City of Anna, Illinois
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
For the Year Ended April 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 863,922	\$ 44,559	\$ 390,062	\$ 0	\$ (429,301)		\$ (429,301)
Public Safety	986,902	36,682	25,872	0	(924,348)		(924,348)
Transportation and Public Works	555,898	0	146,373	0	(409,525)		(409,525)
Social Services	523,144	436,763	0	0	(86,381)		(86,381)
Culture and Recreation	137,611	0	0	0	(137,611)		(137,611)
Community/Economic Development	140,892	0	140,892	0	0		0
Debt Service	0	0	0	0	0		0
Total Governmental Activities	\$ 3,208,369	\$ 518,004	\$ 703,199	\$ 0	\$ (1,987,166)		\$ (1,987,166)
Business Type Activities:							
Water Utility	\$ 1,378,889	\$ 1,414,881	\$ 0	\$ 0		\$ 35,992	\$ 35,992
Sewer Utility	749,574	753,977	0	0		4,403	4,403
Gas Utility	1,591,007	1,639,713	0	0		48,706	48,706
Total Business Type Activities	3,719,470	3,808,571	0	0		89,101	89,101
Total Primary Government	\$ 6,927,839	\$ 4,326,575	\$ 703,199	\$ 0	\$ (1,987,166)	\$ 89,101	\$ (1,898,065)
General Revenues							
Property Taxes					248,509	0	248,509
State Replacement Taxes					34,383	0	34,383
State Sales and Use Taxes					1,946,874	0	1,946,874
State Income Taxes					509,219	0	509,219
State Motor Fuel Taxes					157,583	0	157,583
Other Taxes					120,859	0	120,859
Investment Income					53,023	21,510	74,533
Other					121,387	2,271	123,658
Total General Revenues					\$ 3,191,837	\$ 23,781	\$ 3,215,618
Change in Net Position					\$ 1,204,671	\$ 112,882	\$ 1,317,553
Net Position, beginning of year					8,125,031	9,553,210	17,678,241
Transfers					0	0	0
Prior Period Adjustments					0	0	0
Net Position, end of year					\$ 9,329,702	\$ 9,666,092	\$ 18,995,794

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

City of Anna, Illinois
BALANCE SHEET
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
April 30, 2021

	General Fund	Motor Fuel Tax Fund	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,325,129	\$ 549,807	\$ 0	\$ 2,874,936
Investments	2,280,000	0	0	2,280,000
Accounts Receivable - net	0	0	0	0
Taxes Receivable - net	0	0	0	0
Interfund Balances	0	0	0	0
Other Receivables	0	0	0	0
Accrued Interest	0	0	0	0
Notes Receivable	0	0	0	0
Inventory	0	0	0	0
Prepaid Expense	0	0	0	0
	<u>\$ 4,605,129</u>	<u>\$ 549,807</u>	<u>\$ 0</u>	<u>\$ 5,154,936</u>
LIABILITIES				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Payroll and Related Items	0	0	0	0
Interfund Balances	0	0	0	0
Customer Deposits	0	0	0	0
Accrued Interest	0	0	0	0
Deferred Revenue	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE				
Fund Balance - Non Spendable	39,504	0	0	39,504
Fund Balance - Restricted	3,840	549,807	0	553,647
Fund Balance - Committed	824,849	0	0	824,849
Fund Balance - Assigned	0	0	0	0
Fund Balance - Unassigned	3,736,936	0	0	3,736,936
	<u>4,605,129</u>	<u>549,807</u>	<u>0</u>	<u>5,154,936</u>
Total Liabilities, and Fund Balance	<u>\$ 4,605,129</u>	<u>\$ 549,807</u>	<u>\$ 0</u>	<u>\$ 5,154,936</u>

Reconciliation to Statement of Net Position:

Total Fund Balances for Governmental Funds	\$ 5,154,936
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	\$ 4,174,766
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds	\$ 0
	<u>\$ 9,329,702</u>

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, 2021

	General Fund	Motor Fuel Tax Fund	Non-Major Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 248,509	\$ 0	\$ 0	\$ 248,509
Replacement Tax	34,383	0	0	34,383
Sales and Use Tax	1,946,874	0	0	1,946,874
Income Tax	509,219	0	0	509,219
Motor Fuel Tax	0	157,583	0	157,583
Other Taxes	120,859	0	0	120,859
Grants	415,934	146,373	140,892	703,199
License & Permits	44,559	0	0	44,559
Fines	34,682	0	0	34,682
Service Fees	438,763	0	0	438,763
Interest	52,284	739	0	53,023
Other Revenues	121,387	0	0	121,387
Total Revenues	\$ 3,967,453	\$ 304,695	\$ 140,892	\$ 4,413,040
EXPENDITURES				
Salaries	\$ 1,061,634	\$ 0	\$ 0	\$ 1,061,634
Payroll Taxes & Fringes	524,761	0	0	524,761
Purchased Services	1,031,187	13,700	140,892	1,185,779
Supplies	118,595	0	0	118,595
Other	4,516	0	0	4,516
Capital Outlay	83,065	0	0	83,065
Debt Service	0	0	0	0
Total Expenditures	\$ 2,823,758	\$ 13,700	\$ 140,892	\$ 2,978,350
REVENUE OVER (UNDER) EXPENDITURES	\$ 1,143,695	\$ 290,995	\$ 0	\$ 1,434,690
OTHER SOURCES(USES)				
Transfers	0	0	0	0
Net Change in Fund Balance	1,143,695	290,995	0	1,434,690
Fund Balance, beginning	3,461,434	258,812	0	3,720,246
Fund Balance, ending	\$ 4,605,129	\$ 549,807	\$ 0	\$ 5,154,936

Reconciliation to Change in Net Position:

Total Net Change in Fund Balance for Governmental Funds	\$ 1,434,690
Amounts reported for governmental activities in the statement of activities are different because:	
Debt repayment is an expenditure in the governmental funds, but reduces long term liabilities in the statement of net position	\$ 0
Capital outlay is an expenditure in the governmental funds, but the cost of those assets is allocated as depreciation in the statement of net position	\$ (230,019)
	\$ 1,204,671

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, 2021

ASSETS	BUSINESS TYPE ACTIVITIES			
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	TOTAL
Current Assets:				
Cash and Equivalents	\$ 579,196	\$ 709,698	\$ 1,213,415	\$ 2,502,309
Certificates of Deposit	200,000	570,000	650,000	1,420,000
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	779,196	1,279,698	1,863,415	3,922,309
Non-Current Assets				
Restricted:				
Cash and Cash Equivalents:				
Bond and Interest Sinking	13,021	14,203	0	27,224
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	13,021	14,203	0	27,224
Capital Assets:				
Land and Right-of-way	0	0	0	0
Plant and Distribution System	3,929,003	6,886,129	2,630,579	13,445,711
Buildings and Improvements	169,159	0	259,462	428,621
Equipment	367,437	345,844	521,085	1,234,366
Less Accumulated Depreciation	(2,319,749)	(4,096,790)	(2,352,995)	(8,769,534)
Construction in Progress	65,225	111,904	0	177,129
Total Capital Assets	2,211,075	3,247,087	1,058,131	6,516,293
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	2,224,096	3,261,290	1,058,131	6,543,517
Total Assets	\$ 3,003,292	\$ 4,540,988	\$ 2,921,546	\$ 10,465,826

	BUSINESS TYPE ACTIVITIES			TOTAL
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	
LIABILITIES				
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	39,265	0	66,016	105,281
Accrued Interest	0	0	0	0
Total Payable from Current Assets	39,265	0	66,016	105,281
Payable from Restricted Assets:				
Accounts Payable	0	0	0	0
Current Portion of Revenue Bonds	44,041	9,376	0	53,417
Accrued Interest	0	0	0	0
Total Payable from Restricted Assets	44,041	9,376	0	53,417
Total Current Liabilities	83,306	9,376	66,016	158,698
Non-Current Liabilities:				
Revenue Bonds	522,463	118,573	0	641,036
Accrued Compensated Absences	0	0	0	0
Total Non-Current Liabilities	522,463	118,573	0	641,036
Total Liabilities	\$ 605,769	\$ 127,949	\$ 66,016	\$ 799,734
NET POSITION				
Invested in Capital Assets, net of related debt	1,644,571	3,119,138	1,058,131	5,821,840
Restricted for:				
Future Expenditures	0	0	0	0
Designated Projects/Programs	422,273	259,044	542,706	1,224,023
Debt Service	13,021	14,203	0	27,224
Unrestricted	317,658	1,020,654	1,254,693	2,593,005
Total Net Position	\$ 2,397,523	\$ 4,413,039	\$ 2,855,530	\$ 9,666,092
	2,397,523	4,413,039	2,855,530	

(Continued)

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

City of Anna, Illinois
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
PROPRIETARY FUNDS
For the Year Ended April 30, 2021

	BUSINESS TYPE ACTIVITIES			TOTAL
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	
OPERATING REVENUES				
Charges and Fees	\$ 1,414,881	\$ 753,977	\$ 1,639,713	\$ 3,808,571
COST OF SALES				
Commodity Purchases	769,347	2,361	776,557	1,548,265
Commodity Tax	0	0	49,264	49,264
Total Cost of Sales	769,347	2,361	825,821	1,597,529
Gross Profit	\$ 645,534	\$ 751,616	\$ 813,892	\$ 2,211,042
OPERATING EXPENSES				
Salaries	\$ 193,922	\$ 171,386	\$ 269,857	\$ 635,165
Payroll Taxes and Fringes	162,534	128,779	199,090	490,403
Purchased Services	85,776	213,269	110,055	409,100
Supplies	52,674	22,575	93,961	169,210
Administration and Facility	0	0	0	0
Depreciation	107,146	208,110	92,223	407,479
Other Expense	0	0	0	0
Total Operating Expense	\$ 602,052	\$ 744,119	\$ 765,186	\$ 2,111,357
Operating Income (Loss)	\$ 43,482	\$ 7,497	\$ 48,706	\$ 99,685
NON-OPERATING REVENUE(EXPENSE)				
Interest Income	2,131	10,506	8,873	21,510
Interest Expense & Loan Cost	(7,490)	(3,094)	0	(10,584)
Loan forgiveness	0	0	0	0
Early Retirement Incentive	0	0	0	0
Other Income	955	1,212	104	2,271
Non-Operating Revenue(Expense)	(4,404)	8,624	8,977	13,197
NET INCOME (LOSS) before capital contributions	\$ 39,078	\$ 16,121	\$ 57,683	\$ 112,882
Capital Grants	0	0	0	0
	39,078	16,121	57,683	112,882
Net Position, beginning of year	2,358,445	4,396,918	2,797,847	9,553,210
Net Position, end of year	\$ 2,397,523	\$ 4,413,039	\$ 2,855,530	\$ 9,666,092

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, 2021
Increase (Decrease) in Cash and Cash Equivalents

	BUSINESS TYPE ACTIVITIES			TOTAL
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	
Cash Flows - Operating Activities:				
Cash received from customers	\$ 1,413,906	\$ 753,977	\$ 1,632,322	\$ 3,800,205
Cash payments for goods & services	(907,797)	(238,205)	(1,029,837)	(2,175,839)
Cash payments to employees	(356,456)	(300,165)	(468,947)	(1,125,568)
Net cash provided(used) by operating	<u>149,653</u>	<u>215,607</u>	<u>133,538</u>	<u>498,798</u>
Cash Flows - Noncapital Activities:				
Operating grants and Retirement incentive	\$ 0	\$ 0	\$ 0	\$ 0
Transfers to other funds	0	0	0	0
Other Income	955	1,212	104	2,271
Net cash provided(used) - noncapital	<u>955</u>	<u>1,212</u>	<u>104</u>	<u>2,271</u>
Cash Flows - Capital Activities:				
Acquisition & construction of assets	\$ (95,225)	\$ (113,743)	\$ (30,000)	\$ (238,968)
Debt proceeds	0	0	0	0
Principal paid on bonds	(43,496)	(9,164)	0	(52,660)
Interest paid on bonds	(7,490)	(3,094)	0	(10,584)
Bond escrow returned	0	0	0	0
Net cash provided(used) - capital	<u>(146,211)</u>	<u>(126,001)</u>	<u>(30,000)</u>	<u>(302,212)</u>
Cash Flows - Investment Activities:				
Interest on investments	\$ 2,131	\$ 10,506	\$ 8,873	\$ 21,510
Proceeds(Purchase) of investments	0	0	0	0
Net cash provided(used) - investments	<u>2,131</u>	<u>10,506</u>	<u>8,873</u>	<u>21,510</u>
Net increase(decrease) in cash & equiv	<u>\$ 6,528</u>	<u>\$ 101,324</u>	<u>\$ 112,515</u>	<u>\$ 220,367</u>
Cash & cash equivalents, beginning	<u>785,689</u>	<u>1,192,577</u>	<u>1,750,900</u>	<u>3,729,166</u>
Cash & cash equivalents, ending	<u>\$ 792,217</u>	<u>\$ 1,293,901</u>	<u>\$ 1,863,415</u>	<u>\$ 3,949,533</u>
Reconciliation of Operating Income to Net Cash Provided by Operating:				
Operating Income (Loss)	\$ 43,482	\$ 7,497	\$ 48,706	\$ 99,685
Adjustments to reconcile oper income to net cash provided (used) by operating:				
Depreciation	107,146	208,110	92,223	407,479
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	(975)	0	(7,391)	(8,366)
Total adjustments	<u>106,171</u>	<u>208,110</u>	<u>84,832</u>	<u>399,113</u>
Net cash provided (used) by operating	<u>\$ 149,653</u>	<u>\$ 215,607</u>	<u>\$ 133,538</u>	<u>\$ 498,798</u>

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

City of Anna, Illinois
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
FIDUCIARY FUNDS
April 30, 2021

	PENSION TRUST FUNDS		
	POLICE PENSION	FIRE PENSION	TOTAL
ASSETS			
Cash and Cash Equivalents:			
Cash	\$ 628,995	\$ 474,209	\$ 1,103,204
Certificates of Deposit	0	0	0
Total Cash and Cash Equivalents	628,995	474,209	1,103,204
Receivables:			
Taxes Receivable	0	0	0
Employee Contributions	0	0	0
Accrued Interest	0	0	0
Total Receivables	0	0	0
Investments, at fair value (Note III-B)			
Certificates of Deposit	1,343,586	675,000	2,018,586
Illinois Funds	0	0	0
Bonds/Deposit Notes	0	0	0
U.S. Treasury Obligations	0	0	0
Government Backed Securities	132,520	32,150	164,670
Annuity Contracts	0	0	0
Mutual Funds	656,123	514,671	1,170,794
Total Investments	2,132,229	1,221,821	3,354,050
Total Assets	\$ 2,761,224	\$ 1,696,030	\$ 4,457,254
LIABILITIES			
Accounts Payable	\$ 0	\$ 0	\$ 0
Refunds Payable	0	0	0
Payroll Withholding	19,123	7,900	27,023
Total Liabilities	19,123	7,900	27,023
Net Position Held in Trust for Pension Benefits	\$ 2,742,101	\$ 1,688,130	\$ 4,430,231

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

City of Anna, Illinois
STATEMENT OF CHANGES IN NET POSITION
MODIFIED CASH BASIS
FIDUCIARY FUNDS
For the Year Ended April 30, 2021

	PENSION TRUST FUNDS		
	POLICE PENSION	FIRE PENSION	TOTAL
ADDITIONS			
Contributions:			
Property Taxes	\$ 214,143	\$ 108,416	\$ 322,559
Employee Contributions	42,558	0	42,558
City Contributions	55,180	48,437	103,617
Total Contributions	311,881	156,853	468,734
Investment Income:			
Interest and Dividends	52,723	33,448	86,171
Net Gain (Loss) on Investments	143,129	109,816	252,945
Investment Management Fees	0	0	0
Net Investment Income	195,852	143,264	339,116
Total Additions	\$ 507,733	\$ 300,117	\$ 807,850
DEDUCTIONS			
Direct Benefit Payments	258,963	219,536	478,499
Legal Fees	0	0	0
Accounting & Audit Fees	7,410	6,290	13,700
Other	1,244	1,482	2,726
Refunds & Transfers	19,177	65,506	84,683
Total Deductions	\$ 286,794	\$ 292,814	\$ 579,608
Change in Net Position	\$ 220,939	\$ 7,303	\$ 228,242
Prior Period Adjustment, Change in Accounting Method	0	0	0
Net Position Held in Trust for Pension Benefits			
Beginning of year	2,521,162	1,680,827	4,201,989
End of year	<u>\$ 2,742,101</u>	<u>\$ 1,688,130</u>	<u>\$ 4,430,231</u>

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

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2021

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, Motor Fuel Tax; Social Services - Sanitation, Cemetery; Parks/Recreation - Park and Pool; Community Development; and Public Utilities - Water, Sewer, and Gas.

The financial statements of the City are presented on the modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, 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 since 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. Basis of Presentation

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. Government-wide 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, 2021

Note I - Summary of Significant Accounting Policies

B. Basis of Presentation (continued)

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. A fund is considered major if it is the primary operating fund or it meets the criteria that the total assets, liabilities, revenues, or expenses of the individual fund are at least 10% of the corresponding total for that fund type, or at least 5% of the corresponding total of all funds combined. All 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. The following activities are included in the general fund: Administration; Public Safety - Police and Fire; Transportation/ Public Works - Streets; Social Services - Sanitation and Cemetery; Community Development.

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, 2021

Note I - Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (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 Information

Other 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, proprietary funds and fiduciary 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, 2021

Note I - Summary of Significant Accounting Policies (continued)

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

Under generally accepted accounting principles, the government-wide financial statements, proprietary fund financial statements, and fiduciary 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. Investments are stated at cost. The City has adopted an investment policy and cash management policy. Note III.

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 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. 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

In the government-wide and proprietary fund financial statements of net position, capital assets used and acquired are accounted for and presented as assets. In the fund financial statements, capital assets are accounted for as capital outlay expenditures when acquired.

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, 2021.

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

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 voluntary retiree health insurance program effective May 1, 2009 to provide continuing health insurance coverage to eligible employees through its regular health insurance provider. 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 in the government wide financial statements. Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. Long-term debt payable is reported net of applicable costs. Any bond or debt 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 assets, such as bonds, capital leases, and notes.

b. Restricted Net Position

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

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 these 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, 2021

Note I - Summary of Significant Accounting Policies (concluded)

O. 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.

P. 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.

Q. 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.

R. Estimates

Preparation of financial statements in conformity with an other comprehensive basis of accounting 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, 2021

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 21, 2020.

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	Over (Under) Budget
General Fund	\$ 3,519,656	\$ 2,823,758	\$ (695,898)
Motor Fuel Tax Fund	180,250	13,700	(166,550)
DCEO Housing	150,000	140,892	(9,108)

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

None

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

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

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, 2021 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	5,404,189	0	0	5,404,189	5,935,530
Certificates of Deposit	3,700,000	0	0	3,700,000	3,700,000
Total	\$ 9,104,469	\$ 0	\$ 0	\$ 9,104,469	\$ 9,635,530

Reconciliation to Government-Wide Statement of Net Position

Cash and Cash Equivalents	\$ 5,377,245
Certificates of Deposit	3,700,000
Restricted Cash and Cash Equivalents	27,224
Restricted Certificates of Deposit	0
Total	\$ 9,104,469

Fiduciary Funds

Pension Trust Funds

	Category			Carrying Value	Bank Balance
	1	2	3		
Petty Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Deposit Accounts	1,103,204	0	0	1,103,204	632,950
Cert of Deposit	0	0	0	0	0
Total	\$ 1,103,204	\$ 0	\$ 0	\$ 1,103,204	\$ 632,950

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

Note III - Deposits and Investments (continued)

B. Investments

The City is allowed to invest as authorized by the Illinois State Statues. In general, the City 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, certain corporate bonds, and certain repurchase agreements.

A comparison of investment carrying value and fair value at April 30, 2021 are shown below. The carrying amount of marketable securities was adjusted to quoted fair value at April 30, 2021. Investments are categorized to give an indication of the level or risk assumed by the entity 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.

Primary Government

	Category			Amortized Cost	Fair Value
	1	2	3		
Certificates of Deposit	\$ 3,700,000	\$ 0	\$ 0	\$ 3,700,000	\$ 3,700,000
U.S. Government Securities	0	0	0	0	0
Govt Backed Securities	0	0	0	0	0
Total	\$ 3,700,000	\$ 0	\$ 0	\$ 3,700,000	\$ 3,700,000

Investments not subject to categorization

Illinois Funds	\$ 0	\$ 0
Fixed Income Securities	0	0
Equity Securities	0	0
Total	\$ 0	\$ 0
Total Investments	\$ 3,700,000	\$ 3,700,000

Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of 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 entity investments, interest rate risk is not considered to be significant at April 30, 2021.

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

Note III - Deposits and Investments (continued)

B. Investments (concluded)

Reconciliation to Government-Wide Statement of Net Position

Certificates of Deposit	\$ 3,700,000
U.S. Government Securities	0
Govt Backed Securities	0
Illinois Funds	0
Fixed Income Securities	0
Equity Securities	0
Total	<u>\$ 3,700,000</u>

Fiduciary Funds

<u>Pension Trust Funds</u>					
	<u>1</u>	<u>2</u>	<u>3</u>	Amortized Cost	Fair Value
Cert of Deposit	\$ 2,018,586	\$ 0	\$ 0	\$ 2,018,586	\$ 2,018,586
U.S. Govt Securities	0	0	0	0	0
Govt Backed Sec	151,500	0	0	151,500	164,670
Total	<u>\$ 2,170,086</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,170,086</u>	<u>\$ 2,183,256</u>

Investments not subject to categorization

Illinois Funds	\$ 0	\$ 0
Fixed Income Securities	0	0
Equity Securities	923,094	1,170,794
Total	<u>\$ 923,094</u>	<u>\$ 1,170,794</u>
Total Investments	<u>\$ 3,093,180</u>	<u>\$ 3,354,050</u>

Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of 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, 2021.

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

Note III - 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, 2021.

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, 2021:

Primary Government

<u>Investment Category</u>	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Fair Value
Certificates of Deposit	\$ 0	\$ 3,700,000	\$ 0	\$ 3,700,000
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	\$ 3,700,000	\$ 0	\$ 3,700,000

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

Note III - Deposits and Investments (concluded)

C. Fair Value (concluded)

Fiduciary Funds

Pension Trust Funds

<u>Investment Category</u>	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Fair Value
Certificates of Deposit	\$ 0	\$ 2,018,586	\$ 0	\$ 2,018,586
U.S. Government Securities	0	0	0	0
Govt Backed Securities	0	164,670	0	164,670
Illinois Funds	0	0	0	0
Fixed Income Securities	0	0	0	0
Equity Securities	1,170,794	0	0	1,170,794
Total	<u>\$ 1,170,794</u>	<u>\$ 2,183,256</u>	<u>\$ 0</u>	<u>\$ 3,354,050</u>

Note IV - Due to/from Other Funds

As of April 30, 2021, interfund receivables and payables that resulted from various transactions were as follows:

	Due to	Due from
Governmental Funds:		
General Fund	\$ 0	\$ 0
Proprietary Funds:		
Water Utility Fund	0	0
Sewer Utility Fund	0	0
Gas Utility Fund	0	0
Fiduciary Funds:		
Police Pension Fund	0	0
Fire Pension Fund	0	0
Total	<u>\$ 0</u>	<u>\$ 0</u>

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

Note V - Changes in Capital Assets

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

A. Governmental Funds

	Balance 4/30/2020	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/2021
Land & Right of Way	\$ 1,326,477	\$ 0	\$ 0	\$ 1,326,477
Plant & Distribution System				
Buildings & Improvements	4,456,679	0	0	4,456,679
Equipment	3,447,983	83,065	0	3,531,048
Construction in Progress	0	0	0	0
Total Cost	9,231,139	83,065	0	9,314,204
Less: Accumulated Depreciation				
Plant & Distribution System	0	0	0	0
Buildings & Improvements	(2,239,797)	(142,399)	0	(2,382,196)
Equipment	(2,586,557)	(170,685)	0	(2,757,242)
Total Accumulated Depreciation	(4,826,354)	(313,084)	0	(5,139,438)
Total Capital Assets net of depreciation	\$ 4,404,785	\$ (230,019)	\$ 0	\$ 4,174,766

Depreciation was charged to the governmental activity functions as follows:

General Government	\$ 123,907
Public Safety	125,962
Transportation and Public Works	21,340
Social Services	7,086
Culture and Recreation	34,789
Community/Economic Development	0
	<u>\$ 313,084</u>

B. Proprietary Funds

1. Water Utility

	Balance 4/30/2020	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/2021
Land & Right of Way	\$ 0	\$ 0	\$ 0	\$ 0
Plant & Distribution System	3,929,003	0	0	3,929,003
Buildings & Improvements	169,159	0	0	169,159
Equipment	337,437	30,000	0	367,437
Construction in Progress	0	65,225	0	65,225
Total Cost	4,435,599	95,225	0	4,530,824
Less: Accumulated Depreciation				
Plant & Distribution System	(1,858,819)	(93,476)	0	(1,952,295)
Buildings & Improvements	(67,183)	(4,533)	0	(71,716)
Equipment	(286,601)	(9,137)	0	(295,738)
Total Accumulated Depreciation	(2,212,603)	(107,146)	0	(2,319,749)
Total Capital Assets net of depreciation	\$ 2,222,996	\$ (11,921)	\$ 0	\$ 2,211,075

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

Note V - Changes in Capital Assets (concluded)

B. Proprietary Funds (concluded)

2. Sewer Utility

	Balance 4/30/2020	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/2021
Land & Right of Way	\$ 0	\$ 0	\$ 0	\$ 0
Plant & Distribution System	6,886,129	0	0	6,886,129
Buildings & Improvements	0	0	0	0
Equipment	344,004	1,840	0	345,844
Construction in Progress	0	111,904	0	111,904
Total Cost	7,230,133	113,744	0	7,343,877
Less: Accumulated Depreciation				
Plant & Distribution System	(3,652,886)	(185,113)	0	(3,837,999)
Buildings & Improvements	0	0	0	0
Equipment	(235,793)	(22,998)	0	(258,791)
Total Accumulated Depreciation	(3,888,679)	(208,111)	0	(4,096,790)
Total Capital Assets net of depreciation	\$ 3,341,454	\$ (94,367)	\$ 0	\$ 3,247,087

3. Gas Utility

	Balance 4/30/2020	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/2021
Land & Right of Way	\$ 0	\$ 0	\$ 0	\$ 0
Plant & Distribution System	2,630,579	0	0	2,630,579
Buildings & Improvements	259,462	0	0	259,462
Equipment	491,085	30,000	0	521,085
Construction in Progress	0	0	0	0
Total Cost	3,381,126	30,000	0	3,411,126
Less: Accumulated Depreciation				
Plant & Distribution System	(1,745,439)	(74,268)	0	(1,819,707)
Buildings & Improvements	(97,298)	(6,625)	0	(103,923)
Equipment	(418,035)	(11,330)	0	(429,365)
Total Accumulated Depreciation	(2,260,772)	(92,223)	0	(2,352,995)
Total Capital Assets net of depreciation	\$ 1,120,354	\$ (62,223)	\$ 0	\$ 1,058,131

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

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 - 2020 levy year	\$ <u>53,267,969</u>
Legal Debt Limitation - 8.625% of assessed valuation	4,594,362
Outstanding Debt	<u>0</u>
Legal Debt Margin	\$ <u>4,594,362</u>

1. Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended April 30, 2021:

	Balance 4/30/2020	Increase (Decrease)	Balance 4/30/2021	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, 2021, including interest, to maturity, are estimated as follows:

None

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

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, 2021:

	Balance 4/30/2020	Issued	(Retired)	Balance 4/30/2021	Current Portion
IEPA Loan - Water	\$ 609,999	\$ 0	\$ (43,495)	\$ 566,504	\$ 44,041
	<u>\$ 609,999</u>	<u>\$ 0</u>	<u>\$ (43,495)</u>	<u>\$ 566,504</u>	<u>\$ 44,041</u>

2. Bonds and Loans Payable

Bonds and Loans payable at April 30, 2021 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%.

566,504

Total Long-Term Debt

\$ 566,504

3. Debt Service Requirements

The annual requirements to amortize all debt outstanding at April 30, 2021, including interest, to maturity, are estimated as follows:

April 30,	Principal	Interest	Total
2021	\$ 0	\$ 0	\$ 0
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>\$ 566,504</u>	<u>\$ 45,316</u>	<u>\$ 611,820</u>

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

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, 2021:

	Balance 4/30/2020	Issued	(Retired)	Balance 4/30/2021	Current Portion
IEPA Loan - Sewer	\$ 137,113	\$ 0	\$ (9,164)	\$ 127,949	\$ 9,376
	<u>\$ 137,113</u>	<u>\$ 0</u>	<u>\$ (9,164)</u>	<u>\$ 127,949</u>	<u>\$ 9,376</u>

2. Bonds and Loans Payable

Bonds and Loans payable at April 30, 2021 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%.

127,949

\$ 127,949

3. Debt Service Requirements

The annual requirements to amortize all debt outstanding at April 30, 2021, including interest, to maturity, are estimated as follows:

April 30.	Principal	Interest	Total
2021	\$ 0	\$ 0	\$ 0
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>\$ 127,949</u>	<u>\$ 19,155</u>	<u>\$ 147,104</u>

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

Note VI - Long-term Obligations (concluded)

C. Gas Fund

1. Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended April 30, 2021:

	Balance 4/30/2020	Issued	(Retired)	Balance 4/30/2021	Current Portion
None	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

2. Bonds Payable

Bonds payable at April 30, 2021 consisted of the following:

None

	0
Total Long-Term Debt	<u>\$ 0</u>

3. Debt Service Requirements

The annual requirements to amortize bonded debt outstanding at April 30, 2021, including interest, to maturity, are as follows:

	April 30,	Principal	Interest	Total
None		\$ 0	\$ 0	\$ 0
		0	0	0
Thereafter		<hr/> 0	<hr/> 0	<hr/> 0
Totals		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

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 2020 levy was passed by the City Council on December 1, 2020. 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. Tax receipts recorded in these financial statements are from the 2019 and prior levies. The following are the tax rate limits permitted by statute and by local referendum and the actual rates levied per \$100 of assessed valuation. The City is subject to the Property Tax Extension Limitation Law (PTELL) effective January 1, 1997.

	Max Rate	TAX YEAR		
		2018	2019	2020
Equalized Assessed Valuation		\$ 52,708,463	\$ 53,311,211	\$ 53,267,969
RATE (per \$ 100)				
General	0.29400	0.11604	0.11762	0.09054
Tort	Unlimited	0.09812	0.09942	0.09941
Fire Protection	0.09000	0.03703	0.03752	0.03752
Garbage Collection	0.20000	0.00000	0.00000	0.00000
Park and Recreation	0.07500	0.00000	0.00000	0.00000
Social Security	Unlimited	0.15550	0.15757	0.15755
Police Pension	Unlimited	0.37022	0.38885	0.38879
Fire Pension	Unlimited	0.18512	0.19696	0.19693
Totals		<u>0.96203</u>	<u>0.99794</u>	<u>0.97074</u>
EXTENSIONS				
General		\$ 61,163	\$ 62,705	\$ 48,228
Tort		51,717	53,002	52,954
Fire Protection		19,518	20,002	19,986
Garbage Collection		0	0	0
Park and Recreation		0	0	0
Social Security		81,962	84,002	83,924
Police Pension		195,137	207,301	207,100
Fire Pension		97,574	105,002	104,901
Totals		<u>\$ 507,071</u>	<u>\$ 532,014</u>	<u>\$ 517,093</u>
COLLECTIONS				
General		\$ 60,873	\$ 62,358	NOT YET
Tort		51,472	52,709	COLLECTED
Fire Protection		19,426	19,891	
Garbage Collection		0	0	
Park and Recreation		0	0	
Social Security		81,572	83,537	
Police Pension		194,211	206,154	
Fire Pension		97,111	104,421	
Totals		<u>\$ 504,665</u>	<u>\$ 529,070</u>	
Road and Bridge		<u>\$ 30,017</u>	<u>\$ 30,014</u>	
Percentage collected		<u>99.53%</u>	<u>99.45%</u>	

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

Note VIII - Net Position - Government-wide Statement

A summary of net position by classification as of April 31, 2021, is as follows:

A. Capital Assets, Net of Related Debt

1. Governmental Funds

	2021	2020
Capital Assets	\$ 9,314,204	\$ 9,231,139
Accumulated Depreciation	(5,139,438)	(4,826,354)
Total Capital Assets	4,174,766	4,404,785
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	0	0

Total Capital Assets, Net of Related Debt - Governmental \$ 4,174,766 \$ 4,404,785

2. Proprietary Funds

Capital Assets	\$ 15,285,827	\$ 15,046,858
Accumulated Depreciation	(8,769,534)	(8,362,054)
Total Capital Assets	6,516,293	6,684,804
Less: Capital Related Debt		
Current Portion of Capital Related Long-term Debt	53,417	51,914
Long-term Portion of Capital Related Long-term Debt	641,036	747,113
Unamortized Discount and Premium	0	0
Total Capital Related Debt	694,453	799,027

Total Capital Assets, Net of Related Debt - Proprietary \$ 5,821,840 \$ 5,885,777

Total Capital Assets, Net of Related Debt \$ 9,996,606 \$ 10,290,562

B. Restricted Net Position

1. Governmental Funds

Restricted Cash and Investments		
Future Expenditures	\$ 593,151	\$ 166,467
Capital Projects	824,849	532,270
Debt Service	0	0

Total Restricted Net Position - Governmental \$ 1,418,000 \$ 698,737

2. Proprietary Funds

Restricted Cash and Investments		
Future Expenditures	\$ 0	\$ 0
Capital Projects	1,224,023	1,298,368
Debt Service	27,224	29,917

Total Restricted Net Position - Proprietary \$ 1,251,247 \$ 1,328,285

Total Restricted Net Position \$ 2,669,247 \$ 2,027,022

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

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

C. Unrestricted Net Position

1. Governmental Funds

	2021	2020
Total Net Position	\$ 9,329,702	\$ 8,125,031
Less:		
Capital Assets, Net of Related Debt	(4,174,766)	(4,404,785)
Restricted Assets	(1,418,000)	(698,737)
Total Unrestricted Net Position - Governmental	\$ 3,736,936	\$ 3,021,509

2. Proprietary Funds

Total Net Position	\$ 9,666,092	\$ 9,553,210
Less:		
Capital Assets, Net of Related Debt	(5,821,840)	(5,885,777)
Restricted Assets	(1,251,247)	(1,328,285)
Total Unrestricted Net Assets - Proprietary	\$ 2,593,005	\$ 2,339,148
Total Unrestricted Net Position	\$ 6,329,941	\$ 5,360,657

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, 2021:

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

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, 2021:

	Required	Actual
None	\$ 0	\$ 0
	0	0
	0	0
Total Restricted for Debt Service	\$ 0	\$ 0

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

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 with the City's capital funding policy and amounts designated for other commitments of capital projects are as follows, at April 30, 2021:

	Capital Projects	Capital Building	Capital Equipment	Total
General Fund	\$ 44,315	\$ 11,698	\$ 29,264	\$ 85,277
Police Fund	0	57,532	62,231	119,763
Fire Fund	0	19,844	(11,795)	8,049
Park & Recreation Fund	0	0	68,133	68,133
Sanitation Fund	0	14,647	48,674	63,321
Cemetery Fund	0	0	15,512	15,512
Street Fund	0	18,552	99,054	117,606
	\$ 44,315	\$ 122,273	\$ 311,073	\$ 477,661
Total Designated for Capital	\$ 44,315	\$ 122,273	\$ 311,073	\$ 477,661

4. Designated for Early Retirement Incentive

Designated funds maintained in accordance with the City's early retirement incentive program are as follows, at April 30, 2021:

	Total
General Fund	\$ 276,533
Police Fund	0
Fire Fund	0
Park & Recreation Fund	0
Sanitation Fund	0
Cemetery Fund	0
Street Fund	0
	0
Total Designated for Early Retirement Incentive	\$ 276,533

5. Designated for Retiree Health Insurance

Designated funds maintained in accordance the with City's retiree health insurance program are as follows, at April 30, 2021:

	Total
General Fund	\$ 70,656
Police Fund	0
Fire Fund	0
Park & Recreation Fund	0
Sanitation Fund	0
Cemetery Fund	0
Street Fund	0
	0
Total Designated for Retiree Health Insurance	\$ 70,656

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

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, 2021:

	Required	Actual
None	\$ 0	\$ 0
	0	0
	0	0
Total Restricted for Future Use	\$ 0	\$ 0

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, 2021:

	Required	Actual
<u>Water and Sewer Funds</u>		
Bond and Interest	\$ 0	\$ 0
Bond and Interest Reserve	17,854	27,224
Replacement and Improvement	0	0
Construction/Grant Funds	0	0
Bond Surplus	0	0
	\$ 17,854	\$ 27,224

<u>Gas Fund</u>		
Bond and Interest	\$ 0	\$ 0
Bond and Interest Reserve	0	0
Replacement and Improvement	0	0
Construction/Grant Funds	0	0
Surplus	0	0
	\$ 0	\$ 0
Total Restricted for Debt Service	\$ 17,854	\$ 27,224

3. Designated for Capital Projects

Designated funds maintained in accordance with 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, 2021:

	Capital Projects	Capital Building	Capital Equipment	Total
Water Utility Fund	\$ 0	\$ 15,960	\$ 40,514	\$ 56,474
Sewer Utility Fund	0	42,213	43,002	85,215
Gas Utility Fund	0	16,229	35,683	51,912
	\$ 0	\$ 74,402	\$ 119,199	\$ 193,601

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

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 with the City's early retirement incentive program are as follows, at April 30, 2021:

		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 with the City's retiree health insurance program are as follows, at April 30, 2021:

		Total
Water Utility Fund	\$	89,945
Sewer Utility Fund		67,814
Gas Utility Fund		114,942
 Total Designated for Retiree Health Insurance	 \$	 <u>272,701</u>

Note IX - Fund Balance - Governmental Fund Statements

	Nonspendable	Restricted	Committed	Assigned	Unassigned
General Fund	\$ 0	\$ 3,840	\$ 432,466	\$ 0	\$ 3,736,936
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Police Fund	0	0	119,763	0	0
Grants	0	0	0	0	0
Fire Fund	0	0	8,049	0	0
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Street Fund	0	0	117,606	0	0
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Motor Fuel Tax Fund	0	549,807	0	0	0
Grants	0	0	0	0	0
Sanitation Fund	0	0	63,321	0	0
Grants	0	0	0	0	0
Cemetery Fund	0	0	15,512	0	0
Grants	0	0	0	0	0
Park & Recreation Fund	0	0	68,132	0	0
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Community Development	39,504	0	0	0	0
Grants	0	0	0	0	0
	<u>39,504</u>	<u>553,647</u>	<u>824,849</u>	<u>0</u>	<u>3,736,936</u>
 Total				\$	<u>5,154,936</u>

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

Note X - Retirement Plans

The City participates in three retirements systems: The Illinois Municipal Retirement Fund (IMRF), the Downstate Firefighters Pension Fund, and the Downstate Police Pension Fund. IMRF is a multiple-employer defined benefit public pension plan administered by the IMRF Board of Trustees, the Downstate Firefighter and Police Pension Funds are single-employer defined benefit plans administered by a local Board of Trustees. The Illinois Pension Code outlines the benefit provisions of the plans, and amendments to the plans can be made only by legislative action with the Governor's approval. The aggregate cash basis pension expense recognized by the City for the year ended April 30, 2021 was as follows:

Primary Government - IMRF	\$	183,583
Fiduciary Funds		
Firefighters Pension		292,814
Police Pension		286,794
	\$	763,191

A. Illinois Municipal Retirement System

Plan Description

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 multiple-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.

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.

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

Note X - Retirement Plans (continued)

A. Illinois Municipal Retirement System (continued)

Employees Covered by Benefit Terms

At December 31, 2020, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	38
Inactive plan members entitled to, but not yet receiving benefits	13
Active plan members	22
Total	73

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 2020 was 17.63 percent. The employer's annual required contribution rate for calendar year 2021 is 15.07 percent. For the year ended April 30, 2021, the employer contributed \$ 183,583 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.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.25%
Salary Increases	2.85% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
Mortality	For Non-Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used. For Disabled Retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For Active Members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Other Information: Notes	There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2020 Illinois Municipal Retirement Fund annual actuarial valuation report.

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

Note X - Retirement Plans (continued)

A. Illinois Municipal Retirement System (continued)

Actuarial Assumptions (concluded)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	37.00%	5.00%
International Equity	18.00%	6.00%
Fixed Income	28.00%	1.30%
Real Estate	9.00%	6.20%
Alternate Investments	7.00%	2.85-6.95%
Private Equity		
Hedge Funds		
Commodities		
Cash Equivalents	1.00%	0.70%
Total	<u>100.00%</u>	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2020. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

Note X - Retirement Plans (continued)

A. Illinois Municipal Retirement System (continued)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2019	\$ 10,508,367	\$ 9,620,439	\$ 887,928
Changes for the year:			
Service Cost	108,847		108,847
Interest on the Total Pension Liability	742,880		742,880
Changes of Benefit Terms	0		0
Difference Between Expected and Actual Experience of Total Pension Liability	(84,911)		(84,911)
Changes of Assumptions	(72,282)		(72,282)
Contributions - Employer		193,611	(193,611)
Contributions - Employee		49,418	(49,418)
Net Investment Income		1,438,530	(1,438,530)
Benefit Payments, including Refunds of Employee Contributions	(632,349)	(632,349)	0
Other (Net Transfer)	0	(11,546)	11,546
Net Changes	<u>62,185</u>	<u>1,037,664</u>	<u>(975,479)</u>
Balances at December 31, 2020	<u>\$ 10,570,552</u>	<u>\$ 10,658,103</u>	<u>\$ (87,551)</u>

Sensitivity of Net Pension Liability(Asset) to the Single Discount Rate Assumption

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ 1,182,456	\$ (87,551)	\$ (1,098,698)

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

For the year ended December 31, 2020, the employer's pension plan expense was \$ 112,227. At December 31, 2020, the employer's deferred outflows of resources and deferred inflows of resources were composed of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions		
Amounts to be Recognized in Future Periods		
Differences between expected and actual experience	\$ 292,606	\$ 113,592
Changes of assumptions	61,147	50,308
Net difference between projected and actual earnings on pension plan investments	468,771	1,437,188
Pension contributions subsequent to the measurement date	0	0
Total Deferred Amounts Related to Pensions	<u>\$ 822,524</u>	<u>\$ 1,601,088</u>

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

Note X - Retirement Plans (continued)

A. Illinois Municipal Retirement System (concluded)

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows
 of Resources Related to Pensions (concluded)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ended December 31,	Deferred Outflows of Resources	Deferred Inflows of Resources
2021	\$ 0	\$ 44,004
2022	0	194,267
2023	0	389,177
2024	0	151,116
2025	0	0
Thereafter	0	0
Total	\$ 0	\$ 778,564

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

Note X - Retirement Plans (continued)

B. Firefighters Pension Fund

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, 2021, 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	0
Nonvested	0
Total members	5

Basis of Accounting

The financial statements are presented on 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 taxes levied or interest accrued 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.

Investments

The Fund reports securities at fair value. Fixed income securities are reported at amortized cost, with adjustment to market value determined by using quoted market prices provided by independent pricing services. This valuation was performed as of April 30, 2021, and unrealized gains and losses were recognized as of this date.

Property Taxes

Property tax is levied each year on all taxable real property located within the City on or before the last Tuesday in December. The 2020 levy for the Firefighters Pension Fund is included in the levy passed by the City Council on December 2, 2020. Property taxes attach as an enforceable lien on the property January 1 and are payable in two installments. The amount estimated due from the the 2020 levy has not been recorded in these financial statements.

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

Note X - Retirement Plans (continued)

B. Firefighters Pension Fund (continued)

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 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 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.

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 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.

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, 2021, payroll earnings of \$ 0 were reported to and covered by the Fund.

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

Note X - Retirement Plans (continued)

B. Firefighters Pension Fund (continued)

Funding Status and Funding Progress

The unfunded accrued liability was computed as part of an actuarial valuation performed by the Illinois Department of Insurance as of April 30, 2020. The most recent actuarial valuation performed as of April 30, 2021, 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	4.75%
Interest rate assumption - prior fiscal year	4.75%
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
Rate of service-related deaths	20.0%
Rate 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

Additional critical information regarding actuarial assumptions and methods, and important actuarial 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, 2021

Note X - Retirement Plans (continued)

B. Firefighters Pension Fund (concluded)

Funding Status and Funding Progress (concluded)

Total unfunded accrued liability applicable to the Fund's employees was \$ 2,388,810 at April 30, 2020, determined as follows:

Reserves for annuities and benefits in force	\$ 4,274,724
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	0
Accrued liabilities for active members	\$ 4,274,724
Total accrued liability	\$ 4,274,724
Actuarial value of assets available for benefits	1,885,914
Unfunded accrued liability	\$ 2,388,810
Funded ratio	44.12%

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, 2020. The most recent actuarial valuation performed as of April 30, 2021, is not yet available.

The annual pension cost and net pension obligation for the year ended April 30, 2020, were as follows:

Annual required contribution for normal costs	\$ 0
Annual required contribution to amortize unfunded accrued liability	109,651
Interest on net pension obligation	5,208
Adjustment to annual required contribution	0
Annual Pension Cost	114,859
Contributions made	152,904
Increase(Decrease) in net pension obligation	(38,045)
Net pension obligation, beginning of year	0
Net pension obligation, end of year	\$ 0

Trend Information

Trend information gives an indication of the progress made accumulating sufficient assets to pay benefits due. For three years ended 2020, 2019, and 2018, respectively available assets were sufficient to fund 44.12, 41.40, and 41.49 percent of the pension benefit obligation. Unfunded pension benefit obligation represents n/a, 4502.94, and 4525.58 percent of the annual payroll for participating members covered for 2020, 2019, and 2018, respectively.

Actuarial Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
4/30/2020	\$ 114,859	133.12%	\$ 0
4/30/2019	153,437	123.53%	0
4/30/2018	148,525	98.83%	1,738

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

Note X - Retirement Plans (continued)

C. Police Pension Fund

Plan Description

The Police Pension Fund was established by an 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, 2021 the Fund's membership was as follows:

Retirees and beneficiaries:	
Currently receiving benefits	7
Entitled to benefits but not yet receiving them	0
Current members:	
Vested	2
Nonvested	6
	6
Total members	15

Basis of Accounting

The financial statements are presented on 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 taxes levied or interest accrued 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.

Investments

The Fund reports securities at fair value. Fixed income securities are reported at amortized cost, with adjustment to market value determined by using quoted market prices provided by independent pricing services. This valuation was performed as of April 30, 2021, and unrealized gains and losses were recognized as of this date.

Property Taxes

Property tax is levied each year on all taxable real property located within the City on or before the last Tuesday in December. The 2020 levy for the Firefighters Pension Fund is included in the levy passed by the City Council on December 2, 2020. Property taxes attach as an enforceable lien on the property January 1 and are payable in two installments. The amount estimated due from the the 2020 levy has not been recorded in these financial statements.

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
April 30, 2021

Note X - Retirement Plans (continued)

C. Police Pension Fund (continued)

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.

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.

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, 2021, payroll earnings of \$ 429,444 were reported to and covered by the Fund.

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 April 30, 2021

Note X - Retirement Plans (continued)

C. Police Pension Fund (continued)

Funding Status and Funding Progress

The unfunded accrued liability was computed as part of an actuarial valuation performed by the Illinois Department of Insurance as of April 30, 2020. The most recent actuarial valuation performed as of April 30, 2021, 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	5.75%
Interest rate, prior fiscal year	5.75%
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
Rate of service-related deaths	10.0%
Rate 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 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 .

Additional critical information regarding actuarial assumptions and methods, and important actuarial 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, 2021

Note X - Retirement Plans (continued)

C. Police Pension Fund (concluded)

Funding Status and Funding Progress (concluded)

Total unfunded accrued liability applicable to the Fund's employees was \$ 3,537,207 at April 30, 2020, determined as follows:

Reserves for annuities and benefits in force	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 4,941,781
Accrued liabilities for active members	1,507,458
Total accrued liability	\$ 6,449,239
Actuarial value of assets available for benefits	2,912,032
Unfunded accrued liability	\$ 3,537,207
Funded ratio	45.15%

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, 2020. The most recent actuarial valuation performed as of April 30, 2021, is not yet available.

The annual pension cost and net pension obligation for the year ended April 30, 2020, were as follows:

Annual required contribution for normal costs	\$ 94,888
Annual required contribution to amortize unfunded accrued liability	176,038
Interest on net pension obligation	15,578
Adjustment to annual required contribution	0
Annual Pension Cost	286,504
Contributions made	261,425
Increase(Decrease) in net pension obligation	25,079
Net pension obligation, beginning of year	62,399
Net pension obligation, end of year	\$ 124,923

Trend Information

Trend information gives an indication of the progress made accumulating sufficient assets to pay benefits due. For three years ended 2020, 2019, and 2018, respectively available assets were sufficient to fund 45.15, 46.70, and 51.22 percent of the pension benefit obligation. Unfunded pension benefit obligation represents 937.35, 827.32, and 630.10 percent of the annual payroll for participating members covered for 2020, 2019, and 2018, respectively.

Actuarial Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
4/30/2020	\$ 286,504	91.25%	\$ 124,923
4/30/2019	262,480	91.96%	62,399
4/30/2018	227,232	118.17%	0

City of Anna, Illinois
NOTES TO FINANCIAL STATEMENTS - CONCLUDED
April 30, 2021

Note X - Retirement Plans (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, 2020, 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, 2021, the net audit adjustment, based on actual experience was \$ 0.

Note XII - Commitments and Contingencies

A. Litigation

The City's management and legal counsel assert 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 that are essential to the understanding of these financial statements.

OTHER INFORMATION

City of Anna, Illinois
OTHER INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
Year Ended April 30, 2021

Budgets and Budgetary Accounting

The budget for all fund types is prepared on the modified cash 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 21, 2020.

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.

City of Anna, Illinois
OTHER INFORMATION
BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS
GENERAL FUND
Year Ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property Taxes	\$ 562,000	\$ 562,000	\$ 248,509	\$ (313,491)
State Replacement Taxes	20,000	20,000	34,383	14,383
State Sales and Use Taxes	1,562,715	1,562,715	1,946,874	384,159
State Income Taxes	449,973	449,973	509,219	59,246
State Motor Fuel Taxes	0	0	0	0
Other Taxes	138,000	138,000	120,859	(17,141)
Grants	0	0	415,934	415,934
Licenses and Permits	65,250	65,250	44,559	(20,691)
Fines	30,000	30,000	34,682	4,682
Service Fees	453,250	453,250	438,763	(14,487)
Investment Income	19,700	19,700	52,284	32,584
Other Revenues	23,018	23,018	121,387	98,369
Total Revenues	\$ 3,323,906	\$ 3,323,906	\$ 3,967,453	\$ 643,547
	<u>3,320,556</u>			
EXPENDITURES				
General Government				
Salaries	\$ 218,829	\$ 218,829	\$ 195,334	\$ (23,495)
Payroll Taxes & Fringes	166,860	166,860	156,733	(10,127)
Purchased Services	174,500	174,500	365,547	191,047
Supplies	12,875	12,875	19,537	6,662
Other	4,250	4,250	2,864	(1,386)
Capital Outlay	55,000	55,000	0	(55,000)
Debt Service	0	0	0	0
Total General Government	\$ 632,314	\$ 632,314	\$ 740,015	\$ 107,701
Police Protection				
Salaries	\$ 449,076	\$ 449,076	\$ 477,328	\$ 28,252
Payroll Taxes & Fringes	383,171	383,171	127,959	(255,212)
Purchased Services	104,885	104,885	109,330	4,445
Supplies	21,650	21,650	30,165	8,515
Other	250	250	0	(250)
Capital Outlay	65,000	65,000	25,159	(39,841)
Debt Service	0	0	0	0
Total Police Protection	\$ 1,024,032	\$ 1,024,032	\$ 769,941	\$ (254,091)
Fire Protection				
Salaries	\$ 87,500	\$ 87,500	\$ 33,482	\$ (54,018)
Payroll Taxes & Fringes	193,092	193,092	27,436	(165,656)
Purchased Services	49,630	49,630	47,533	(2,097)
Supplies	9,425	9,425	7,707	(1,718)
Other	250	250	0	(250)
Capital Outlay	40,000	40,000	49,406	9,406
Debt Service	0	0	0	0
Total Fire Protection	\$ 379,897	\$ 379,897	\$ 165,564	\$ (214,333)

See accompanying Notes to Budgetary Comparison Schedules.

City of Anna, Illinois
OTHER INFORMATION
BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS
GENERAL FUND (Continued)
Year Ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Streets and Transportation				
Salaries	\$ 281,331	\$ 281,331	\$ 263,353	\$ (17,978)
Payroll Taxes & Fringes	169,201	169,201	157,364	(11,837)
Purchased Services	74,800	74,800	68,520	(6,280)
Supplies	43,325	43,325	31,621	(11,704)
Other	0	0	0	0
Capital Outlay	8,000	8,000	8,500	500
Debt Service	0	0	0	0
Total Streets and Transportation	\$ 576,657	\$ 576,657	\$ 529,358	\$ (47,299)
Sanitation				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Taxes & Fringes	0	0	0	0
Purchased Services	403,250	403,250	388,796	(14,454)
Supplies	11,500	11,500	13,043	1,543
Other	0	0	0	0
Capital Outlay	2,500	2,500	0	(2,500)
Debt Service	0	0	0	0
Total Sanitation	\$ 417,250	\$ 417,250	\$ 401,839	\$ (15,411)
Cemetery Fund				
Salaries	\$ 72,292	\$ 72,292	\$ 58,631	\$ (13,661)
Payroll Taxes & Fringes	40,547	40,547	36,825	(3,722)
Purchased Services	5,450	5,450	11,788	6,338
Supplies	4,000	4,000	6,975	2,975
Other	0	0	0	0
Capital Outlay	5,500	5,500	0	(5,500)
Debt Service	0	0	0	0
Total Cemetery	\$ 127,789	\$ 127,789	\$ 114,219	\$ (13,570)
Park and Pool				
Salaries	\$ 79,611	\$ 79,611	\$ 33,506	\$ (46,105)
Payroll Taxes & Fringes	23,556	23,556	18,444	(5,112)
Purchased Services	59,950	59,950	39,673	(20,277)
Supplies	32,400	32,400	9,547	(22,853)
Other	200	200	1,652	1,452
Capital Outlay	16,000	16,000	0	(16,000)
Debt Service	0	0	0	0
Total Park and Pool	\$ 211,717	\$ 211,717	\$ 102,822	\$ (108,895)

See accompanying Notes to Budgetary Comparison Schedules.

City of Anna, Illinois
OTHER INFORMATION
BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS
GENERAL FUND (Concluded)
Year Ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Community Development				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Taxes & Fringes	0	0	0	0
Purchased Services	150,000	150,000	0	(150,000)
Supplies	0	0	0	0
Other	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
Total Community Development	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 0</u>	<u>\$ (150,000)</u>
Total Expenditures	<u>3,519,656</u>	<u>3,519,656</u>	<u>2,823,758</u>	<u>(695,898)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (195,750)</u>	<u>\$ (195,750)</u>	<u>\$ 1,143,695</u>	<u>\$ 1,339,445</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers	0	0	0	0
Debt Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (195,750)</u>	<u>\$ (195,750)</u>	<u>\$ 1,143,695</u>	<u>\$ 1,339,445</u>
Fund Balance, beginning of year	<u>3,461,434</u>	<u>3,461,434</u>	<u>3,461,434</u>	
Fund Balance, end of year	<u><u>\$ 3,265,684</u></u>	<u><u>\$ 3,265,684</u></u>	<u><u>\$ 4,605,129</u></u>	<u><u>\$ 1,339,445</u></u>

See accompanying Notes to Budgetary Comparison Schedules.

City of Anna, Illinois
OTHER INFORMATION
BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS
MOTOR FUEL TAX FUND
Year Ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
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	180,000	180,000	157,583	(22,417)
Other Taxes	0	0	0	0
Grants	0	0	146,373	146,373
Licenses and Permits	0	0	0	0
Fines	0	0	0	0
Service Fees	0	0	0	0
Investment Income	250	250	739	489
Other Revenues	0	0	0	0
Total Revenues	\$ 180,250	\$ 180,250	\$ 304,695	\$ 124,445
EXPENDITURES				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Taxes & Fringes	0	0	0	0
Purchased Services	180,250	180,250	13,700	(166,550)
Supplies	0	0	0	0
Other	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
Total Expenditures	\$ 180,250	\$ 180,250	\$ 13,700	\$ (166,550)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 0	\$ 0	\$ 290,995	\$ (42,105)
OTHER FINANCING SOURCES (USES)				
Operating Transfers	0	0	0	0
Debt Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	0	0	0	0
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 0	\$ 0	\$ 290,995	\$ 290,995
Fund Balance, beginning of year	258,812	258,812	258,812	
Fund Balance, end of year	\$ 258,812	\$ 258,812	\$ 549,807	\$ 290,995

See accompanying Notes to Budgetary Comparison Schedules.

City of Anna, Illinois
OTHER INFORMATION
BUDGETARY COMPARISON SCHEDULES - MODIFIED CASH BASIS
DCEO/CDAP HOUSING FUND
Year Ended April 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
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	140,892	140,892
Licenses and Permits	0	0	0	0
Fines	0	0	0	0
Service Fees	0	0	0	0
Investment Income	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	\$ 0	\$ 0	\$ 140,892	\$ 140,892
EXPENDITURES				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Taxes & Fringes	0	0	140,892	140,892
Purchased Services	150,000	150,000	0	(150,000)
Supplies	0	0	0	0
Other	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service	0	0	140,892	140,892
Total Expenditures	\$ 150,000	\$ 150,000	\$ 281,784	\$ 131,784
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (150,000)	\$ (150,000)	\$ (140,892)	\$ 272,676
OTHER FINANCING SOURCES (USES)				
Operating Transfers	0	0	0	0
Debt Proceeds	0	0	0	0
Net Other Financing Sources (Uses)	0	0	0	0
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (150,000)	\$ (150,000)	\$ (140,892)	\$ 9,108
Fund Balance, beginning of year	0	0	0	
Fund Balance, end of year	\$ (150,000)	\$ (150,000)	\$ (140,892)	\$ 9,108

See accompanying Notes to Budgetary Comparison Schedules.

City of Anna, Illinois
OTHER INFORMATION
SCHEDULE OF FUNDING PROGRESS - DEFINED BENEFIT PLANS
For the Last Ten Fiscal Years

Firefighters Pension Fund

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)
4/30/2020	\$ 1,885,914	\$ 4,274,724	2,388,810	44.12%	\$ 0	n/a
4/30/2019	1,877,055	4,534,149	2,657,094	41.40%	59,008	4502.94%
4/30/2018	1,893,988	4,564,440	2,670,452	41.49%	59,008	4525.58%
4/30/2017	1,907,866	4,458,969	2,551,103	42.79%	57,289	4453.04%
4/30/2016	1,911,758	4,219,638	2,307,880	45.31%	55,620	4149.37%
4/30/2015	1,901,407	4,142,501	2,241,094	45.90%	77,959	2874.71%
4/30/2014	1,899,028	3,946,369	2,047,341	48.12%	103,635	1975.53%
4/30/2013	1,851,077	3,923,284	2,072,207	47.18%	114,011	1817.55%
4/30/2012	1,822,008	3,435,306	1,613,298	53.04%	194,258	830.49%
4/30/2011						Figures not available

Police Pension Fund

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)
4/30/2020	\$ 2,912,032	\$ 6,449,239	3,537,207	45.15%	\$ 377,361	937.35%
4/30/2019	2,849,066	6,101,247	3,252,181	46.70%	393,097	827.32%
4/30/2018	2,678,651	5,229,442	2,550,791	51.22%	404,826	630.10%
4/30/2017	2,518,217	5,630,663	3,112,446	44.72%	360,823	862.60%
4/30/2016	2,370,634	5,225,041	2,854,407	45.37%	366,263	779.33%
4/30/2015	2,253,897	5,003,463	2,749,566	45.05%	349,452	786.82%
4/30/2014	2,153,901	4,800,409	2,646,508	44.87%	250,286	1057.39%
4/30/2013	2,008,964	4,890,717	2,881,753	41.08%	303,116	950.71%
4/30/2012	1,899,138	4,926,112	3,026,974	38.55%	337,525	896.81%
4/30/2011						Figures not available

City of Anna, Illinois
OTHER INFORMATION
IMRF SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
For the Last Six Calendar Years

Calendar Year Ended December 31,	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Costs	\$ 108,847	\$ 99,876	\$ 119,047	\$ 119,663	\$ 120,685	\$ 122,442
Interest on the Total Pension Liability	742,880	738,275	628,697	632,970	591,591	563,225
Changes of Benefit Terms	0	0	0	0	0	0
Differences Between Expected and Actual						
Experience of the Total Pension Liability	(84,911)	(152,455)	1,366,516	(90,755)	246,961	74,151
Changes of Assumptions	(72,282)	0	285,568	(225,887)	(21,320)	9,883
Benefit Payments, including refunds of						
Employee Contributions	(632,349)	(621,002)	(558,523)	(426,783)	(386,759)	(372,335)
Net Change in Total Pension Liability	<u>62,185</u>	<u>64,694</u>	<u>1,841,305</u>	<u>9,208</u>	<u>551,158</u>	<u>397,366</u>
Total Pension Liability - Beginning	10,508,367	10,443,673	8,602,368	8,593,160	8,042,002	7,644,636
Total Pension Liability - Ending (A)	<u>\$ 10,570,552</u>	<u>\$ 10,508,367</u>	<u>\$ 10,443,673</u>	<u>\$ 8,602,368</u>	<u>\$ 8,593,160</u>	<u>\$ 8,042,002</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 193,611	\$ 95,966	\$ 461,592	\$ 346,406	\$ 306,753	\$ 296,374
Contributions - Employees	49,418	44,520	129,465	74,479	91,892	53,094
Net Investment Income	1,438,530	1,718,495	(514,536)	1,350,052	487,133	34,682
Benefit Payments, including refunds of						
Employee Contributions	(632,349)	(621,002)	(558,523)	(426,783)	(386,759)	(372,335)
Other (Net Transfers)	(11,546)	(193,575)	618,207	(479,403)	30,817	85,592
Net Change in Plan Fiduciary Net Position	<u>1,037,664</u>	<u>1,044,404</u>	<u>136,205</u>	<u>864,751</u>	<u>529,836</u>	<u>97,407</u>
Plan Fiduciary Net Position - Beginning	9,620,439	8,576,035	8,439,830	7,575,079	7,045,243	6,947,836
Plan Fiduciary Net Position - Ending (B)	<u>\$ 10,658,103</u>	<u>\$ 9,620,439</u>	<u>\$ 8,576,035</u>	<u>\$ 8,439,830</u>	<u>\$ 7,575,079</u>	<u>\$ 7,045,243</u>
Net Pension (Asset)/Liability - Ending (A)-(B)	<u>\$ (87,551)</u>	<u>\$ 887,928</u>	<u>\$ 1,867,638</u>	<u>\$ 162,538</u>	<u>\$ 1,018,081</u>	<u>\$ 996,759</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	100.83%	91.55%	82.12%	98.11%	88.15%	87.61%
Covered Valuation Payroll	\$ 1,098,194	\$ 989,344	\$ 1,144,274	\$ 1,227,754	\$ 1,145,017	\$ 1,179,895
Net Pension Liability as a percentage of Covered Valuation Payroll	-7.97%	89.75%	163.22%	13.24%	88.91%	84.48%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, information is presented for years for which information is available.

Changes in assumptions:

- For 2014, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2014 (base year 2014) developed from the RP-2014 mortality tables.
- For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.
- For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.
- For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.
- For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.
- For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

**City of Anna, Illinois
OTHER INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Last Six Calendar Years**

Defined Benefit Pension Plan - Illinois Municipal Retirement Fund

Calendar Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	172,029	296,374	(124,345)	1,179,895	25.12%
2016	156,753	306,753	(150,000)	1,145,017	26.79%
2017	146,348	346,406	(200,058)	1,227,754	28.21%
2018	140,631	461,592	(320,961)	1,144,274	40.34%
2019	95,966	95,966	0	989,344	9.70%
2020	193,612 *	193,611	1	1,098,194	17.63%

* Estimated based on contribution rate of 17.63% and valuation covered payroll of \$ 1,098,194.

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, information is presented for those years for which information is available.

City of Anna, Illinois
OTHER INFORMATION
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2020 CONTRIBUTION RATE*
ILLINOIS MUNICIPAL RETIREMENT FUND
April 30, 2021

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2020 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	23 year closed period
Asset Valuation Method:	Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI
Wage growth	5-Year smoothed market; 20% corridor
Price Inflation	3.25%
Salary Increases	2.50%
Investment Rate of Return	3.35% to 14.25% including inflation
Retirement Age:	7.25%
Mortality:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 - 2016.
Other Information:	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Notes	There were no benefit changes during the year.

** Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation. There is a two year lag between valuation and rate setting.*

COMPLIANCE SECTION

City of Anna, Illinois
SCHEDULE OF FINDINGS AND RESPONSES
April 30, 2021

Finding 2021-001 (repeat)

Criteria

Appropriate internal controls should provide that all bank accounts be reconciled in a timely manner and reviewed to ensure that all items are reported in the accounting system which enables the preparation of timely and accurate financial reports.

Condition

Bank reconciliations were not completed for portions of the audit period, and the general ledger did not reflect all transactions of the audit period.

Effect

The City was unable to produce timely and accurate financial reports.

Cause

Due to staffing issues, employee leave of absence, and COVID, the accounting functions were not completed in a timely manner.

Recommendation

Provide adequate staffing levels and Implement staff cross training of all accounting functions. Adhere to existing internal control policies.

Management Response

Management agrees with this finding, and all accounts of the fiscal year have been reconciled.

Finding 2021-002 (repeat)

Criteria

Good business practices dictate that all vendors should be paid in a reasonable time for goods and services provided.

Condition

Vendor payments were noted that were paid in excess of thirty days from the due date.

Effect

Expenditures were not recorded within the accounting system in a timely manner, within the proper accounting period, therefore preventing accurate financial reporting.

Cause

Due to staffing issues, employee leave of absence, and COVID, the accounting functions were not completed in a timely manner.

Recommendation

Provide adequate staffing levels and Implement staff cross training of all accounting functions, adhere to internal control policies on processing vendor payments.

Management Response

Management agrees with this finding, and vendor payments are being processed on a timely basis.

City of Anna, Illinois
SCHEDULE OF FINDINGS AND RESPONSES
April 30, 2021

Finding 2021-003 (repeat)

Criteria

Good business practices dictate that files of source documents be maintained in an orderly manner to permit proper substantiation of the accounting and reporting functions.

Condition

Source documents were not properly filed to permit timely observation and review.

Effect

Attributed to the untimely processing of accounting information and preparation of accurate financial reporting.

Cause

Due to staffing issues, employee leave of absence, and COVID, proper filing of accounting source documents were not completed in a timely manner.

Recommendation

Provide adequate staffing levels and Implement staff cross training of all accounting functions, adhere to internal control policies on record keeping.

Management Response

Management agrees with this finding, and unfiled source documents are being filed in an orderly manner.

Finding 2021-004

Criteria

The City is subject to compliance with the Illinois Compiled Statutes applicable to municipalities. 50 ILCS 310 stipulates that an Annual Financial Report must be completed and filed within a prescribed time with the Illinois Office of Comptroller.

Condition

The City did not timely file the Annual Financial Report.

Effect

Required information provided untimely to the public.

Cause

Delay was caused due to timing issues related to delays in completing accounting records, and the timing of obtaining a completed audit.

Recommendation

The City should develop a comprehensive checklist of filing due dates for required reports and provide instructions and training in relation to the reporting requirements, and implement oversight controls.

Management Response

Management agrees with this finding, and will develop a checklist of required reporting due dates and provide training to appropriate personnel, and will develop and implement oversight controls.

City of Anna, Illinois
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
April 30, 2021

Prior Audit Findings

Finding 2020-001 - Resolved

Finding 2020-002 - Resolved

Finding 2020-003 - Repeat 2021-001

Finding 2020-004 - Repeat 2021-002

Finding 2020-005 - Repeat 2021-003

City of Anna, Illinois
CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
April 30, 2021

Finding 2021-001

Condition

Bank reconciliations were not completed for portions of the audit period, and the general ledger did not reflect all transactions of the audit period.

Plan

Management has implemented training and oversight over the bank reconciliation process, and the reconciliations have now been completed to date.

Anticipated date of completion:

Completed

Finding 2021-002

Condition

Vendor payments were noted that were paid in excess of thirty days from the due date.

Plan

Personnel training and oversight has been implemented to ensure the timely processing of payments.

Anticipated date of completion:

Completed

Finding 2021-003

Condition

Source documents were not properly filed to permit timely observation and review.

Plan

Additional staff have been hired and procedures have been established to properly store documents.

Anticipated date of completion:

Completed

Finding 2021-004

Condition

The City did not timely file the Annual Financial Report.

Plan

Management will develop a comprehensive checklist of filing due dates for required reports and provide instructions and training in relation to the reporting requirements, and implement oversight controls.

Anticipated date of completion:

04/30/2024

Contact person:

Dori Bigler, City Administrator

Management Response

Management agrees with these findings.