

**CITY OF ANNA, ILLINOIS**  
**ANNUAL FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITOR'S REPORT**  
**For the Year Ended April 30, 2022**

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**BEUSSINK, HICKAM & KOCHER, P.C.**  
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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, 2022, 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, 2022, 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 April 30, 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.

A handwritten signature in black ink, appearing to read "Benjamin H. LeHochel". The signature is fluid and cursive, with the first name "Benjamin" written in a larger, more prominent script than the last name "LeHochel".

Anna, Illinois  
April 30, 2024

**BEUSSINK, HICKAM & KOCHER, P.C.**  
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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, 2022, 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 April 30, 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 2022-001, and 2022-002 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 2022-003.

**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  
April 30, 2024

**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2022 and 2021**

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, 2022 and 2021. 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, 2022 by \$ 20,677,030. Of this amount, \$ 7,648,634 is considered unrestricted. The unrestricted net position of the City's governmental activities were \$ 4,694,045 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 \$ 2,954,589 and may be used to meet the ongoing obligations of the City's utility activities.
- \* The City's total net position increased by \$ 1,681,237 or 8.85% in the fiscal year ended April 30, 2022. The net position of governmental activities increased by \$ 1,089,611 or 11.68% from the prior fiscal year. The net position of business-type activities increased \$ 591,626 or 6.12% from the prior fiscal year.
- \* The total cost of all City services for the fiscal year ended April 30, 2022 was \$ 7,709,584, \$ 3,697,717 or 47.96% of which was for governmental services, and \$ 4,011,867 or 52.04% of which was for business-type activities.
- \* A total of \$ 604,331 or 16.34% of governmental services were financed by program revenue, with \$ 316,715 or 8.57% financed by grants and the remaining 75.09% being financed by general revenues. Sales and Use tax revenue represented the single largest source of general revenue, providing 49.80% of expense.
- \* The City's investment in capital assets increased \$ 152,754 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 \$ 53,417 or 8.33% 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, 2022 and 2021**

**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, 2022 and 2021**

**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, 2022 by \$ 20,677,030. Of this amount, \$ 7,648,634 is considered unrestricted. The unrestricted net position of the City's governmental activities were \$ 4,694,045. The unrestricted net position of the City's business-type activities were \$ 2,954,589.

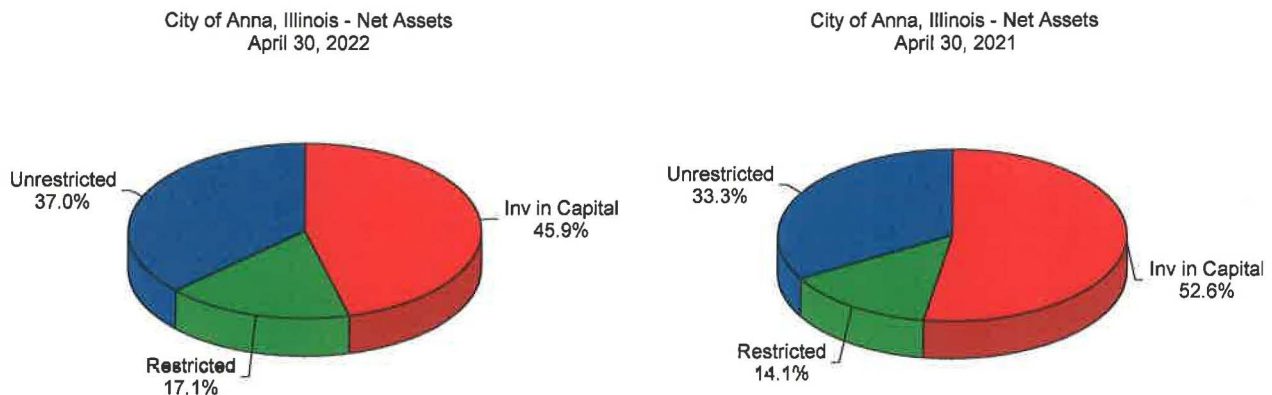
The City's total net position increased by \$ 1,681,237 or 8.85% in the fiscal year ended April 30, 2022. The net position of governmental activities increased by \$ 1,089,611 or 11.68% from the prior fiscal year. The net position of business-type activities increased \$ 591,626 or 6.12% from the prior 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	
	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>						
Current Assets	\$ 6,476,207	\$ 5,154,936	\$ 4,809,714	\$ 3,922,309	\$ 11,285,921	\$ 9,077,245
Noncurrent Assets	0	0	17,854	27,224	17,854	27,224
Capital Assets	3,943,105	4,174,766	6,191,268	6,516,293	10,134,373	10,691,059
Other Assets	0	0	0	0	0	0
Total Assets	10,419,312	9,329,702	11,018,836	10,465,826	21,438,148	19,795,528
<b>LIABILITIES</b>						
Current Liabilities	0	0	120,082	105,281	120,082	105,281
Noncurrent Liabilities	0	0	0	0	0	0
Current Debt	0	0	54,185	53,417	54,185	53,417
Noncurrent Debt	0	0	586,851	641,036	586,851	641,036
Total Liabilities	0	0	761,118	799,734	761,118	799,734
<b>NET POSITION</b>						
Invested in Capital						
Assets net of debt	3,943,105	4,174,766	5,550,232	5,821,840	9,493,337	9,996,606
Restricted	1,782,162	1,418,000	1,752,897	1,251,247	3,535,059	2,669,247
Unrestricted	4,694,045	3,736,935	2,954,589	2,593,005	7,648,634	6,329,940
Total Net Position	\$ 10,419,312	\$ 9,329,701	\$ 10,257,718	\$ 9,666,092	\$ 20,677,030	\$ 18,995,793

The following are graphical representations of total net position by category for the fiscal years ended April 30, 2022 and April 30, 2021:



**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2022 and 2021**

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

The City's total revenues increased by \$ 1,145,429 over the prior fiscal year due to increases in utility revenues, other taxes and income taxes. Utility revenues increased \$ 487,899, other taxes increased \$ 408,533, and income taxes increased \$ 121,654, most other tax revenues had modest increases and decreases.

Total expenses increased \$ 781,745, due mainly to increases in grant spending and commodities cost increases. Other expenses had modest increases and decreases.

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

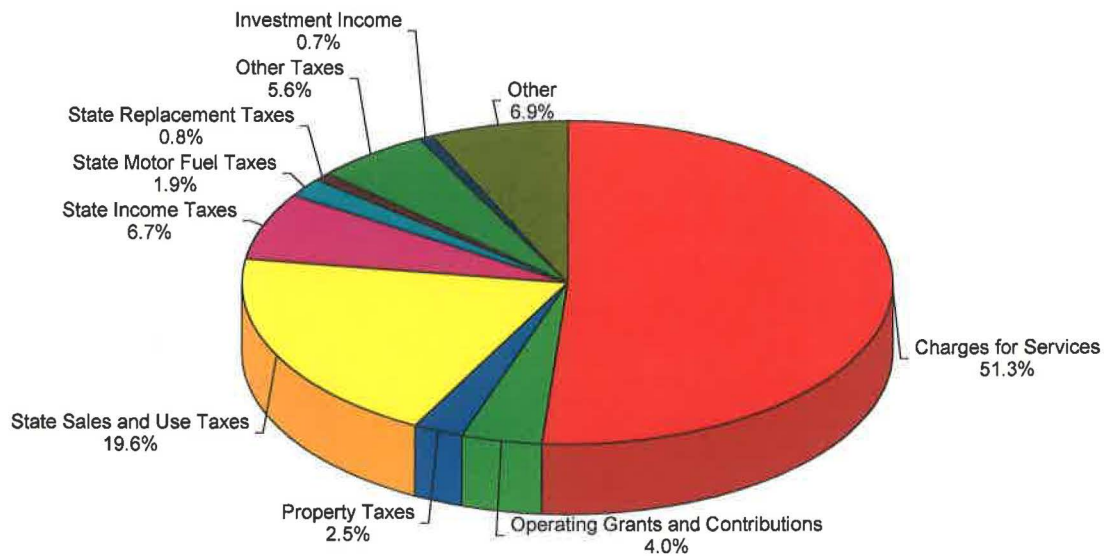
**Condensed Statement of Activities and Changes in Net Position - Modified Cash Basis**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 604,331	\$ 518,004	\$ 4,210,143	\$ 3,808,571	\$ 4,814,474	\$ 4,326,575
Oper. Grants	316,715	703,199	58,744	0	375,459	703,199
Capital Grants	0	0	0	0	0	0
General Revenues						
Property Taxes	235,473	248,509	0	0	235,473	248,509
State Sales/Use Taxes	1,841,344	1,946,874	0	0	1,841,344	1,946,874
State Income Taxes	630,873	509,219	0	0	630,873	509,219
State Motor Fuel Taxes	176,807	157,583	0	0	176,807	157,583
State Replace Taxes	79,056	34,383	0	0	79,056	34,383
Other Taxes	529,392	120,859	0	0	529,392	120,859
Investment Income	49,737	53,023	12,697	21,510	62,434	74,533
Other	323,600	121,387	321,909	2,271	645,509	123,658
Total Revenues	4,787,328	4,413,040	4,603,493	3,832,352	9,390,821	8,245,392
<b>EXPENSES</b>						
General Government	698,017	863,922	0	0	698,017	863,922
Public Safety	1,147,893	986,902	0	0	1,147,893	986,902
Transport/Public Works	1,043,471	555,898	0	0	1,043,471	555,898
Social Services	540,893	523,144	0	0	540,893	523,144
Culture/Recreation	267,443	137,611	0	0	267,443	137,611
Economic Development	0	140,892	0	0	0	140,892
Debt Service	0	0	0	0	0	0
Water	0	0	1,548,200	1,378,889	1,548,200	1,378,889
Sewer	0	0	688,784	749,574	688,784	749,574
Gas	0	0	1,774,883	1,591,007	1,774,883	1,591,007
Total Expenses	3,697,717	3,208,369	4,011,867	3,719,470	7,709,584	6,927,839
Change in Net Position	1,089,611	1,204,671	591,626	112,882	1,681,237	1,317,553
Transfers	0	0	0	0	0	0
Beginning Net Position	9,329,701	8,125,030	9,666,092	9,553,210	18,995,793	17,678,240
Ending Net Position	\$ 10,419,312	\$ 9,329,701	\$ 10,257,718	\$ 9,666,092	\$ 20,677,030	\$ 18,995,793

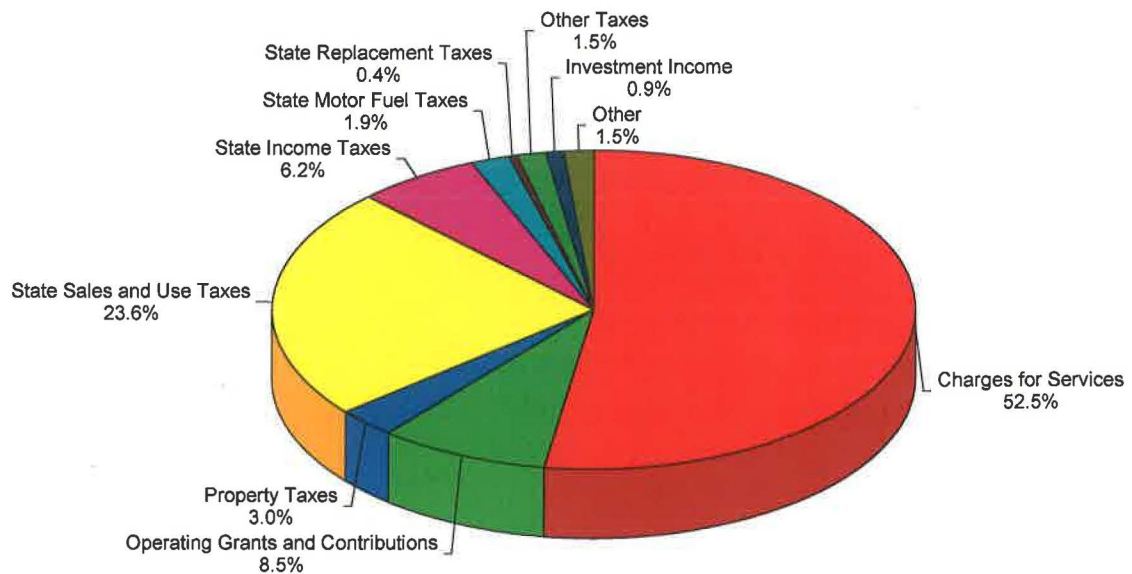
**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2022 and 2021**

The following are graphical representations of revenues by type/source for the fiscal years ended April 30, 2022 and April 31, 2021:

City of Anna, Illinois - Revenue by Type  
Fiscal Year Ended April 30, 2022



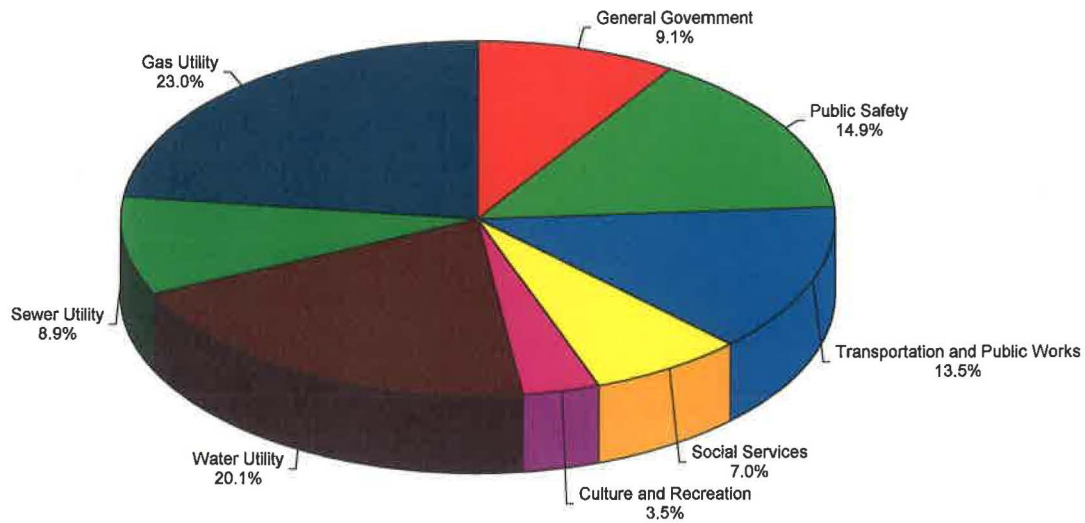
City of Anna, Illinois - Revenue by Type  
Fiscal Year Ended April 30, 2021



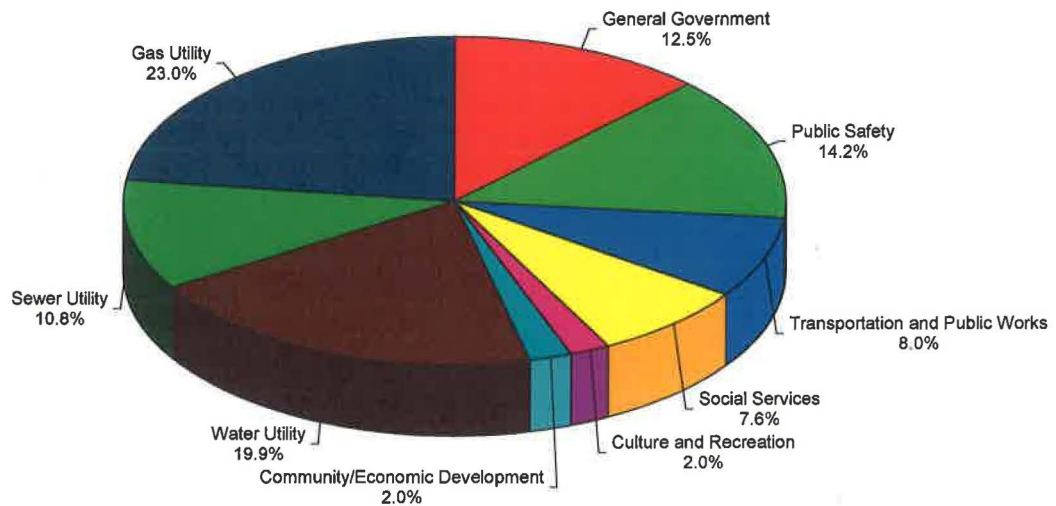
**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2022 and 2021**

The following are graphical representations of expenses by program/function for the fiscal years ended April 30, 2022 and April 31, 2021:

City of Anna, Illinois - Expense by Function  
Fiscal Year Ended April 30, 2022



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



**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2022 and 2021**

**Budgetary Highlights**

The City prepares an operating budget for each year. The current budget was adopted by the City Council on April 20, 2021. 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
<b>Governmental Activities</b>			
Program Revenues	\$ 548,800	\$ 921,046	\$ 372,246
General Revenues	3,340,770	3,866,282	525,512
Total Revenues	<u>3,889,570</u>	<u>4,787,328</u>	<u>897,758</u>
Operating Expenses	4,257,771	3,380,332	(877,439)
Capital/Depreciation Expense	336,930	317,385	(19,545)
Non-Operating Expenses	0	0	0
Total Expenses	<u>4,594,701</u>	<u>3,697,717</u>	<u>(896,984)</u>
Change in Net Position	<u>\$ (705,131)</u>	<u>\$ 1,089,611</u>	<u>\$ 1,794,742</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 repairs and capital costs.

	Final Budget	Actual	Over (Under) Budget
<b>Business Type Activities</b>			
Program Revenues	\$ 4,047,411	\$ 4,268,887	\$ 221,476
General Revenues	12,610	334,606	321,996
Total Revenues	<u>4,060,021</u>	<u>4,603,493</u>	<u>543,472</u>
Operating Expenses	4,265,577	3,609,987	(655,590)
Depreciation Expense	225,000	392,053	167,053
Non-Operating Expenses	148,888	9,827	(139,061)
Total Expenses	<u>4,639,465</u>	<u>4,011,867</u>	<u>(627,598)</u>
Change in Net Position	<u>\$ (579,444)</u>	<u>\$ 591,626</u>	<u>\$ 1,171,070</u>

Actual revenues exceeded the budget due to additional utility sales as the result of rate increases, in addition to grants and advance reimbursements of future costs. Expenses were less than budgeted due less than expected repairs and supply costs.

**City of Anna, Illinois**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2022 and 2021**

**Capital Expenditures**

The City expended a total of \$ 152,754 for capital expenditures during the year.

**Capital Assets**

	2022	2021
Land & Right of Way	\$ 1,326,477	\$ 1,326,477
Plant & Dist. System	13,634,957	13,445,711
Building	4,885,300	4,885,300
Other Equipment	4,906,051	4,765,414
Construction in Progress	0	0
Less: Accumulated Depreciation	(14,618,412)	(13,908,973)
Total Capital Assets net of depreciation	<u>\$ 10,134,373</u>	<u>\$ 10,513,929</u>

The following significant changes occurred during the fiscal year ended April 30, 2022:

- \* Vehicle and equipment purchases
- \* Utility line extensions

**Long Term Debt**

	2022	2021
IEPA Loan - Water	\$ 522,463	\$ 566,504
IEPA Loan - Sewer	118,573	127,949
Total Long Term Debt	<u>\$ 641,036</u>	<u>\$ 694,453</u>

The following significant changes occurred during the fiscal year ended April 30, 2022:

- \* 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, 2022**

	Primary Government		
	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 4,196,207	\$ 3,389,714	\$ 7,585,921
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	6,476,207	4,809,714	11,285,921
Non-Current Assets			
Restricted:			
Cash and Cash Equivalents	0	17,854	17,854
Certificates of Deposit	0	0	0
Total Restricted Assets	0	17,854	17,854
Capital Assets:			
Land and Right-of-way	1,326,477	0	1,326,477
Plant and Distribution System	0	13,634,957	13,634,957
Buildings and Improvements	4,456,679	428,621	4,885,300
Equipment	3,616,773	1,289,278	4,906,051
Less Accumulated Depreciation	(5,456,824)	(9,161,588)	(14,618,412)
Construction in Progress	0	0	0
Total Capital Assets	3,943,105	6,191,268	10,134,373
Other Assets:			
Escrow	0	0	0
Other	0	0	0
Total Other Assets	0	0	0
Total Non-Current Assets	3,943,105	6,209,122	10,152,227
Total Assets	\$ 10,419,312	\$ 11,018,836	\$ 21,438,148

	Primary Government		
	Governmental Activities	Business Type Activities	Total
<b>LIABILITIES</b>			
Current Liabilities			
Payable from Current Assets:			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Payroll and Related Items	0	0	0
Interfund	0	0	0
Customer Deposits	0	120,082	120,082
Accrued Interest	0	0	0
Bonds/Loans Payable - Current Portion	0	0	0
Total Payable from Current Assets	<u>0</u>	<u>120,082</u>	<u>120,082</u>
Payable from Restricted Assets:			
Accounts Payable	0	0	0
Bonds/Loans Payable - Current Portion	0	54,185	54,185
Accrued Interest Payable	0	0	0
Total Payable from Restricted Assets	<u>0</u>	<u>54,185</u>	<u>54,185</u>
Total Current Liabilities	<u>0</u>	<u>174,267</u>	<u>174,267</u>
Non-Current Liabilities			
Bonds Payable	0	586,851	586,851
Other Liabilities	0	0	0
Accrued Compensated Absences	0	0	0
Total Non-Current Liabilities	<u>0</u>	<u>586,851</u>	<u>586,851</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 761,118</u>	<u>\$ 761,118</u>
<b>NET POSITION</b>			
Investment in Capital Assets, net of related debt	\$ 3,943,105	\$ 5,550,232	\$ 9,493,337
Restricted for:			
Future Expenditures	863,708	320,868	1,184,576
Designated Projects/Programs	918,454	1,414,175	2,332,629
Debt Service	0	17,854	17,854
Unrestricted	<u>4,694,045</u>	<u>2,954,589</u>	<u>7,648,634</u>
Total Net Position	<u>\$ 10,419,312</u>	<u>\$ 10,257,718</u>	<u>\$ 20,677,030</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, 2022**

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
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 698,017	\$ 96,524	\$ 0	\$ 0	\$ (601,493)		\$ (601,493)
Public Safety	1,147,893	48,084	49,133	0	(1,050,676)		(1,050,676)
Transportation and Public Works	1,043,471	0	267,582	0	(775,889)		(775,889)
Social Services	540,893	442,059	0	0	(98,834)		(98,834)
Culture and Recreation	267,443	17,664	0	0	(249,779)		(249,779)
Community/Economic Development	0	0	0	0	0		0
Debt Service	0	0	0	0	0		0
Total Governmental Activities	\$ 3,697,717	\$ 604,331	\$ 316,715	\$ 0	\$ (2,776,671)		\$ (2,776,671)
<b>Business Type Activities:</b>							
Water Utility	\$ 1,548,200	\$ 1,596,884	\$ 34,750	\$ 0		\$ 83,434	\$ 83,434
Sewer Utility	688,784	891,374	23,994	0		226,584	226,584
Gas Utility	1,774,883	1,721,885	0	0		(52,998)	(52,998)
Total Business Type Activities	4,011,867	4,210,143	58,744	0		257,020	257,020
Total Primary Government	\$ 7,709,584	\$ 4,814,474	\$ 375,459	\$ 0	\$ (2,776,671)	\$ 257,020	\$ (2,519,651)
<b>General Revenues</b>							
Property Taxes					235,473	0	235,473
State Replacement Taxes					79,056	0	79,056
State Sales and Use Taxes					1,841,344	0	1,841,344
State Income Taxes					630,873	0	630,873
State Motor Fuel Taxes					176,807	0	176,807
Other Taxes					529,392	0	529,392
Investment Income					49,737	12,697	62,434
Grants and Other					323,600	321,909	645,509
Total General Revenues					\$ 3,866,282	\$ 334,606	\$ 4,200,888
Change in Net Position					\$ 1,089,611	\$ 591,626	\$ 1,681,237
Net Position, beginning of year					9,329,701	9,666,092	18,995,793
Transfers					0	0	0
Prior Period Adjustments					0	0	0
Net Position, end of year					\$ 10,419,312	\$ 10,257,718	\$ 20,677,030

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, 2022**

	General Fund	Motor Fuel Tax Fund	Non-Major Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,619,779	\$ 576,428	\$ 0	\$ 4,196,207
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
<b>Total Assets</b>	<b>\$ 5,899,779</b>	<b>\$ 576,428</b>	<b>\$ 0</b>	<b>\$ 6,476,207</b>
<b>LIABILITIES</b>				
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
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCE</b>				
Fund Balance - Non Spendable	39,504	0	0	39,504
Fund Balance - Restricted	247,776	576,428	0	824,204
Fund Balance - Committed	918,454	0	0	918,454
Fund Balance - Assigned	0	0	0	0
Fund Balance - Unassigned	4,694,045	0	0	4,694,045
<b>Total Fund Balance</b>	<b>5,899,779</b>	<b>576,428</b>	<b>0</b>	<b>6,476,207</b>
<b>Total Liabilities, and Fund Balance</b>	<b>\$ 5,899,779</b>	<b>\$ 576,428</b>	<b>\$ 0</b>	<b>\$ 6,476,207</b>

**Reconciliation to Statement of Net Position:**

Total Fund Balances for Governmental Funds	\$ 6,476,207
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	\$ 3,943,105
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds	\$ 0
	<u>\$ 10,419,312</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, 2022**

	General Fund	Motor Fuel Tax Fund	Non-Major Funds	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 235,473	\$ 0	\$ 0	\$ 235,473
Replacement Tax	79,056	0	0	79,056
Sales and Use Tax	1,841,344	0	0	1,841,344
Income Tax	630,873	0	0	630,873
Motor Fuel Tax	0	176,807	0	176,807
Other Taxes	529,392	0	0	529,392
Grants	463,069	97,582	0	560,651
License & Permits	96,524	0	0	96,524
Fines	43,084	0	0	43,084
Service Fees	464,723	0	0	464,723
Interest	49,131	606	0	49,737
Other Revenues	79,664	0	0	79,664
Total Revenues	<u>\$ 4,512,333</u>	<u>\$ 274,995</u>	<u>\$ 0</u>	<u>\$ 4,787,328</u>
<b>EXPENDITURES</b>				
Salaries	\$ 1,213,739	\$ 0	\$ 0	\$ 1,213,739
Payroll Taxes & Fringes	628,815	0	0	628,815
Purchased Services	1,136,178	248,374	0	1,384,552
Supplies	144,000	0	0	144,000
Other	9,226	0	0	9,226
Capital Outlay	85,725	0	0	85,725
Debt Service	0	0	0	0
Total Expenditures	<u>\$ 3,217,683</u>	<u>\$ 248,374</u>	<u>\$ 0</u>	<u>\$ 3,466,057</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>\$ 1,294,650</u>	<u>\$ 26,621</u>	<u>\$ 0</u>	<u>\$ 1,321,271</u>
<b>OTHER SOURCES(USES)</b>				
Transfers	0	0	0	0
Net Change in Fund Balance	<u>1,294,650</u>	<u>26,621</u>	<u>0</u>	<u>1,321,271</u>
Fund Balance, beginning	<u>4,605,129</u>	<u>549,807</u>	<u>0</u>	<u>5,154,936</u>
Fund Balance, ending	<u>\$ 5,899,779</u>	<u>\$ 576,428</u>	<u>\$ 0</u>	<u>\$ 6,476,207</u>

Reconciliation to Change in Net Position:

Total Net Change in Fund Balance for Governmental Funds	\$ 1,321,271
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	\$ (231,660)
	<u>\$ 1,089,611</u>

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, 2022**

	BUSINESS TYPE ACTIVITIES			
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	TOTAL
<b>ASSETS</b>				
Current Assets:				
Cash and Equivalents	\$ 701,103	\$ 1,132,956	\$ 1,555,655	\$ 3,389,714
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
<b>Total Current Assets</b>	<b>901,103</b>	<b>1,702,956</b>	<b>2,205,655</b>	<b>4,809,714</b>
Non-Current Assets				
Restricted:				
Cash and Cash Equivalents:				
Bond and Interest Sinking	12,746	5,108	0	17,854
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
<b>Total Restricted Assets</b>	<b>12,746</b>	<b>5,108</b>	<b>0</b>	<b>17,854</b>
Capital Assets:				
Land and Right-of-way	0	0	0	0
Plant and Distribution System	3,994,228	7,010,150	2,630,579	13,634,957
Buildings and Improvements	169,159	0	259,462	428,621
Equipment	394,893	345,844	548,541	1,289,278
Less Accumulated Depreciation	(2,429,125)	(4,302,736)	(2,429,727)	(9,161,588)
Construction in Progress	0	0	0	0
<b>Total Capital Assets</b>	<b>2,129,155</b>	<b>3,053,258</b>	<b>1,008,855</b>	<b>6,191,268</b>
Other Assets:				
Unamortized Bond Issue Cost	0	0	0	0
Unamortized Bond Discount	0	0	0	0
Escrow	0	0	0	0
<b>Total Other Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Non-Current Assets</b>	<b>2,141,901</b>	<b>3,058,366</b>	<b>1,008,855</b>	<b>6,209,122</b>
<b>Total Assets</b>	<b>\$ 3,043,004</b>	<b>\$ 4,761,322</b>	<b>\$ 3,214,510</b>	<b>\$ 11,018,836</b>

	BUSINESS TYPE ACTIVITIES			
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	TOTAL
<b>LIABILITIES</b>				
Current Liabilities:				
Payable from Current Assets:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Payroll and Related Items	0	0	0	0
Interfund	0	0	0	0
Customer Deposits	37,440	0	82,642	120,082
Accrued Interest	0	0	0	0
Total Payable from Current Assets	37,440	0	82,642	120,082
Payable from Restricted Assets:				
Accounts Payable	0	0	0	0
Current Portion of Revenue Bonds	44,593	9,592	0	54,185
Accrued Interest	0	0	0	0
Total Payable from Restricted Assets	44,593	9,592	0	54,185
Total Current Liabilities	82,033	9,592	82,642	174,267
Non-Current Liabilities:				
Revenue Bonds	477,870	108,981	0	586,851
Accrued Compensated Absences	0	0	0	0
Total Non-Current Liabilities	477,870	108,981	0	586,851
Total Liabilities	\$ 559,903	\$ 118,573	\$ 82,642	\$ 761,118
<b>NET POSITION</b>				
Invested in Capital Assets, net of related debt	1,606,692	2,934,685	1,008,855	5,550,232
Restricted for:				
Future Expenditures	0	0	320,868	320,868
Designated Projects/Programs	469,834	381,573	562,768	1,414,175
Debt Service	12,746	5,108	0	17,854
Unrestricted	393,829	1,321,383	1,239,377	2,954,589
Total Net Position	\$ 2,483,101	\$ 4,642,749	\$ 3,131,868	\$ 10,257,718

(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, 2022**

	BUSINESS TYPE ACTIVITIES			
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	TOTAL
<b>OPERATING REVENUES</b>				
Charges and Fees	\$ 1,596,884	\$ 891,374	\$ 1,721,885	\$ 4,210,143
<b>COST OF SALES</b>				
Commodity Purchases	823,455	2,239	972,971	1,798,665
Commodity Tax	0	0	47,455	47,455
Total Cost of Sales	823,455	2,239	1,020,426	1,846,120
Gross Profit	\$ 773,429	\$ 889,135	\$ 701,459	\$ 2,364,023
<b>OPERATING EXPENSES</b>				
Salaries	\$ 229,205	\$ 142,144	\$ 314,316	\$ 685,665
Payroll Taxes and Fringes	183,353	61,386	150,508	395,247
Purchased Services	104,073	244,493	133,380	481,946
Supplies	57,044	29,693	79,522	166,259
Administration and Facility	0	0	0	0
Depreciation	109,376	205,946	76,731	392,053
Other Expense	34,750	0	0	34,750
Total Operating Expense	\$ 717,801	\$ 683,662	\$ 754,457	\$ 2,155,920
Operating Income (Loss)	\$ 55,628	\$ 205,473	\$ (52,998)	\$ 208,103
<b>NON-OPERATING REVENUE(EXPENSE)</b>				
Interest Income	1,193	3,036	8,468	12,697
Interest Expense & Loan Cost	(6,944)	(2,883)	0	(9,827)
Loan forgiveness	34,750	23,994	0	58,744
Early Retirement Incentive	0	0	0	0
Other Income	951	90	320,868	321,909
Non-Operating Revenue(Expense)	29,950	24,237	329,336	383,523
<b>NET INCOME (LOSS) before capital contributions</b>	\$ 85,578	\$ 229,710	\$ 276,338	\$ 591,626
Capital Grants	0	0	0	0
	85,578	229,710	276,338	591,626
Net Position, beginning of year	2,397,523	4,413,039	2,855,530	9,666,092
Net Position, end of year	\$ 2,483,101	\$ 4,642,749	\$ 3,131,868	\$ 10,257,718

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, 2022**  
**Increase (Decrease) in Cash and Cash Equivalents**

	BUSINESS TYPE ACTIVITIES			
	WATER UTILITY	SEWER UTILITY	GAS UTILITY	TOTAL
<b>Cash Flows - Operating Activities:</b>				
Cash received from customers	\$ 1,595,059	\$ 891,374	\$ 1,738,511	\$ 4,224,944
Cash payments for goods & services	(1,019,322)	(276,425)	(1,233,328)	(2,529,075)
Cash payments to employees	(412,558)	(203,530)	(464,824)	(1,080,912)
Net cash provided(used) by operating	163,179	411,419	40,359	614,957
<b>Cash Flows - Noncapital Activities:</b>				
Operating grants and Retirement incentive	\$ 34,750	\$ 23,994	\$ 0	\$ 58,744
Transfers to other funds	0	0	0	0
Other Income	951	90	320,868	321,909
Net cash provided(used) - noncapital	35,701	24,084	320,868	380,653
<b>Cash Flows - Capital Activities:</b>				
Acquisition & construction of assets	\$ (27,456)	\$ (12,117)	\$ (27,455)	\$ (67,028)
Debt proceeds	0	0	0	0
Principal paid on bonds	(44,041)	(9,376)	0	(53,417)
Interest paid on bonds	(6,944)	(2,883)	0	(9,827)
Bond escrow returned	0	0	0	0
Net cash provided(used) - capital	(78,441)	(24,376)	(27,455)	(130,272)
<b>Cash Flows - Investment Activities:</b>				
Interest on investments	\$ 1,193	\$ 3,036	\$ 8,468	\$ 12,697
Proceeds(Purchase) of investments	0	0	0	0
Net cash provided(used) - investments	1,193	3,036	8,468	12,697
Net increase(decrease) in cash & equiv	\$ 121,632	\$ 414,163	\$ 342,240	\$ 878,035
Cash & cash equivalents, beginning	792,217	1,293,901	1,863,415	3,949,533
Cash & cash equivalents, ending	\$ 913,849	\$ 1,708,064	\$ 2,205,655	\$ 4,827,568
<b>Reconciliation of Operating Income to Net Cash Provided by Operating:</b>				
Operating Income (Loss)	\$ 55,628	\$ 205,473	\$ (52,998)	\$ 208,103
Adjustments to reconcile oper income to net cash provided (used) by operating:				
Depreciation	109,376	205,946	76,731	392,053
Changes in assets and liabilities:				
(Incr)Decr in accounts receivable	0	0	0	0
(Incr)Decr in prepaid expenses	0	0	0	0
Incr(Decr) in accounts payable	0	0	0	0
Incr(Decr) in accrued payroll and related	0	0	0	0
Incr(Decr) in customer deposits	(1,825)	0	16,626	14,801
Total adjustments	107,551	205,946	93,357	406,854
Net cash provided (used) by operating	\$ 163,179	\$ 411,419	\$ 40,359	\$ 614,957

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, 2022**

	PENSION TRUST FUNDS		
	POLICE PENSION	FIRE PENSION	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents:			
Cash	\$ 1,065,940	\$ 415,879	\$ 1,481,819
Certificates of Deposit	0	0	0
<b>Total Cash and Cash Equivalents</b>	<b>1,065,940</b>	<b>415,879</b>	<b>1,481,819</b>
Receivables:			
Taxes Receivable	0	0	0
Employee Contributions	0	0	0
Accrued Interest	0	0	0
<b>Total Receivables</b>	<b>0</b>	<b>0</b>	<b>0</b>
Investments, at fair value (Note III-B)			
Certificates of Deposit	1,044,895	150,000	1,194,895
IPOPIF/IFPIF Pooled	0	957,686	957,686
Bonds/Deposit Notes	0	0	0
U.S. Treasury Obligations	0	0	0
Government Backed Securities	27,861	0	27,861
Annuity Contracts	0	0	0
Mutual Funds	648,986	65,539	714,525
<b>Total Investments</b>	<b>1,721,742</b>	<b>1,173,225</b>	<b>2,894,967</b>
<b>Total Assets</b>	<b>\$ 2,787,682</b>	<b>\$ 1,589,104</b>	<b>\$ 4,376,786</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Refunds Payable	0	0	0
Payroll Withholding	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Position Held in Trust for Pension Benefits</b>	<b>\$ 2,787,682</b>	<b>\$ 1,589,104</b>	<b>\$ 4,376,786</b>

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, 2022**

	PENSION TRUST FUNDS		
	POLICE PENSION	FIRE PENSION	TOTAL
<b>ADDITIONS</b>			
Contributions:			
Property Taxes	\$ 207,392	\$ 105,048	\$ 312,440
Employee Contributions	42,975	0	42,975
City Contributions	55,180	48,437	103,617
Total Contributions	305,547	153,485	459,032
Investment Income:			
Interest and Dividends	76,875	49,574	126,449
Net Gain (Loss) on Investments	(43,539)	(70,248)	(113,787)
Investment Management Fees	0	0	0
Net Investment Income	33,336	(20,674)	12,662
Total Additions	\$ 338,883	\$ 132,811	\$ 471,694
<b>DEDUCTIONS</b>			
Direct Benefit Payments	262,102	225,242	487,344
Legal Fees	0	0	0
Accounting & Audit Fees	7,705	5,640	13,345
Other	1,005	955	1,960
Refunds & Transfers	22,490	0	22,490
Total Deductions	\$ 293,302	\$ 231,837	\$ 525,139
<b>Change in Net Position</b>	\$ 45,581	\$ (99,026)	\$ (53,445)
Prior Period Adjustment, Change in Accounting Method	0	0	0
<b>Net Position Held in Trust for Pension Benefits</b>			
Beginning of year	2,742,101	1,688,130	4,430,231
End of year	\$ 2,787,682	\$ 1,589,104	\$ 4,376,786

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

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
**April 30, 2022**

**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, 2022**

**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.

**Motor Fuel Tax Fund**

This fund accounts for the use of allocations of motor fuel taxes received from the state.

**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, 2022

**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, 2022

**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, 2022.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2022

**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, 2022

**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, 2022**

**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 20, 2021.

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	\$ 4,059,701	\$ 3,217,683	\$ (842,018)
Motor Fuel Tax Fund	385,000	248,374	(136,626)
DCEO Housing	150,000	0	(150,000)

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, 2022**

**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, 2022 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	Bank
	1	2	3	Value	Balance
Petty Cash	\$ 280	\$ 0	\$ 0	\$ 280	\$ 0
Deposit Accounts	7,603,495	0	0	7,603,495	8,366,743
Certificates of Deposit	3,700,000	0	0	3,700,000	3,700,000
Total	<u>\$ 11,303,775</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,303,775</u>	<u>\$ 12,066,743</u>

**Reconciliation to Government-Wide Statement of Net Position**

Cash and Cash Equivalents	\$ 7,585,921
Certificates of Deposit	3,700,000
Restricted Cash and Cash Equivalents	17,854
Restricted Certificates of Deposit	0
Total	<u>\$ 11,303,775</u>

**Fiduciary Funds**

**Pension Trust Funds**

	Category			Carrying	Bank
	1	2	3	Value	Balance
Petty Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Deposit Accounts	1,481,819	0	0	1,481,819	709,194
Cert of Deposit	0	0	0	0	0
Total	<u>\$ 1,481,819</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,481,819</u>	<u>\$ 709,194</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2022

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

**B. Investments**

The City is allowed to invest as authorized by the Illinois State Statutes. 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, 2022 are shown below. The carrying amount of marketable securities was adjusted to quoted fair value at April 30, 2022. 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	Fair
	1	2	3	Cost	Value
Certificates of Deposit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
U.S. Government Securities	0	0	0	0	0
Govt Backed Securities	0	0	0	0	0
<b>Total</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Investments not subject to categorization

Illinois Funds	\$ 0	\$ 0
Fixed Income Securities	0	0
Equity Securities	0	0
<b>Total</b>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Total Investments</b>	<u>\$ 0</u>	<u>\$ 0</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 entity investments, interest rate risk is not considered to be significant at April 30, 2022.

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2022

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

**B. Investments (concluded)**

Reconciliation to Government-Wide Statement of Net Position

Certificates of Deposit	\$ 0
U.S. Government Securities	0
Govt Backed Securities	0
Illinois Funds	0
Fixed Income Securities	0
Equity Securities	0
	<hr/>
Total	\$ 0

Fiduciary Funds

Pension Trust Funds

	Category			Amortized	Fair
	1	2	3	Cost	Value
Cert of Deposit	\$ 1,194,895	\$ 0	\$ 0	\$ 1,194,895	\$ 1,194,895
U.S. Govt Securities	0	0	0	0	0
Govt Backed Sec	25,241	0	0	25,241	27,861
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 1,220,136	\$ 0	\$ 0	\$ 1,220,136	\$ 1,222,756

Investments not subject to categorization

IPOPIF/IFPIF Pooled	\$ 957,686	\$ 957,686
Fixed Income Securities	0	0
Equity Securities	617,213	714,525
	<hr/>	<hr/>
Total	\$ 1,574,899	\$ 1,672,211
	<hr/>	<hr/>
Total Investments	\$ 2,795,035	\$ 2,894,967

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill their obligation. The Funds are allowed to invest as authorized by the Illinois Pension Code. Illinois Public Act 101-0610 required the transfer of certified transferrable investment assets to the Illinois Firefighters Pension Investment Fund in order to pool assets for investment purposes. IFPIF is the investment custodian of the assets transferred released the Board of their custodial credit risk. Illinois Public Act 101-0610 will require the Police Pension Fund to complete the transfer of certified transferrable investment assets to the Police Officers Pension Investment Fund in the next fiscal year in order to pool assets for investment purposes. IPOPIF will be the investment custodian of the assets transferred and will release the Board of their custodial credit risk.

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2022.

**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, 2022:

**Primary Government**

**Investment Category**

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Fair Value
Certificates of Deposit	\$ 0	\$ 0	\$ 0	\$ 0
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
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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	\$ 1,194,895	\$ 0	\$ 1,194,895
U.S. Government Securities	0	0	0	0
Govt Backed Securities	0	27,861	0	27,861
IPOPIF/IFPIF Pooled	0	957,686	0	957,686
Fixed Income Securities	0	0	0	0
Equity Securities	714,525	0	0	714,525
<b>Total</b>	<b>\$ 714,525</b>	<b>\$ 2,180,442</b>	<b>\$ 0</b>	<b>\$ 2,894,967</b>

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

As of April 30, 2022, interfund receivables and payables that resulted from various transactions were as follows:

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

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**Note V - Changes in Capital Assets**

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

**A. Governmental Funds**

	Balance 4/30/2021	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/2022
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	3,531,048	85,725	0	3,616,773
Construction in Progress	0	0	0	0
<b>Total Cost</b>	<b>9,314,204</b>	<b>85,725</b>	<b>0</b>	<b>9,399,929</b>
<b>Less: Accumulated Depreciation</b>				
Plant & Distribution System	0	0	0	0
Buildings & Improvements	(2,382,196)	(142,219)	0	(2,524,415)
Equipment	(2,757,243)	(175,166)	0	(2,932,409)
<b>Total Accumulated Depreciation</b>	<b>(5,139,439)</b>	<b>(317,385)</b>	<b>0</b>	<b>(5,456,824)</b>
<b>Total Capital Assets net of depreciation</b>	<b>\$ 4,174,765</b>	<b>\$ (231,660)</b>	<b>\$ 0</b>	<b>\$ 3,943,105</b>

Depreciation was charged to the governmental activity functions as follows:

General Government	\$ 123,906
Public Safety	132,862
Transportation and Public Works	19,990
Social Services	6,248
Culture and Recreation	34,379
Community/Economic Development	0
	<b>\$ 317,385</b>

**B. Proprietary Funds**

**1. Water Utility**

	Balance 4/30/2021	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/2022
Land & Right of Way	\$ 0	\$ 0	\$ 0	\$ 0
Plant & Distribution System	3,929,003	0	65,225	3,994,228
Buildings & Improvements	169,159	0	0	169,159
Equipment	367,437	27,456	0	394,893
Construction in Progress	65,225	0	(65,225)	0
<b>Total Cost</b>	<b>4,530,824</b>	<b>27,456</b>	<b>0</b>	<b>4,558,280</b>
<b>Less: Accumulated Depreciation</b>				
Plant & Distribution System	(1,952,295)	(94,565)	0	(2,046,860)
Buildings & Improvements	(71,716)	(4,531)	0	(76,247)
Equipment	(295,738)	(10,280)	0	(306,018)
<b>Total Accumulated Depreciation</b>	<b>(2,319,749)</b>	<b>(109,376)</b>	<b>0</b>	<b>(2,429,125)</b>
<b>Total Capital Assets net of depreciation</b>	<b>\$ 2,211,075</b>	<b>\$ (81,920)</b>	<b>\$ 0</b>	<b>\$ 2,129,155</b>

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

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

**B. Proprietary Funds (concluded)**

**2. Sewer Utility**

	Balance 4/30/2021	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/2022
Land & Right of Way	\$ 0	\$ 0	\$ 0	\$ 0
Plant & Distribution System	6,886,129	0	124,021	7,010,150
Buildings & Improvements	0	0	0	0
Equipment	345,844	0	0	345,844
Construction in Progress	111,904	12,117	(124,021)	0
<b>Total Cost</b>	<b>7,343,877</b>	<b>12,117</b>	<b>0</b>	<b>7,355,994</b>
Less: Accumulated Depreciation				
Plant & Distribution System	(3,837,999)	(185,205)	0	(4,023,204)
Buildings & Improvements	0	0	0	0
Equipment	(258,791)	(20,741)	0	(279,532)
<b>Total Accumulated Depreciation</b>	<b>(4,096,790)</b>	<b>(205,946)</b>	<b>0</b>	<b>(4,302,736)</b>
<b>Total Capital Assets net of depreciation</b>	<b>\$ 3,247,087</b>	<b>\$ (193,829)</b>	<b>\$ 0</b>	<b>\$ 3,053,258</b>

**3. Gas Utility**

	Balance 4/30/2021	Additions/ Adjustments	Deletions/ Adjustments	Balance 4/30/2022
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	521,085	27,456	0	548,541
Construction in Progress	0	0	0	0
<b>Total Cost</b>	<b>3,411,126</b>	<b>27,456</b>	<b>0</b>	<b>3,438,582</b>
Less: Accumulated Depreciation				
Plant & Distribution System	(1,819,707)	(57,982)	0	(1,877,689)
Buildings & Improvements	(103,923)	(6,625)	0	(110,548)
Equipment	(429,365)	(12,125)	0	(441,490)
<b>Total Accumulated Depreciation</b>	<b>(2,352,995)</b>	<b>(76,732)</b>	<b>0</b>	<b>(2,429,727)</b>
<b>Total Capital Assets net of depreciation</b>	<b>\$ 1,058,131</b>	<b>\$ (49,276)</b>	<b>\$ 0</b>	<b>\$ 1,008,855</b>

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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 - 2021 levy year	\$ <u>53,748,920</u>
Legal Debt Limitation - 8.625% of assessed valuation	4,635,844
Outstanding Debt	<u>0</u>
Legal Debt Margin	\$ <u>4,635,844</u>

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

A summary of changes in long-term debt for the year ended April 30, 2022:

	Balance 4/30/2021	Increase (Decrease)	Balance 4/30/2022	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, 2022, including interest, to maturity, are estimated as follows:

None

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2022

**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, 2022:

	Balance 4/30/2021	Issued	(Retired)	Balance 4/30/2022	Current Portion
IEPA Loan - Water	\$ 566,504	\$ 0	\$ (44,041)	\$ 522,463	\$ 44,593
	<u>\$ 566,504</u>	<u>\$ 0</u>	<u>\$ (44,041)</u>	<u>\$ 522,463</u>	<u>\$ 44,593</u>

**2. Bonds and Loans Payable**

Bonds and Loans payable at April 30, 2022 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%.

522,463

Total Long-Term Debt

\$ 522,463

**3. Debt Service Requirements**

The annual requirements to amortize all debt outstanding at April 30, 2022, including interest, to maturity, are estimated as follows:

April 30,	Principal	Interest	Total
2022	\$ 0	\$ 0	\$ 0
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>\$ 522,463</u>	<u>\$ 38,372</u>	<u>\$ 560,835</u>

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2022:

	Balance 4/30/2021	Issued	(Retired)	Balance 4/30/2022	Current Portion
IEPA Loan - Sewer	\$ 127,949	\$ 0	\$ (9,376)	\$ 118,573	\$ 9,592
	<u>\$ 127,949</u>	<u>\$ 0</u>	<u>\$ (9,376)</u>	<u>\$ 118,573</u>	<u>\$ 9,592</u>

**2. Bonds and Loans Payable**

Bonds and Loans payable at April 30, 2022 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%.

118,573

Total Long-Term Debt

\$ 118,573

**3. Debt Service Requirements**

The annual requirements to amortize all debt outstanding at April 30, 2022, including interest, to maturity, are estimated as follows:

April 30,	Principal	Interest	Total
2022	\$ 0	\$ 0	\$ 0
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>\$ 118,573</u>	<u>\$ 16,272</u>	<u>\$ 134,845</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2022

**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, 2022:

	Balance 4/30/2021	Issued	(Retired)	Balance 4/30/2022	Current Portion
None	\$ 0	\$ 0	\$ 0	\$ 0	0
	\$ 0	\$ 0	\$ 0	\$ 0	0

**2. Bonds Payable**

Bonds payable at April 30, 2022 consisted of the following:

None

	0
Total Long-Term Debt	\$ 0

**3. Debt Service Requirements**

The annual requirements to amortize bonded debt outstanding at April 30, 2022, including interest, to maturity, are as follows:

	April 30.	Principal	Interest	Total
None		\$ 0	\$ 0	\$ 0
		0	0	0
Thereafter		0	0	0
Totals		\$ 0	\$ 0	\$ 0

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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 2021 levy was passed by the City Council on November 16, 2021. 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 2020 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		
		2019	2020	2021
Equalized Assessed Valuation		\$ 53,311,211	\$ 53,267,969	\$ 53,748,920
RATE (per \$ 100)				
General	0.29400	0.11762	0.09054	0.12098
Tort	Unlimited	0.09942	0.09941	0.09809
Fire Protection	0.09000	0.03752	0.03752	0.03703
Garbage Collection	0.20000	0.00000	0.00000	0.00000
Park and Recreation	0.07500	0.00000	0.00000	0.00000
Social Security	Unlimited	0.15757	0.15755	0.15546
Police Pension	Unlimited	0.38885	0.38879	0.38363
Fire Pension	Unlimited	0.19696	0.19693	0.19432
Totals		0.99794	0.97074	0.98950
EXTENSIONS				
General		\$ 62,705	\$ 48,228	\$ 65,024
Tort		53,002	52,954	52,722
Fire Protection		20,002	19,986	19,903
Garbage Collection		0	0	0
Park and Recreation		0	0	0
Social Security		84,002	83,924	83,557
Police Pension		207,301	207,100	206,195
Fire Pension		105,002	104,901	104,444
Totals		\$ 532,014	\$ 517,093	\$ 531,845
COLLECTIONS				
General		\$ 62,358	\$ 48,296	NOT YET
Tort		52,709	53,028	COLLECTED
Fire Protection		19,891	20,014	
Garbage Collection		0	0	
Park and Recreation		0	0	
Social Security		83,537	84,042	
Police Pension		206,154	207,392	
Fire Pension		104,421	105,048	
Totals		\$ 529,070	\$ 517,820	
Road and Bridge		\$ 30,014	\$ 30,093	
Percentage collected		99.45%	100.14%	

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

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

A summary of net position by classification as of April 31, 2022, is as follows:

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

**1. Governmental Funds**

	2022	2021
Capital Assets	\$ 9,399,929	\$ 9,314,204
Accumulated Depreciation	(5,456,824)	(5,139,439)
Total Capital Assets	<u>3,943,105</u>	<u>4,174,765</u>
Less: Capital Related Debt		
Current Portion of Capital Related Long-term Debt	0	0
Long-term Portion of Capital Related Long-term Debt	0	0
Unamortized Discount and Premium	0	0
Total Capital Related Debt	<u>0</u>	<u>0</u>
Total Capital Assets, Net of Related Debt - Governmental	<u>\$ 3,943,105</u>	<u>\$ 4,174,765</u>

**2. Proprietary Funds**

Capital Assets	\$ 15,352,856	\$ 15,285,827
Accumulated Depreciation	(9,161,588)	(8,769,534)
Total Capital Assets	<u>6,191,268</u>	<u>6,516,293</u>
Less: Capital Related Debt		
Current Portion of Capital Related Long-term Debt	54,185	51,914
Long-term Portion of Capital Related Long-term Debt	586,851	747,113
Unamortized Discount and Premium	0	0
Total Capital Related Debt	<u>641,036</u>	<u>799,027</u>
Total Capital Assets, Net of Related Debt - Proprietary	<u>\$ 5,550,232</u>	<u>\$ 5,717,266</u>
Total Capital Assets, Net of Related Debt	<u>\$ 9,493,337</u>	<u>\$ 9,892,031</u>

**B. Restricted Net Position**

**1. Governmental Funds**

Restricted Cash and Investments		
Future Expenditures	\$ 863,708	\$ 166,467
Capital Projects	918,454	532,270
Debt Service	0	0
Total Restricted Net Position - Governmental	<u>\$ 1,782,162</u>	<u>\$ 698,737</u>

**2. Proprietary Funds**

Restricted Cash and Investments		
Future Expenditures	\$ 320,868	\$ 0
Capital Projects	1,414,175	1,298,368
Debt Service	17,854	29,917
Total Restricted Net Position - Proprietary	<u>\$ 1,752,897</u>	<u>\$ 1,328,285</u>
Total Restricted Net Position	<u>\$ 3,535,059</u>	<u>\$ 2,027,022</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2022

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

**C. Unrestricted Net Position**

**1. Governmental Funds**

	2022	2021
Total Net Position	\$ 10,419,312	\$ 9,329,701
Less:		
Capital Assets, Net of Related Debt	(3,943,105)	(4,174,765)
Restricted Assets	(1,782,162)	(698,737)
Total Unrestricted Net Position - Governmental	<u>\$ 4,694,045</u>	<u>\$ 4,456,199</u>

**2. Proprietary Funds**

Total Net Position	\$ 10,257,718	\$ 9,666,092
Less:		
Capital Assets, Net of Related Debt	(5,550,232)	(5,717,266)
Restricted Assets	(1,752,897)	(1,328,285)
Total Unrestricted Net Assets - Proprietary	<u>\$ 2,954,589</u>	<u>\$ 2,620,541</u>

Total Unrestricted Net Position	<u>\$ 7,648,634</u>	<u>\$ 7,076,740</u>
---------------------------------	---------------------	---------------------

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

**1. Restricted for Future Use**

Restricted funds maintained in accordance with terms of grant agreements for cost sharing are restricted in use. Restricted fund balance contains the following at April 30, 2022:

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

**2. Restricted for Debt Service**

Restricted funds maintained in accordance with terms of the bond ordinance are restricted in use. Restricted retained earnings contains the following at April 30, 2022:

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

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2022:

	Capital Projects	Capital Building	Capital Equipment	Total
General Fund	\$ 243,936	\$ 17,703	\$ 34,269	\$ 295,908
Police Fund	0	59,484	68,608	128,092
Fire Fund	0	24,853	20,113	44,966
Park & Recreation Fund	0	0	132,609	132,609
Sanitation Fund	0	14,653	48,682	63,335
Cemetery Fund	0	0	25,516	25,516
Street Fund	0	18,559	116,573	135,132
Total Designated for Capital	<u>\$ 243,936</u>	<u>\$ 135,252</u>	<u>\$ 446,370</u>	<u>\$ 825,558</u>

**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, 2022:

	Total
General Fund	\$ 285,365
Police Fund	0
Fire Fund	0
Park & Recreation Fund	0
Sanitation Fund	0
Cemetery Fund	0
Street Fund	0
Total Designated for Early Retirement Incentive	<u>\$ 285,365</u>

**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, 2022:

	Total
General Fund	\$ 51,466
Police Fund	0
Fire Fund	0
Park & Recreation Fund	0
Sanitation Fund	0
Cemetery Fund	0
Street Fund	0
Total Designated for Retiree Health Insurance	<u>\$ 51,466</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2022

**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, 2022:

**Gas Fund**

	Required		Actual
Future Projects	\$ 320,868	\$	320,868
	0		0
	0		0
Total Restricted for Future Use	<u>\$ 320,868</u>	\$	<u>320,868</u>

**2. Restricted for Debt Service**

Restricted funds maintained in accordance with terms of the bond ordinance are restricted in use. Restricted net position contains the following at April 30, 2022:

**Water and Sewer Funds**

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

**Gas Fund**

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

**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, 2022:

	Capital Projects	Capital Building	Capital Equipment	Total
Water Utility Fund	\$ 0	\$ 15,966	\$ 38,069	\$ 54,035
Sewer Utility Fund	0	44,730	88,014	132,744
Gas Utility Fund	0	23,736	33,237	56,973
	<u>\$ 0</u>	<u>\$ 84,432</u>	<u>\$ 159,320</u>	<u>\$ 243,752</u>

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2022

**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, 2022:

	Total
Water Utility Fund	\$ 175,853
Sewer Utility Fund	111,015
Gas Utility Fund	175,853
Total Designated for Early Retirement Incentive	<u>\$ 462,721</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, 2022:

	Total
Water Utility Fund	\$ 239,945
Sewer Utility Fund	137,814
Gas Utility Fund	329,942
Total Designated for Retiree Health Insurance	<u>\$ 707,701</u>

**Note IX - Fund Balance - Governmental Fund Statements**

	Nonspendable	Restricted	Committed	Assigned	Unassigned
General Fund	\$ 0	\$ 247,776	\$ 388,803	\$ 0	\$ 4,694,045
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Police Fund	0	0	128,092	0	0
Grants	0	0	0	0	0
Fire Fund	0	0	44,966	0	0
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Street Fund	0	0	135,132	0	0
Grants	0	0	0	0	0
Tax Levies	0	0	0	0	0
Motor Fuel Tax Fund	0	576,428	0	0	0
Grants	0	0	0	0	0
Sanitation Fund	0	0	63,335	0	0
Grants	0	0	0	0	0
Cemetery Fund	0	0	25,516	0	0
Grants	0	0	0	0	0
Park & Recreation Fund	0	0	132,610	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>\$ 824,204</u>	<u>\$ 918,454</u>	<u>\$ 0</u>	<u>\$ 4,694,045</u>
Total				<u>\$ 6,476,207</u>	

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2022 was as follows:

Primary Government - IMRF	\$ 167,360
Fiduciary Funds	
Firefighters Pension	231,837
Police Pension	293,302
	<u>\$ 692,499</u>

**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](http://www.imrf.org).

**Benefits Provided**

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

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

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

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**Note X - Retirement Plans (continued)**

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

**Employees Covered by Benefit Terms**

At December 31, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	41
Inactive plan members entitled to, but not yet receiving benefits	12
Active plan members	25
Total	78

**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 2021 was 15.07 percent. The employer's annual required contribution rate for calendar year 2022 is 10.87 percent. For the year ended April 30, 2022, the employer contributed \$ 167,360 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, 2021. 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, 2021:

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(1)	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.

(1) There were no changes in the investment rate of return since the December 31, 2020 valuation. There were no other changes to the methods and assumptions used to determine the Total Pension Liability.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2021 Illinois Municipal Retirement Fund annual actuarial valuation report.

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	39.00%	1.90%
International Equity	15.00%	3.15%
Fixed Income	25.00%	-0.60%
Real Estate	10.00%	3.30%
Alternate Investments	10.00%	1.70-5.50%
Cash Equivalents	1.00%	-0.90%
Total	100.00%	

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2021. 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. 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 1.84%, and the resulting single discount rate is 7.25%.

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2020	\$ 10,570,552	\$ 10,658,103	\$ (87,551)
Changes for the year:			
Service Cost	104,777		104,777
Interest on the Total Pension Liability	746,979		746,979
Changes of Benefit Terms	0		0
Difference Between Expected and Actual Experience of Total Pension Liability	421,211		421,211
Changes of Assumptions	0		0
Contributions - Employer		177,818	(177,818)
Contributions - Employee		86,335	(86,335)
Net Investment Income		1,866,787	(1,866,787)
Benefit Payments, including Refunds of Employee Contributions	(639,565)	(639,565)	0
Other (Net Transfer)	0	1,530	(1,530)
Net Changes	633,402	1,492,905	(859,503)
Balances at December 31, 2021	\$ 11,203,954	\$ 12,151,008	\$ (947,054)

**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)	\$ 361,563	\$ (947,054)	\$ (1,993,406)

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

For the year ended December 31, 2021, the employer's pension plan income was \$ 138,807. At December 31, 2021, 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	\$ 299,220	\$ 38,798
Changes of assumptions	0	28,334
Net difference between projected and actual earnings on pension plan investments	234,386	1,787,916
Pension contributions subsequent to the measurement date	0	0
Total Deferred Amounts Related to Pensions	\$ 533,606	\$ 1,855,048

City of Anna, Illinois  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
April 30, 2022

**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
2022	\$ 0	\$ 293,802
2023	0	488,712
2024	0	317,404
2025	0	221,524
2026	0	0
Thereafter	0	0
Total	\$ 0	\$ 1,321,442

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2022, 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	<u>5</u>

**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, 2022, and unrealized gains and losses were recognized as of this date. During the fiscal year ended April 30, 2022, the fund transferred investment assets considered transferrable to the Illinois Firefighters Pension Investment Fund (IFPIF), an investment pool. The IFPIF portfolio is managed as a single consolidated portfolio composed of participant Illinois fire pension funds. Each participant member owns a percentage of the pool, and the member allocation is based on the initial asset transfer, additional contributions and withdrawals submitted to the pool. The pool income and expense activity for each month is allocated to each member based on the weighted average of ownership for the month. Participant members do not own the underlying assets in the IFPIF pool, but own a percentage of the overall Net Asset Value (NAV) of the consolidated pool.

**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 2021 levy for the Firefighters Pension Fund is included in the levy passed by the City Council on November 16, 2021. 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 2021 levy has not been recorded in these financial statements.

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2022, payroll earnings of \$ 0 were reported to and covered by the Fund.

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2021. The most recent actuarial valuation performed as of April 30, 2022, 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
Decrement 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, 2022**

**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 \$ 2,238,384 at April 30, 2021, determined as follows:

Reserves for annuities and benefits in force	
Retirees and beneficiaries currently receiving benefits	\$ 4,043,682
and terminated employees not yet receiving benefits	
Accrued liabilities for active members	0
Total accrued liability	\$ 4,043,682
Actuarial value of assets available for benefits	1,805,298
Unfunded accrued liability	\$ 2,238,384
Funded ratio	44.64%

**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, 2021. The most recent actuarial valuation performed as of April 30, 2022, is not yet available.

The annual pension cost and net pension obligation for the year ended April 30, 2021, were as follows:

Annual required contribution for normal costs	\$ 0
Annual required contribution to amortize unfunded accrued liability	107,308
Interest on net pension obligation	5,097
Adjustment to annual required contribution	0
Annual Pension Cost	112,405
Contributions made	152,881
Increase(Decrease) in net pension obligation	(40,476)
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 2021, 2020, and 2019, respectively available assets were sufficient to fund 44.64, 44.12, and 41.40 percent of the pension benefit obligation. Unfunded pension benefit obligation represents n/a, n/a, and 4502.94 percent of the annual payroll for participating members covered for 2021, 2020, and 2019, respectively.

Actuarial Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
4/30/2021	\$ 112,405	136.01%	\$ 0
4/30/2020	114,859	133.12%	0
4/30/2019	153,437	123.53%	0

City of Anna, Illinois  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
April 30, 2022

**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, 2022 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	7

Total members	<u>16</u>
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**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, 2022, 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 2021 levy for the Firefighters Pension Fund is included in the levy passed by the City Council on November 16, 2021. Property taxes attach as an enforceable lien on the property January 1 and are payable in two installments. The amount estimated due from the 2021 levy has not been recorded in these financial statements.

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2022, payroll earnings of \$ 433,656 were reported to and covered by the Fund.

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**April 30, 2022**

**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, 2021. The most recent actuarial valuation performed as of April 30, 2022, 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
Decrement 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, 2022**

**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 \$ 3,149,886 at April 30, 2021, determined as follows:

Reserves for annuities and benefits in force	
Retirees and beneficiaries currently receiving benefits	\$ 4,525,232
and terminated employees not yet receiving benefits	
Accrued liabilities for active members	1,657,939
Total accrued liability	\$ 6,183,171
Actuarial value of assets available for benefits	3,033,285
Unfunded accrued liability	\$ 3,149,886
Funded ratio	49.06%

**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, 2021. The most recent actuarial valuation performed as of April 30, 2022, is not yet available.

The annual pension cost and net pension obligation for the year ended April 30, 2021, were as follows:

Annual required contribution for normal costs	\$ 109,990
Annual required contribution to amortize unfunded accrued liability	160,579
Interest on net pension obligation	15,558
Adjustment to annual required contribution	0
Annual Pension Cost	286,127
Contributions made	261,375
Increase(Decrease) in net pension obligation	24,752
Net pension obligation, beginning of year	124,923
Net pension obligation, end of year	\$ 187,120

**Trend Information**

Trend information gives an indication of the progress made accumulating sufficient assets to pay benefits due. For three years ended 2021, 2020, and 2019, respectively available assets were sufficient to fund 49.06, 45.15, and 46.70 percent of the pension benefit obligation. Unfunded pension benefit obligation represents 745.75, 937.35, and 827.32 percent of the annual payroll for participating members covered for 2021, 2020, and 2019, respectively.

Actuarial Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
4/30/2021	\$ 286,127	91.35%	\$ 187,120
4/30/2020	286,504	91.25%	124,923
4/30/2019	262,480	91.96%	62,399

**City of Anna, Illinois**  
**NOTES TO FINANCIAL STATEMENTS - CONCLUDED**  
**April 30, 2022**

**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 and those qualifying for coverage under the Illinois Municipal Retirement Fund, Firefighters Pension Fund, and Police Pension Fund are covered under the Social Security Act. The City paid \$ 114,634 in required contributions for the current fiscal year.

**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, 2022, 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, 2022, the net audit adjustment, based on actual experience was \$ (8,984)

**Note XII - Commitments and Contingencies**

**A. Litigation**

The City's management assert that there are no material outstanding claims or litigation, and they did not consult with the attorney concerning any material outstanding claims, litigations, or assessments 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.

**C. Water Utility Improvement Project**

The City will complete a project to install a water main, new master meter, replacement of meters, valves and all required appurtenances at an approximate cost of \$ 475,614. A loan from the IEPA Public Water Supply Loan Program has been secured to provide funding for the project. The City will be eligible for loan forgiveness of 50% of the loan upon completion. The project will be bid and completed in the next fiscal year.

**D. Gas Utility Improvement Project**

The City will complete a project to install a high pressure main connection to Choate Developmental Center at an estimated cost of \$ 320,688. The State of Illinois has agreed to cover the cost of the project up to the amount of the estimated costs of \$ 320,688, and the City has received that amount in advance funding for the project. Any cost in excess of the original estimate will provided by City reserves. The project is expected to be bid and completed in the next fiscal year.

**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, 2022**

**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 20, 2021.

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, 2022**

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>REVENUES</b>				
Property Taxes	\$ 536,700	\$ 536,700	\$ 235,473	\$ (301,227)
State Replacement Taxes	23,000	23,000	79,056	56,056
State Sales and Use Taxes	1,880,001	1,880,001	1,841,344	(38,657)
State Income Taxes	490,000	490,000	630,873	140,873
State Motor Fuel Taxes	0	0	0	0
Other Taxes	123,000	123,000	529,392	406,392
Grants	0	0	463,069	463,069
Licenses and Permits	66,250	66,250	96,524	30,274
Fines	40,000	40,000	43,084	3,084
Service Fees	442,550	442,550	464,723	22,173
Investment Income	35,169	35,169	49,131	13,962
Other Revenues	10,700	10,700	79,664	68,964
<b>Total Revenues</b>	<b>\$ 3,647,370</b>	<b>\$ 3,647,370</b>	<b>\$ 4,512,333</b>	<b>\$ 864,963</b>
	3,320,556			
<b>EXPENDITURES</b>				
General Government				
Salaries	\$ 230,822	\$ 230,822	\$ 215,897	\$ (14,925)
Payroll Taxes & Fringes	92,527	92,527	145,162	52,635
Purchased Services	487,250	487,250	187,908	(299,342)
Supplies	12,073	12,073	15,918	3,845
Other	10,500	10,500	9,226	(1,274)
Capital Outlay	89,000	89,000	0	(89,000)
Debt Service	0	0	0	0
<b>Total General Government</b>	<b>\$ 922,172</b>	<b>\$ 922,172</b>	<b>\$ 574,111</b>	<b>\$ (348,061)</b>
Police Protection				
Salaries	\$ 537,373	\$ 537,373	\$ 494,561	\$ (42,812)
Payroll Taxes & Fringes	435,427	435,427	207,152	(228,275)
Purchased Services	81,970	81,970	111,348	29,378
Supplies	33,650	33,650	35,889	2,239
Other	250	250	0	(250)
Capital Outlay	77,930	77,930	47,884	(30,046)
Debt Service	0	0	0	0
<b>Total Police Protection</b>	<b>\$ 1,166,600</b>	<b>\$ 1,166,600</b>	<b>\$ 896,834</b>	<b>\$ (269,766)</b>
Fire Protection				
Salaries	\$ 57,300	\$ 57,300	\$ 38,483	\$ (18,817)
Payroll Taxes & Fringes	243,647	243,647	52,767	(190,880)
Purchased Services	58,930	58,930	61,192	2,262
Supplies	8,650	8,650	13,639	4,989
Other	250	250	0	(250)
Capital Outlay	76,000	76,000	18,096	(57,904)
Debt Service	0	0	0	0
<b>Total Fire Protection</b>	<b>\$ 444,777</b>	<b>\$ 444,777</b>	<b>\$ 184,177</b>	<b>\$ (260,600)</b>

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, 2022**

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Streets and Transportation</b>				
Salaries	\$ 315,610	\$ 315,610	\$ 282,638	\$ (32,972)
Payroll Taxes & Fringes	187,171	187,171	162,482	(24,689)
Purchased Services	52,010	52,010	278,165	226,155
Supplies	49,175	49,175	51,822	2,647
Other	0	0	0	0
Capital Outlay	20,000	20,000	2,500	(17,500)
Debt Service	0	0	0	0
<b>Total Streets and Transportation</b>	<b>\$ 623,966</b>	<b>\$ 623,966</b>	<b>\$ 777,607</b>	<b>\$ 153,641</b>
<b>Sanitation</b>				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Taxes & Fringes	0	0	0	0
Purchased Services	437,950	437,950	388,118	(49,832)
Supplies	2,500	2,500	39	(2,461)
Other	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
<b>Total Sanitation</b>	<b>\$ 440,450</b>	<b>\$ 440,450</b>	<b>\$ 388,157</b>	<b>\$ (52,293)</b>
<b>Cemetery Fund</b>				
Salaries	\$ 96,952	\$ 96,952	\$ 88,353	\$ (8,599)
Payroll Taxes & Fringes	38,782	38,782	40,019	1,237
Purchased Services	10,450	10,450	13,813	3,363
Supplies	6,800	6,800	4,303	(2,497)
Other	0	0	0	0
Capital Outlay	10,000	10,000	0	(10,000)
Debt Service	0	0	0	0
<b>Total Cemetery</b>	<b>\$ 162,984</b>	<b>\$ 162,984</b>	<b>\$ 146,488</b>	<b>\$ (16,496)</b>
<b>Park and Pool</b>				
Salaries	\$ 108,165	\$ 108,165	\$ 93,807	\$ (14,358)
Payroll Taxes & Fringes	24,012	24,012	21,233	(2,779)
Purchased Services	67,400	67,400	95,634	28,234
Supplies	32,475	32,475	22,390	(10,085)
Other	2,700	2,700	0	(2,700)
Capital Outlay	64,000	64,000	17,245	(46,755)
Debt Service	0	0	0	0
<b>Total Park and Pool</b>	<b>\$ 298,752</b>	<b>\$ 298,752</b>	<b>\$ 250,309</b>	<b>\$ (48,443)</b>

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, 2022**

	Original Budget	Final Budget	Actual	Over (Under) Budget
Community Development				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Taxes & Fringes	0	0	0	0
Purchased Services	0	0	0	0
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures	<u>4,059,701</u>	<u>4,059,701</u>	<u>3,217,683</u>	<u>(842,018)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (412,331)</u>	<u>\$ (412,331)</u>	<u>\$ 1,294,650</u>	<u>\$ 1,706,981</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	0	0
Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (412,331)</u>	<u>\$ (412,331)</u>	<u>\$ 1,294,650</u>	<u>\$ 1,706,981</u>
Fund Balance, beginning of year	<u>4,605,129</u>	<u>4,605,129</u>	<u>4,605,129</u>	
<b>Fund Balance, end of year</b>	<u><u>\$ 4,192,798</u></u>	<u><u>\$ 4,192,798</u></u>	<u><u>\$ 5,899,779</u></u>	<u><u>\$ 1,706,981</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, 2022**

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
State Replacement Taxes	0	0	0	0
State Sales and Use Taxes	0	0	0	0
State Income Taxes	0	0	0	0
State Motor Fuel Taxes	242,000	242,000	176,807	(65,193)
Other Taxes	0	0	0	0
Grants	0	0	97,582	97,582
Licenses and Permits	0	0	0	0
Fines	0	0	0	0
Service Fees	0	0	0	0
Investment Income	200	200	606	406
Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>\$ 242,200</b>	<b>\$ 242,200</b>	<b>\$ 274,995</b>	<b>\$ 32,795</b>
<b>EXPENDITURES</b>				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Payroll Taxes & Fringes	0	0	0	0
Purchased Services	385,000	385,000	248,374	(136,626)
Supplies	0	0	0	0
Other	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 385,000</b>	<b>\$ 385,000</b>	<b>\$ 248,374</b>	<b>\$ (136,626)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (142,800)</b>	<b>\$ (142,800)</b>	<b>\$ 26,621</b>	<b>\$ (103,831)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	0	0
Debt Proceeds	0	0	0	0
<b>Net Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (142,800)</b>	<b>\$ (142,800)</b>	<b>\$ 26,621</b>	<b>\$ 169,421</b>
<b>Fund Balance, beginning of year</b>	<b>549,807</b>	<b>549,807</b>	<b>549,807</b>	
<b>Fund Balance, end of year</b>	<b>\$ 407,007</b>	<b>\$ 407,007</b>	<b>\$ 576,428</b>	<b>\$ 169,421</b>

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, 2022**

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>REVENUES</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
State Replacement Taxes	0	0	0	0
State Sales and Use Taxes	0	0	0	0
State Income Taxes	0	0	0	0
State Motor Fuel Taxes	0	0	0	0
Other Taxes	0	0	0	0
Grants	0	0	0	0
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
<b>Total Revenues</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>EXPENDITURES</b>				
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
<b>Total Expenditures</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 0</b>	<b>\$ (150,000)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (150,000)</b>	<b>\$ (150,000)</b>	<b>\$ 0</b>	<b>\$ (150,000)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers	0	0	0	0
Debt Proceeds	0	0	0	0
<b>Net Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (150,000)</b>	<b>\$ (150,000)</b>	<b>\$ 0</b>	<b>\$ 150,000</b>
<b>Fund Balance, beginning of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Fund Balance, end of year</b>	<b>\$ (150,000)</b>	<b>\$ (150,000)</b>	<b>\$ 0</b>	<b>\$ 150,000</b>

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)
4/30/2021 \$	1,805,298 \$	4,043,682 \$	2,238,384	44.64% \$	0	n/a
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%

**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)
4/30/2021 \$	3,033,285 \$	6,183,171 \$	3,149,886	49.06% \$	422,381	745.75%
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%

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

Calendar Year Ended December 31,	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service Costs	\$ 104,777	\$ 108,847	\$ 99,876	\$ 119,047	\$ 119,663	\$ 120,685	\$ 122,442
Interest on the Total Pension Liability	746,979	742,880	738,275	628,697	632,970	591,591	563,225
Changes of Benefit Terms	0	0	0	0	0	0	0
Differences Between Expected and Actual							
Experience of the Total Pension Liability	421,211	(84,911)	(152,455)	1,366,516	(90,755)	246,961	74,151
Changes of Assumptions	0	(72,282)	0	285,568	(225,887)	(21,320)	9,883
Benefit Payments, including refunds of							
Employee Contributions	(639,565)	(632,349)	(621,002)	(558,523)	(426,783)	(386,759)	(372,335)
<b>Net Change in Total Pension Liability</b>	<b>633,402</b>	<b>62,185</b>	<b>64,694</b>	<b>1,841,305</b>	<b>9,208</b>	<b>551,158</b>	<b>397,366</b>
<b>Total Pension Liability - Beginning</b>	<b>10,570,552</b>	<b>10,508,367</b>	<b>10,443,673</b>	<b>8,602,368</b>	<b>8,593,160</b>	<b>8,042,002</b>	<b>7,644,636</b>
<b>Total Pension Liability - Ending (A)</b>	<b>\$ 11,203,954</b>	<b>\$ 10,570,552</b>	<b>\$ 10,508,367</b>	<b>\$ 10,443,673</b>	<b>\$ 8,602,368</b>	<b>\$ 8,593,160</b>	<b>\$ 8,042,002</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 177,818	\$ 193,611	\$ 95,966	\$ 461,592	\$ 346,406	\$ 306,753	\$ 296,374
Contributions - Employees	86,335	49,418	44,520	129,465	74,479	91,892	53,094
Net Investment Income	1,866,787	1,438,530	1,718,495	(514,536)	1,350,052	487,133	34,682
Benefit Payments, including refunds of							
Employee Contributions	(639,565)	(632,349)	(621,002)	(558,523)	(426,783)	(386,759)	(372,335)
Other (Net Transfers)	1,530	(11,546)	(193,575)	618,207	(479,403)	30,817	85,592
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,492,905</b>	<b>1,037,664</b>	<b>1,044,404</b>	<b>136,205</b>	<b>864,751</b>	<b>529,836</b>	<b>97,407</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>10,658,103</b>	<b>9,620,439</b>	<b>8,576,035</b>	<b>8,439,830</b>	<b>7,575,079</b>	<b>7,045,243</b>	<b>6,947,836</b>
<b>Plan Fiduciary Net Position - Ending (B)</b>	<b>\$ 12,151,008</b>	<b>\$ 10,658,103</b>	<b>\$ 9,620,439</b>	<b>\$ 8,576,035</b>	<b>\$ 8,439,830</b>	<b>\$ 7,575,079</b>	<b>\$ 7,045,243</b>
<b>Net Pension (Asset)/Liability - Ending (A)-(B)</b>	<b>\$ (947,054)</b>	<b>\$ (87,551)</b>	<b>\$ 887,928</b>	<b>\$ 1,867,638</b>	<b>\$ 162,538</b>	<b>\$ 1,018,081</b>	<b>\$ 996,759</b>
<b>Plan Fiduciary Net Position as a percentage of</b>							
<b>the Total Pension Liability</b>	<b>108.45%</b>	<b>100.83%</b>	<b>91.55%</b>	<b>82.12%</b>	<b>98.11%</b>	<b>88.15%</b>	<b>87.61%</b>
<b>Covered Valuation Payroll (1)</b>	<b>\$ 1,179,946</b>	<b>\$ 1,098,194</b>	<b>\$ 989,344</b>	<b>\$ 1,144,274</b>	<b>\$ 1,227,754</b>	<b>\$ 1,145,017</b>	<b>\$ 1,179,895</b>
<b>Net Pension Liability as a percentage of</b>							
<b>Covered Valuation Payroll</b>	<b>-80.26%</b>	<b>-7.97%</b>	<b>89.75%</b>	<b>163.22%</b>	<b>13.24%</b>	<b>88.91%</b>	<b>84.48%</b>

**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.

(1) Does not necessarily represent Covered Employee Payroll as defined in GASB Statement No. 68.

**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 Seven 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%
2021	177,818 *	177,818	0	1,179,946	15.07%

\* Estimated based on contribution rate of 15.07% and valuation covered payroll of \$ 1,179,946.

**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 2021 CONTRIBUTION RATE\***  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**April 30, 2022**

**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 2021 Contribution Rates:**

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	22 year closed period

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI

Asset Valuation Method:	5-Year smoothed market; 20% corridor
Wage growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% 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 2017 valuation pursuant to an experience study of the period 2014 - 2016.

**Mortality:**

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.

**Other Information:**

Notes

There were no benefit changes during the year.

*\* Based on Valuation Assumptions used in the December 31, 2019 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, 2022**

**Finding 2022-001 (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 2022-002 (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 unfilled source documents are being filed in an orderly manner.

**City of Anna, Illinois**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**April 30, 2022**

**Finding 2022-003 (repeat)**

**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, 2022**

**Prior Audit Findings**

**Finding 2021-001 - Repeat 2022-001**

**Finding 2021-002 - Resolved**

**Finding 2021-003 - Repeat 2022-002**

**Finding 2021-004 - Repeat 2022-003**

City of Anna, Illinois  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS  
April 30, 2022

**Finding 2022-001**

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 2023-002**

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 2022-003**

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:

05/15/2024

Contact person:

Dori Bigler, City Administrator

Management Response

Management agrees with these findings.