

**CITY OF JOLIET, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**PREPARED BY THE FINANCE DEPARTMENT**

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## **INTRODUCTORY SECTION**

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**FINANCE DEPARTMENT**

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**150 WEST JEFFERSON STREET  
JOLIET, ILLINOIS 60432-4158**

June 27, 2017

To the Honorable Mayor, Members of the City Council  
And the Citizens of the City of Joliet:

**Letter of Transmittal**

The Comprehensive Annual Financial Report (CAFR) of the City of Joliet, Illinois for the year ending December 31, 2016 is hereby submitted. This report provides a broad view of the City's financial activities and its financial position as of December 31<sup>st</sup>, 2016. Illinois statutes and local ordinances require all general purpose local governments to publish annually, a complete set of financial statements presented in conformance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants.

Responsibility, for both the accuracy of the data and the completeness and fairness of the presentation, which includes all disclosures based upon a comprehensive framework of internal control, rests with the management of the City. Because the cost of internal controls should not exceed the anticipated benefits, the objective of this report is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Joliet. All disclosures necessary to enable the reader to gain an understanding of the City of Joliet's activities have been included.

Wermer, Rogers, Doran & Ruzon LLC, a firm of licensed certified public accountants, has audited the City of Joliet's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements presented for the year end are free of material misstatement. The independent audit involved the examination, on a test basis, evidence to support the amounts and disclosures in the financial statements; assessment of the accounting principles used and the significant estimates made by management; and evaluation of the overall presentation. Based on their work, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the financial statements presented in the financial section of this report were presented in conformity with GAAP.

As a recipient of various federal grant funds, the City of Joliet is required to undergo an annual audit in conformity with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance" – the succession of OMB Circular A-133). The audit contains information as to whether activities related to grant funds are presented fairly in the basic financial statements; internal controls are sufficient to provide reasonable assurance that the funds are managed properly; and compliance with grant requirements. The single audit report is issued as a separate report.



GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City of Joliet's MD&A can be found immediately following the report of the independent auditors.

### **Profile of Government**

The government, incorporated in 1852, is a home rule unit of government, located in the northeastern part of the Illinois, which has long been considered to be the top growth area in the state. The City currently has a land area of 63 square miles and a population of 149,386, as of the 2010 U.S. Census and a Special Census of specific blocks taken in 2016. The government is empowered to levy a property tax on real estate property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City has operated under the Council-Manager form of government since 1955. Policymaking and legislative authority are vested in the City Council, which consists of a mayor and an eight-member council. The City Council sets policy for the City, adopts ordinances and resolutions, adopts the annual budget and approves all expenditures. Council members are elected to a four-year staggered term with three at-large council members and five district council members elected every four years. The Mayor is elected to a four-year term. The Mayor and Council members are elected on a non-partisan basis. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City and appointing the directors of the City's departments.

The City provides a full range of services including police and fire protection; refuse disposal, recycling and yard-waste collection; parking management; construction and maintenance of highways, streets and infrastructure, as well as water and wastewater treatment facilities. The City owns Silver Cross Field, home to the Joliet Slammers baseball organization and operates Bicentennial Park; both are located in downtown Joliet. The accompanying report includes all funds and subsidiary accounts of the primary government, the City of Joliet as legally defined, as well as its component units. The Joliet Public Library, the Will County Metropolitan Exposition and Auditorium Authority (commonly known as the Rialto Square Theatre), and the Joliet Area Historical Museum are reported as discretely presented component units. Component units are legally separate entities, for which the City is financially accountable.

Additional demographic information can be found in the statistical section of this report.

### **Accounting System and Budgeting**

The accounts of the City are organized on the basis of funds, with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows, fund equity, revenues, and expenditures/expenses. Resources are allotted to, and accounted for within individual funds based upon the purposes for which the funds are to be spent and the means by which the spending activities are controlled.

The City's accounting records for governmental funds are maintained on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when measurable and available to liquidate obligations of the current period. Expenditures are recorded when a liability is incurred that is expected to draw upon current financial resources. At year-end the City makes certain adjustments to the accounting records to permit preparation of certain financial statements on the accrual basis to comply with GAAP.

The annual budget serves as the formal foundation for the City's financial planning and control. The City Manager, officially designated as the "Budget Officer," presents a recommended budget to the City Council, a series of public hearings are held, and final adoption of the budget occurs before December 31<sup>st</sup> in accordance with state statute. The City continues to work towards developing a long range strategic/financial plan in cooperation with the annual budget process. A budget to actual comparison is provided within the required supplementary information subsection at the end of the financial section of this report.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment which the City operates.

**Local Economy:** The City of Joliet is the fourth largest city in Illinois; and like most other communities, the City experienced the effects of the national economic recession of the last several years. However, despite the current economic state, the City has continued to move forward and diversify its economic development portfolio.

Since 2008, the City has been transitioning from residential growth to transportation and business growth. A large part of this transition is due to CenterPoint Properties, Inc., who in 2008 began to build out 3,600 acres of annexed property on the southeast portion of the City limits. CenterPoint's development of an intermodal railroad/industrial park valued at time of build at over \$2 billion has put Joliet on the international map, which will soon be the largest inland port in the nation. Necessary roadway improvements in and around the property have spurred considerable construction activity over the last couple years.

The award of a \$30 million grant in 2010 from the State of Illinois for the construction of a new multimodal transportation center in downtown will make Joliet the first stop on the new high-speed rail line from Chicago to St. Louis. The total project is estimated at nearly \$65 million and includes reworking the track area around the current Union Station to provide a more safe and efficient method of interaction between commuter and freight lines. In 2012, first phase parking facilities were completed for approximately \$2 million. In 2013, work began on the \$7 million Rock Island Platform and is approximately 60% complete.

In addition to these new transportation related projects, the City pulls its economic strength from the diversity of its industry and its location in the southwest region of Chicagoland. The City's varied economic base includes two riverboat casinos, as well as healthcare, retail, higher education, and manufacturing institutions. During 2016, the City reported several additions in the commercial sector, including; Cadence warehouse, IKEA warehouse and Holiday Inn and Suites. The City is also home to the Chicagoland Speedway, whose events bring in additional hotel/motel tax receipts annually.

**Future Outlook:** While the City has made significant strides over the last few years to stabilize its finances there are still areas that will need to be addressed to ensure future stability. Most significantly are the costs related to the City's employees including payroll expenses, pension costs, and other post-employment benefits (OPEB). These coupled with the increasing costs to replace postponed capital equipment, as well as, costs needed to repair and replace roadway, water and wastewater infrastructure will require the City to manage closely its resources over the next several years.

The City continues to work towards beginning the development of a long-term strategic plan. New opportunities for business growth are continually being sought and a renewed focus has been placed on developing long term strategies for growing as a community. The City provides leadership and encourages the private sector in the development of the downtown footprint as well as new opportunities throughout the City.

**Long-Term Financial Planning:** Since Joliet is a home rule unit of government, there is no legal limitation on its debt. However, the City has maintained a very small portfolio of debt which has been very beneficial in its overall financial stability. At year-end, the City has three outstanding general obligation bond series, with outstanding principal of \$7.94 million. The total principal outstanding on the Water & Sewer Revenue bonds is \$22.16 million. In 2014, the City secured additional low interest loans from the Illinois Environmental Protection Agency (IEPA) totaling approximately \$44.7 million, for improvements to the City's water and sewer infrastructure. The final loan amount and repayment schedules were not available at the time of this report. The outstanding principal of IEPA loans was \$11.85 million at year-end.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Joliet for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2015. This was the seventeenth consecutive year the City received this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Department who assisted and contributed to the preparation of this report.

Respectfully submitted,



James Ghedotte  
Director of Finance

**CITY OF JOLIET  
MAYOR AND CITY COUNCIL MEMBERS**

MAYOR  
Bob O'Dekirk

COUNCILMAN, DISTRICT #1  
Larry Hug

COUNCILMAN, DISTRICT #2  
Pat Mudron

COUNCILMAN, DISTRICT #3  
John Gerl

COUNCILWOMAN, DISTRICT #4  
Bettye Gavin

COUNCILMAN, DISTRICT #5  
Terry Morris

COUNCILWOMAN AT LARGE (Through April 30, 2017)  
Brooke Hernandez Brewer

COUNCILWOMAN AT LARGE  
Jan Hallums-Quillman

COUNCILMAN AT LARGE  
Michael F. Turk

COUNCILMAN AT LARGE (As of May 1, 2017)  
Don "Duck" Dickinson

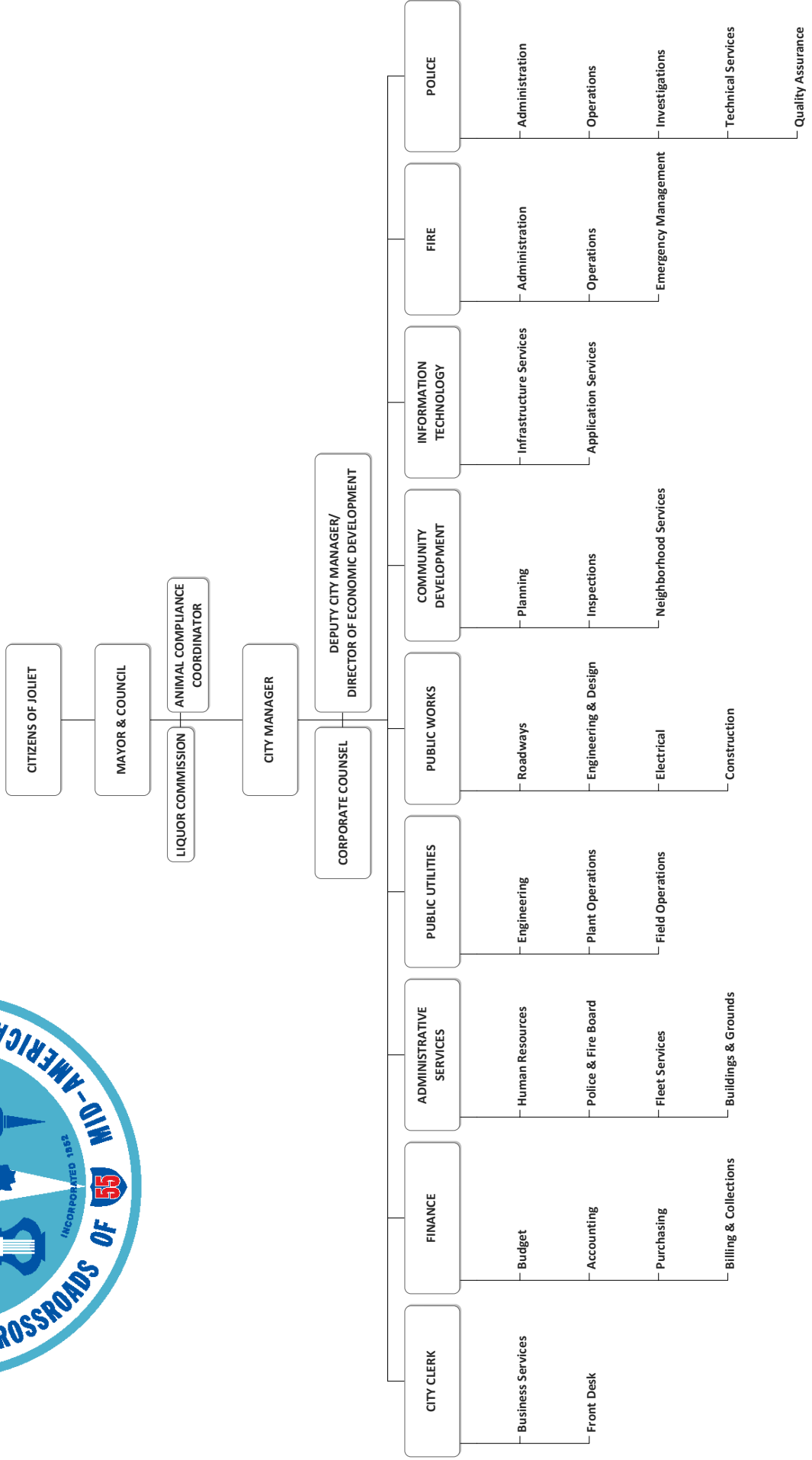
CITY MANAGER (Through May 4, 2017)  
James D. Hock

INTERIM CITY MANAGER (As of May 5, 2017)  
Martin J. Shanahan, Jr.

FINANCE DIRECTOR  
James Ghedotte



# CITY OF JOLIET





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Joliet  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO

## **FINANCIAL SECTION**



## Independent Auditor's Report

To the Honorable Mayor and Members  
of the City Council  
City of Joliet, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Joliet, Illinois, (City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Joliet Public Library, as of December 31, 2016, which represent 71%, 71%, and 50%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; additionally, we did not audit the financial statements of the Joliet Area Historical Museum, as of June 30, 2016, which represent 4%, 2%, and 11%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Joliet Public Library, Will County Metropolitan Exposition and Auditorium Authority, Firefighters' Pension Fund of the City of Joliet, and Police Pension Fund of the City of Joliet were not audited in accordance with *Governmental Auditing Standards*.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in the net pension liability (asset) and related ratios, schedules of employer contributions, schedules investment returns, schedule of funding progress, budgetary comparison information and notes to required supplementary information on pages 4 through 15, 80 through 83, 84 through 87, 88, 89, 90 through 93, and 94, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Werner, Rogers, Doran & Ruyon, LLC*

June 27, 2017

**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2016

As management of the City of Joliet (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2016. Please read it in conjunction with the transmittal letter beginning on page v and the City's financial statements, which begin on page 16.

**Financial Highlights**

- The assets of the City exceeded the liabilities at year-end by \$226.8 million (net position). Of this amount, unrestricted net position (those that may be used to meet the City's on-going obligations to citizens and creditors) totaled (\$439.8) million, restricted net position accounted for \$22.6 million and the net investment in capital assets totaled \$644.0 million. Total net position for Governmental activities was (\$27.0) million and Business-type activities totaled \$253.8 million.
- The total primary government-wide expenses for the year ended December 31, 2016 were \$255.6 million and total primary government-wide taxes and other revenues for City functions were \$233.6 million, resulting in a decrease of in net position of \$22.0 million.
- Revenues of the governmental activities increased \$6.4 million or 3.6% from the prior year, while expenses increased \$17.0 million or 8.7%.
- Business-type activities generated \$48.7 million in revenues, up \$2.9 million or 6.3% from the prior year and expenses totaled \$43.0 million, a \$2.4 million increase or 5.9%.
- The combined fund balances for the City's governmental funds at year-end totaled \$72.4 million, a decrease of \$1.8 million or 2.4% in comparison to the prior year.
- Total General Fund revenues for the year were \$168.1 million, while total expenditures before transfers were \$164.9 million.
- At year-end, the unassigned fund balance in the General Fund was \$44.0 million, or 26.7% of the total General Fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Joliet's basic financial statements. They are primarily comprised of the following five components:

- Government-wide Financial Statements (pages 16-19)
- Fund Financial Statements (pages 20-30)
- Component Unit Financial Statements (pages 31-34)
- Notes to the Financial Statements, and
- Required Supplementary Information

The City's financial statements are presented to offer two perspectives of its financial position and results of operations. The first perspective being the financial position of the government as a whole (Government-wide Financials) and the second financial information for the individual entities established by the City for specific purposes (Fund Financials). Both perspectives are meant to address likely user questions, provide a broad basis for comparison (year to year or government to government), and enhance the City's accountability to both its citizens and other interested parties.

**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2016

***Government-wide Financial Statements***

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

The *Statement of Net Position* presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between all components reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The primary governmental activities for the City include: general government, public safety (police and fire), public works, refuse disposal, culture and recreation, community development, and interest on long-term debt. Business-type activities of the City include water/sewer and parking.

The government-wide financial statements report a third type of activity known as component units. The City's component units include: the Joliet Public Library, the Will County Metropolitan Exposition and Auditorium Authority, and the Joliet Area Historical Museum. Although legally separate, these "component units" are important because the City is financially accountable for them.

Other non-financial factors such as changes in the City's property tax base and the condition of the City's roads and infrastructure should be considered in addition to these financial statements to determine the overall health of the City.

The government-wide financial statements may be found on pages 16–19 of this report.

***Fund Financial Statements***

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide supplementary detailed information about the City's most significant funds, but not the City as a whole. The City has three types of funds: governmental, proprietary, and fiduciary.

*Governmental Funds* are used to account for most of the City's basic services, primarily those reported as "governmental activities" in the government-wide financial statements. Governmental Fund financial statements focus on near-term inflows and outflows of spendable resources, as well as year-end balances of spendable resources. This information is useful in evaluating a government's near-term financing requirements.

**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2016

Since the focus of the governmental funds financial statements is narrower than the government-wide statements, it is useful to compare the information presented in the governmental funds statements with similar information presented in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. For this purpose, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances present a reconciliation between the governmental funds and governmental activities (see pages 21 and 23).

The City of Joliet maintains fourteen individual governmental funds. The City considers the General Fund Evergreen Terrace II Fund, and the Motor Fuel Tax Fund as "major" funds, and therefore information on these funds is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances. The other governmental funds (Block Grant Fund, Grants and Special Revenue Fund, Special Revenue Revolving Fund, Foreign Fire Tax Fund, Special Service Area Fund, Business District Tax Allocation Fund, Tax Increment Financing Fund # 2, Tax Increment Financing Fund #3, General Debt Service Fund, Capital Improvement Fund, and Performance Bonds Fund) are combined into a single, aggregated presentation termed nonmajor funds. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements in the Other Supplementary Information Section of the report (see pages 104–118).

Basic governmental funds financial statements can be found on pages 20–23 of this report.

*Proprietary Funds* can either be enterprise funds or internal service funds. The City maintains two enterprise funds; which are used to report the same functions presented as the business-type activities in the government-wide financial statements. The two enterprise funds are the Water & Sewer Fund and the Parking Fund. The proprietary funds financial statements are generally reported in the same way that all activities are reported in the government-wide financials.

The basic proprietary funds financial statements can be found on pages 24–28 of this report.

*Fiduciary Funds* account for resources held for the benefit of parties outside the primary government. As such, these funds are not reflected in the government-wide statements because the resources of those funds are not available to support the City of Joliet's own programs. The accounting for fiduciary funds is similar to that of the proprietary funds. The City has three fiduciary funds, the Police Pension Fund, the Firefighters' Pension Fund, and an Agency Fund. The City is the trustee for the two pension funds and is responsible to ensure the assets reported in them are used only for the purposes intended.

The basic fiduciary funds financial statements can be found on pages 29–30 of this report.

***Notes to Basic Financial Statements***

The notes provide additional information that is essential for the reader to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes begin on page 35 of this report.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's employee pension and postemployment benefit obligations, budgetary comparison schedules for the City's funds, and the combining statements for the nonmajor governmental funds mentioned previously. This information begins on page 80 of this report.

**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2016

**Government-wide Financial Analysis**

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" Therefore, beyond presenting the current year financial information the City also presents comparative information from the prior year in this discussion and analysis of the current year. By doing so, the City believes that it is providing the best means for the reader to analyze the financial condition and position of the City as of the year ended December 31, 2016.

**Net Position**

The following table reflects the Condensed Statement of Net Position.

**Table 1**  
**Condensed Statement of Net Position**  
(In Millions - Rounded)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and Other	\$ 128.3	\$ 127.6	\$ 29.4	\$ 41.8	\$ 157.7	\$ 169.4
Capital Assets	<u>391.7</u>	<u>388.1</u>	<u>336.6</u>	<u>319.8</u>	<u>728.3</u>	<u>707.9</u>
Total Assets	<u>520.0</u>	<u>515.7</u>	<u>366.0</u>	<u>361.6</u>	<u>886.0</u>	<u>877.3</u>
Deferred Outflows of Resources	<u>22.1</u>	<u>29.2</u>	<u>4.5</u>	<u>6.0</u>	<u>26.6</u>	<u>35.2</u>
<b>Liabilities</b>						
Current and Other	13.8	11.7	7.2	15.0	21.0	26.7
Long-Term	<u>503.9</u>	<u>491.0</u>	<u>108.2</u>	<u>102.3</u>	<u>612.1</u>	<u>593.3</u>
Total Liabilities	<u>517.7</u>	<u>502.7</u>	<u>115.4</u>	<u>117.3</u>	<u>633.1</u>	<u>620.0</u>
Deferred Inflows of Resources	<u>51.4</u>	<u>43.7</u>	<u>1.3</u>	<u>-</u>	<u>52.7</u>	<u>43.7</u>
<b>Net Position</b>						
Net Investment in Capital Assets	383.5	378.5	260.5	250.6	644.0	629.1
Restricted	17.4	18.7	5.2	5.7	22.6	24.4
Unrestricted	( <u>427.9</u> )	( <u>398.7</u> )	( <u>11.9</u> )	( <u>6.0</u> )	( <u>439.8</u> )	( <u>404.7</u> )
Total Net Position	<u>(\$ 27.0)</u>	<u>(\$ 1.5)</u>	<u>\$ 253.8</u>	<u>\$ 250.3</u>	<u>\$ 226.8</u>	<u>\$ 248.8</u>

The City's combined net position decreased \$22.0 million from \$248.8 million to \$226.8 million from 2015 to 2016. The reduction in net position was due to an additional \$16.6 million recognition of other postemployment benefits along with \$16.9 million of additional pension related deferred amounts offset by a reduction in the net pension liability of \$5.7 million.

**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2016

***Changes in Net Position***

There are six basic (normal) transactions that affect the comparability of the Statement of Net Position summary presentation. They are:

- ***Net Results of Activities*** – either increases or decreases current assets and “unrestricted net position”.
- ***Borrowing for Capital*** – will increase current assets and long-term debt.
- ***Spending Borrowed Proceeds on New Capital*** – reduces current assets and increases capital assets.
- ***Spending Non-borrowed Current Assets on New Capital*** – reduces current assets and increases capital assets, while reducing net position category “unrestricted net position” and increasing “net investment in capital assets”.
- ***Principal Payment of Debt*** – reduces current assets and long-term debt, while reducing “unrestricted net position” and increasing “net investment in capital assets”.
- ***Reduction in Capital Assets through Depreciation*** – reduces capital assets and “net investment in capital assets”.

***Current Year Impacts***

Total assets increased by \$8.7 million primarily due to the current year borrowing of \$12.8 million in Illinois Environmental Protection Agency loans – the loans are being used to improve the City’s wastewater system. Total liabilities increased \$13.1 million. Changes in liabilities included a \$5.7 million reduction in the total net pension liability; a \$16.6 million increase in other postemployment benefits; and a \$4.6 million net increase in general and revenue bonds and loans. The City provides excellent health care and life insurance benefits for retirees which are reflected in the noncurrent liability.

As mentioned earlier, net position serves as a useful indicator of a government’s financial position. For fiscal year ended December 31, 2016, the City’s total assets and deferred outflows exceeded total liabilities and deferred inflows. However, a significant portion of the total net position (\$644.0 million) is reflected in capital assets (e.g. land, buildings, equipment, and infrastructure). The City uses these capital resources to provide services to the residents; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the City generally cannot use the capital assets themselves to liquidate these liabilities.

A Condensed Statement of Changes in Net Position is shown on the following page, for additional detail please see pages 18 and 19 for the full Statement of Activities.

**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2016

**Table 2**  
**Condensed Statement of Changes in Net Position**  
(In Millions - Rounded)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 29.3	\$ 26.0	\$ 47.0	\$ 45.5	\$ 76.3	\$ 71.5
Operating Grants and Contributions	3.4	2.1	0.2	0.2	3.6	2.3
Capital Grants and Contributions	11.9	10.0	-	-	11.9	10.0
General Revenues:						
Property Taxes	35.7	35.0	-	-	35.7	35.0
Intergovernmental Revenues						
Gaming Taxes	18.4	18.7	-	-	18.4	18.7
State Sales Taxes	21.1	20.7	-	-	21.1	20.7
State Income Taxes	14.2	15.9	-	-	14.2	15.9
Other Intergovernmental	6.3	5.9	-	-	6.3	5.9
Home Rule Sales Taxes	24.8	24.7	-	-	24.8	24.7
Utility Taxes	9.8	10.0	-	-	9.8	10.0
Other Taxes	8.8	8.0	-	-	8.8	8.0
Interest and Investment Earnings	0.1	0.1	0.1	-	0.2	0.1
Other	1.1	1.4	1.4	0.1	2.5	1.5
<b>Total Revenues</b>	<u>184.9</u>	<u>178.5</u>	<u>48.7</u>	<u>45.8</u>	<u>233.6</u>	<u>224.3</u>
<b>Program Expenses</b>						
General Government	27.5	19.9	-	-	27.5	19.9
Public Safety	133.7	127.3	-	-	133.7	127.3
Public Works	29.3	28.0	-	-	29.3	28.0
Refuse Disposal	12.9	12.5	-	-	12.9	12.5
Culture and Recreation	0.6	0.4	-	-	0.6	0.4
Community Development	8.4	7.1	-	-	8.4	7.1
Interest on Long-Term Debt	0.2	0.4	-	-	0.2	0.4
Water and Sewer	-	-	41.7	39.4	41.7	39.4
Parking Facilities	-	-	1.3	1.2	1.3	1.2
<b>Total Expenses</b>	<u>212.6</u>	<u>195.6</u>	<u>43.0</u>	<u>40.6</u>	<u>255.6</u>	<u>236.2</u>
Excess (Deficiency) of Revenues						
Over Expenses Before Transfers	( 27.7)	( 17.1)	5.7	5.2	( 22.0)	( 11.9)
<b>Transfers</b>	<u>2.2</u>	<u>3.9</u>	<u>( 2.2)</u>	<u>( 3.9)</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>( 25.5)</u>	<u>( 13.2)</u>	<u>3.5</u>	<u>1.3</u>	<u>( 22.0)</u>	<u>( 11.9)</u>
<b>Net Position, Beginning</b>	<u>( 1.5)</u>	<u>322.7</u>	<u>250.3</u>	<u>264.0</u>	<u>248.8</u>	<u>586.7</u>
Beginning Net Position Adjustment	<u>-</u>	<u>( 311.0)</u>	<u>-</u>	<u>( 15.0)</u>	<u>-</u>	<u>( 326.0)</u>
<b>Net Position, Beginning, as Adjusted</b>	<u>( 1.5)</u>	<u>11.7</u>	<u>250.3</u>	<u>249.0</u>	<u>248.8</u>	<u>260.7</u>
<b>Net Position, Ending</b>	<u>(\$ 27.0)</u>	<u>(\$ 1.5)</u>	<u>\$ 253.8</u>	<u>\$ 250.3</u>	<u>\$ 226.8</u>	<u>\$ 248.8</u>



**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2016

**Primary Government Activities**

The preceding table shows the City's activity from year to year. Primary government revenues increased by \$9.3 million or 4.1% and primary government expenses increased by \$19.4 million or 8.2%.

A closer look shows a \$3.3 million or a 12.7% increase in charges for services – municipal waste fees were up \$1.1 million and building permits were up \$0.9 million along with a \$1.9 million increase in capital grants and contributions – due to funding for the multi-modal and road construction projects. Additionally, gaming taxes declined for the ninth year in a row, this year by \$0.3 million due to the increased competition by area casinos.

Total primary government expenses increased \$19.4 million from \$236.2 million to \$255.6 million. Governmental activities' expenses increased \$17.0 million, mainly due to other postemployment benefits expenses.

Business-type activities' expenses increased \$2.4 million, due mainly to the other postemployment benefits and net pension deferrals. When expenses are coupled with transfers out of \$2.2 million for 2016, total outflows of business-type activities increased a modest \$0.7 million.

**Governmental Activities**

**Table 3a**  
**Governmental Activities**  
(In Millions)

	Total Cost of Services		Net Cost of (Surplus from) Services	
	2016	2015	2016	2015
General Government	\$ 27.5	\$ 19.9	\$ 22.5	\$ 11.2
Public Safety	133.7	127.3	125.6	124.6
Public Works	29.3	28.0	23.6	23.0
Refuse Disposal	12.9	12.5	(0.6)	(0.1)
Culture and Recreation	0.6	0.4	0.5	0.4
Community Development	8.4	7.1	(3.8)	(1.9)
All Others	0.2	0.4	0.2	0.4
<b>Total</b>	<b>\$ 212.6</b>	<b>\$ 195.6</b>	<b>\$ 168.0</b>	<b>\$ 157.6</b>

Table 3a presents the cost of each of the City's largest governmental activity categories – general government, public safety, public works, refuse disposal, culture and recreation, community development, and other – as well as each category's *net* cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**CITY OF JOLIET, ILLINOIS**  
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The general government category includes general administrative functions as well as various employee benefit programs. Public safety includes police and fire protection, as well as, the emergency services disaster administration program and the school crossing guard program. Public works includes street and bridge maintenance, costs associated with street lighting, the Motor Fuel Tax Fund – used for infrastructure improvements, costs related to special service areas, and property improvement costs. Refuse disposal consists of the City’s contractual costs to provide garbage, recycling, and refuse disposal for its residents. Culture and recreation includes the maintenance of the City’s Billie Limacher Bi-Centennial Park. Community development includes planning, inspections, neighborhood services, construction costs related to the multi-modal transportation center, costs of the tax incremental financing activities, and activities supported by the community development block grant.

***Business-Type Activities***

Revenues of the City’s business-type activities (see Table 2) increased by \$2.9 million or 6.3% while expenses were higher by \$2.4 million. The City’s business-type activities are comprised of two separate and distinct activities: Water/Wastewater Utility and Parking Facilities.

Total revenues from parking activities decreased by 25.4% (from \$1.38 million to \$1.03 million), while expenses increased 11.7% (from \$1.20 million to \$1.34 million). The decrease in revenues was due to a prior year state grant, and the increase in expenses was mostly attributable to increased benefits as the current year increase in other post employments benefits and deferred amounts related to pensions exceeded the decrease in the net pension liability.

Water and wastewater utility total revenues increased by \$3.1 million or 7.0% (from \$44.4 million to \$47.5 million), primarily due to increased water usage and a 7.0% rate increase that went into effect in November.

As shown in Table 3b, the overall net cost of providing water and wastewater services is a positive \$4.56 million, after transfers out and miscellaneous revenues, the increase in net position is \$4.04 million; with the year over year increase coming from greater usage and higher rates combined to offset the current year increase in other post employments benefits and deferred amounts related to pensions.

**Table 3b**  
**Business-Type Activities**  
(In Millions)

	Total Cost of Services		Net Cost of (Surplus from) Services	
	2016	2015	2016	2015
Water and Sewer	\$ 41.70	\$ 39.43	\$ (4.56)	\$ (4.91)
Parking Facilities	1.34	1.20	0.31	(0.17)
Total	\$ 43.04	\$ 40.63	\$ (4.25)	\$ (5.08)

**Financial Analysis of the City’s Major Funds**

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

**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2016

***Governmental Funds***

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

Governmental Funds reported a combined fund balance of \$72.4 million; \$1.8 million lower than last year's balance of \$74.2 million. Unassigned fund balance was \$41.0 million and is available for spending at the City's discretion. The remaining \$31.4 million is held for a variety of nonspendable, restricted, or assigned purposes and is available for specific spending.

The General Fund is the chief operating fund of the City. At year end, it reported a fund balance of \$54.6 million, a decrease of \$2.0 million as compared to last year's total of \$56.6 million. Revenues over expenses for the year showed a positive \$3.2 million, which was offset by net transfers out to other funds of \$5.2 million. Overall General Fund revenues increased \$3.8 million or 2.3%, primarily due to a \$1.1 million increase in municipal waste fees and a \$0.3 million decline in gaming tax revenues. The City's home rule sales tax revenues increased \$0.2 million.

The Evergreen Terrace II Fund, a major special revenue fund, records transactions related to the Evergreen Terrace property. The City paid \$15 million in 2015 to purchase the Evergreen Terrace property. The legal rights to the property are pending a court decision. As of year-end, the City has recorded the property as a Property Purchase Deposit. The year-end fund balance for the Evergreen Terrace II Fund is a deficit \$2.9 million a \$0.1 million decline from 2015.

The Motor Fuel Tax Fund, a major special revenue fund, collects allocated taxes from the state of Illinois. The revenues are strictly available for improvements to the City's bridges and roadways. The City received \$4.6 million in revenues during 2016 and spent \$6.8 million on city-wide roadway improvements. Revenues were up about \$0.3 million in 2016 due to additional state and federal grants received in 2016. The year-end fund balance for the Motor Fuel Tax Fund is \$8.5 million a \$2.2 million decrease from the prior year.

Other governmental funds is comprised of the Block Grant Fund, Grants and Special Revenue Fund, Special Revenue Revolving Fund, Foreign Fire Tax Fund, Special Service Area Fund, Business District Tax Allocation Fund, Tax Increment Financing Fund # 2, Tax Increment Financing Fund #3, General Debt Service Fund, Capital Improvement Fund, and Performance Bonds Fund. Once again, the primary activity for this year occurred in the Grants and Special Revenue Fund which accounts for the revenues and expenses associated with the multi-modal transportation project that is funded through private and state grants. Significant activity was also seen in the Capital Improvement Fund as the City continued purchases for equipment to replace aging models and software and hardware upgrades.

**General Fund Budgetary Highlights**

Over the course of the year, the budget was revised by the City for specific reasons. These budget amendments fall into three categories. The first category includes rollovers of certain prior year unexpended capital funds. The second category includes budget revisions made during the year for special projects for which funds became available. The third category is for budget reallocations that are intended to prevent budget overruns.

**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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As shown in Table 4 below, actual General Fund revenues of \$168.1 million exceeded budgeted revenues by \$0.3 million or 0.2%; while actual expenditures were below budget by \$5.9 million or 3.5%. The City continued to work with the employee unions to delay wage increases, maintain the employee complement and employ other measures to reduce overtime and other expenses. In addition, the City has delayed maintenance in areas in which safety or other critical functions would not be compromised. While the City has made significant efforts to control costs to address the economic downturn of the past several years, the rising costs of healthcare and pension obligations continue to put pressure on the long-term financial trend of the City.

**Table 4**  
**General Fund - Budget to Actual – GAAP Basis**  
**(In Millions)**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues	\$ 162.4	\$ 167.8	\$ 168.1	\$ 0.3
Expenditures	169.9	170.8	164.9	5.9
Excess of Revenues Over Expenditures	(7.5)	(3.0)	3.2	6.2
Other Financing Sources and Uses:				
Transfers from Other Funds	4.7	4.7	2.2	(2.5)
Transfers to Other Funds	(4.0)	(7.4)	(7.4)	-
Net Change in Fund Balance	<u>\$ (6.8)</u>	<u>\$ (5.7)</u>	<u>\$ (2.0)</u>	<u>\$ 3.7</u>

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of 2016, the City had \$728.3 million invested in a broad range of capital assets, including police and fire equipment, buildings, roads, bridges, parking decks, and water and sewer facilities. (See Table 5 below.) This amount represents a net increase (including additions, deductions and depreciation) of approximately \$20.4 million or 2.9% from last year.

**Table 5**  
**Capital Assets at Year-End**  
**(Net of Depreciation, in Millions)**

	Governmental Activities		Business Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land and Land Improvements	\$ 22.1	\$ 21.8	\$ 4.6	\$ 4.2	\$ 26.7	\$ 26.0
Buildings	41.1	42.0	-	-	41.1	42.0
Waterworks and Sewerage System	-	-	246.6	237.5	246.6	237.5
Parking Facilities	-	-	2.3	2.4	2.3	2.4
Equipment	16.3	14.8	16.1	14.9	32.4	29.7
Infrastructure	283.7	281.6	-	-	283.7	281.6
Construction in Progress	28.5	27.9	67.0	60.8	95.5	88.7
Totals	<u>\$ 391.7</u>	<u>\$ 388.1</u>	<u>\$ 336.6</u>	<u>\$ 319.8</u>	<u>\$ 728.3</u>	<u>\$ 707.9</u>

**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2016

This year's major capital project additions included the following:

- \$5.1 million for various phases of the Multi-Modal Transportation Center;
- \$16.9 million for construction in progress for water/sewer system improvements;
- \$2.9 million to purchase public safety equipment;
- \$0.6 million for computer and software purchases; and
- \$8.9 million for roadway resurfacing/projects.

More detailed information about the City's capital assets is presented in note 7 to the financial statements.

**Debt**

At year-end, the City had \$84.5 million in bonds and loans outstanding versus \$79.9 million last year – an increase of 5.8% – as shown in Table 6.

**Table 6**  
**Outstanding Debt, at Year End**  
**(In Millions)**

	Governmental Activities		Business Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds (Backed by the City)	\$ 8.2	\$ 9.6	\$ -	\$ -	\$ 8.2	\$ 9.6
Revenue Bonds (Backed by Specific Fee Revenues)	-	-	22.6	28.7	22.6	28.7
IEPA Loan	-	-	53.7	41.6	53.7	41.6
<b>Totals</b>	<b>\$ 8.2</b>	<b>\$ 9.6</b>	<b>\$ 76.3</b>	<b>\$ 70.3</b>	<b>\$ 84.5</b>	<b>\$ 79.9</b>

During the year, the City continued to borrow funds from the Illinois Environmental Protection Agency. Loans outstanding are being used for improvements to the aging water and sewer system.

As of the year ended December 31, 2016, the City's Water and Sewer bonds had a rating of AA- and the City's general obligation bond rating was AA. More detailed information about the City's long-term debt is presented in note 13 to the financial statements.

**Economic Factors and Next Year's Budget**

As discussed in the Transmittal Letter, the City, like many local, state, and federal governmental entities, has experienced a sustained period of financial instability and difficulty. Declining revenue streams coupled with rising personnel, pension, and insurance costs have been significant challenges for the City.

The City's elected and appointed officials considered these factors when establishing the 2017 budget. The 2017 budgeted expenses (including transfers) of \$282.2 million represent a decrease of \$6.9 million or 2.4% as compared to the 2016 budget of \$289.1 million. The budget decrease is primarily due to decreased planned grant and road projects offset partially with increases in the General Fund for employee benefits and contractual/administrative services.

**CITY OF JOLIET, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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The 2017 budget focused on the continuation of the following goals: continuing the City's effort to raise the funding levels for the police and fire pension funds; continue to inventory the city's trees; remove the city's ash trees destroyed by the emerald ash borer; and continuing the commitment made to maintaining at least two months of operating expenses as a reserve balance.

The City has been able to make some major capital investments due to federal and state grants, private contributions, and other restricted revenue sources. The 2017 budget includes continued funding for the multi-modal transportation center funded through state grant funds, as well as, private contributions, and restricted City revenues. The City also has budgeted \$1,100,000 in the Motor Fuel Tax Fund to open Chicago Street, which connects the downtown area to the City's south side. After much deliberation, the City Council added \$500,000 of funding for the Rialto Square Theatre dependent on the execution of an intergovernmental agreement. The Downtown Development Plan indicated that a vibrant theatre is necessary for the continued improvement of the downtown area.

The City had expected to take possession of Evergreen Terrace, a Housing and Urban Development (HUD) sponsored housing project in 2016. Certain legal proceedings have pushed the date to 2017. Evergreen Terrace will be the focus of the City Council and the City Administration to develop a long term plan for the housing project.

The Mayor and City Council continue to work with the Administration to formulate long-term objectives to ensure future budgets are in balance and strategic long-term goals and policies are in place. Without a long-term strategic policy in place, assumptions used for long-term projections are difficult to make and can provide unachievable expectations. Items for discussion include tax policy, long-term capital investment requirements for building, infrastructure, equipment and technology, reserve requirements, overall compensation, and debt. A long-term strategic plan is being formulated for years beyond 2017.

While the local economic environment and the impact it has on the City's available revenues continues to present challenges, the Mayor and City Council are committed to passing a balanced budget. The 2017 budget maintains this commitment; designates the necessary operating reserves; and continues to provide for the basic needs of the growing community.

**Contact Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Department at the City of Joliet, 150 West Jefferson Street, Joliet, Illinois 60432-4158.

***Component Units***

*Joliet Public Library*

Separate financial statements may be obtained at the Library's business office, 150 North Ottawa Street, Joliet, Illinois 60432.

*Will County Metropolitan Exposition and Auditorium Authority*

Separate financial statements may be obtained at the Authority's administrative office, 15 East Van Buren Street, Joliet, Illinois 60432.

*The Joliet Area Historical Museum*

Separate financial statements may be obtained at the Museum's administrative office, 204 North Ottawa Street, Joliet, Illinois 60432.

## **Basic Financial Statements**

# CITY OF JOLIET, ILLINOIS

## Statement of Net Position December 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash	\$ 31,503,366	\$ 1,553,656	\$ 33,057,022	\$ 6,630,127
Escrow Deposits	517,300	5,617,800	6,135,100	-
Investments	17,992,589	12,737,451	30,730,040	1,329,916
Receivables				
Property Taxes, Net of Allowance for Uncollectible Amounts	36,569,248	-	36,569,248	5,964,567
Intergovernmental	20,757,215	325,242	21,082,457	-
Accrued Interest	16,992	1,260	18,252	4
Customer Accounts, Net	4,019,470	2,941,071	6,960,541	38,729
Estimated Unbilled Usage	1,662,580	6,163,920	7,826,500	-
Other	-	-	-	31,169
Inventory	160,000	-	160,000	75,715
Prepaid Expenses	-	30,150	30,150	181,690
Property Purchase Deposit	15,093,413	-	15,093,413	-
Grant Advance	-	-	-	9,456
Total Current Assets	<u>128,292,173</u>	<u>29,370,550</u>	<u>157,662,723</u>	<u>14,261,373</u>
<b>Noncurrent Assets:</b>				
Capital Assets (Net)				
Land	18,567,294	4,594,111	23,161,405	-
Construction in Progress	28,525,022	67,055,182	95,580,204	16,365
Infrastructure	283,640,478	-	283,640,478	-
Land Improvements	3,523,872	-	3,523,872	-
Buildings	41,122,275	-	41,122,275	-
Waterworks and Sewerage System	-	246,603,841	246,603,841	-
Parking Decks and Lots	-	2,292,744	2,292,744	-
Equipment	16,339,262	16,070,404	32,409,666	-
Furniture and Fixtures	1,754	-	1,754	-
Library	-	-	-	12,846,667
W.C.M.E.A.A.	-	-	-	7,497,185
Historical Museum	-	-	-	557,731
Total Noncurrent Assets	<u>391,719,957</u>	<u>336,616,282</u>	<u>728,336,239</u>	<u>20,917,948</u>
Total Assets	<u>520,012,130</u>	<u>365,986,832</u>	<u>885,998,962</u>	<u>35,179,321</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Amount on Refunding of Debt	-	206,510	206,510	-
Deferred Outflows of Resources				
Related to Pensions	22,052,320	4,258,884	26,311,204	1,295,339
Total Deferred Outflows of Resources	<u>22,052,320</u>	<u>4,465,394</u>	<u>26,517,714</u>	<u>1,295,339</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 542,064,450</u>	<u>\$ 370,452,226</u>	<u>\$ 912,516,676</u>	<u>\$ 36,474,660</u>

See Accompanying Notes to Basic Financial Statements.



LIABILITIES	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Current Liabilities:</b>				
Vouchers Payable	\$ 7,606,720	\$ 5,790,831	\$ 13,397,551	\$ 667,631
Accrued Payroll	1,931,232	332,632	2,263,864	70,312
Accrued Compensated Absences - Current	11,360,937	1,078,765	12,439,702	256,561
Health Claims Payable	1,637,200	-	1,637,200	-
Accrued Interest	49,367	415,015	464,382	62,713
Loans Payable - Current Portion	-	2,307,109	2,307,109	2,427,012
Bonds Payable - Current Portion	1,400,000	5,215,000	6,615,000	-
Customer Deposits and Credits	1,479,083	641,228	2,120,311	-
Estimated Liability for Self-Insured Losses - Current	2,942,409	-	2,942,409	-
Unearned Revenue	1,080,810	4,249	1,085,059	241,062
Due to Primary Government	-	-	-	767,317
Due to Volunteers	-	-	-	110,848
Other	-	-	-	117,767
<b>Total Current Liabilities</b>	<b>29,487,758</b>	<b>15,784,829</b>	<b>45,272,587</b>	<b>4,721,223</b>
<b>Noncurrent Liabilities:</b>				
Accrued Compensated Absences	11,360,937	1,078,765	12,439,702	130,562
Net Pension Liability	344,399,481	16,304,998	360,704,479	4,959,163
Estimated Liability for Self-Insured Losses	3,745,000	-	3,745,000	-
Other Postemployment Benefits	121,933,936	13,388,308	135,322,244	-
General Obligation Bonds	6,778,619	-	6,778,619	-
Revenue Bonds	-	17,353,403	17,353,403	-
Loans Payable	-	51,437,041	51,437,041	1,340
<b>Total Noncurrent Liabilities</b>	<b>488,217,973</b>	<b>99,562,515</b>	<b>587,780,488</b>	<b>5,091,065</b>
<b>Total Liabilities</b>	<b>517,705,731</b>	<b>115,347,344</b>	<b>633,053,075</b>	<b>9,812,288</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Taxes	36,569,248	-	36,569,248	5,964,567
Deferred Inflows of Resources Related to Pensions	14,792,533	1,275,886	16,068,419	388,060
<b>Total Deferred Inflows of Resources</b>	<b>51,361,781</b>	<b>1,275,886</b>	<b>52,637,667</b>	<b>6,352,627</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	383,541,338	260,510,239	644,051,577	18,491,280
Restricted for:				
Expendable Purposes:				
Temporary Funds	-	-	-	253,817
Debt Service	466,468	5,202,785	5,669,253	-
Road/Capital Projects	13,128,145	-	13,128,145	-
Multi-Modal Transportation Center	1,128,786	-	1,128,786	-
Police Purposes	1,692,894	-	1,692,894	-
Tax Incremental Financing Projects	822,723	-	822,723	-
Community Development Projects	122,410	-	122,410	-
Nonexpendable Purposes:				
Permanent Funds	-	-	-	1,148,256
Unrestricted	(427,905,826)	(11,884,028)	(439,789,854)	416,392
<b>Total Net Position</b>	<b>(27,003,062)</b>	<b>253,828,996</b>	<b>226,825,934</b>	<b>20,309,745</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 542,064,450</b>	<b>\$ 370,452,226</b>	<b>\$ 912,516,676</b>	<b>\$ 36,474,660</b>

# CITY OF JOLIET, ILLINOIS

## Statement of Activities For the Year Ended December 31, 2016

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Indirect Expense Allocation</u>	<u>Program Charges for Services</u>
<b>Primary Government:</b>			
Governmental Activities:			
General Government	\$ 46,853,800	(\$ 19,352,400)	\$ 4,976,975
Public Safety	117,347,556	16,363,255	7,334,790
Public Works	27,411,595	1,972,219	246,966
Refuse Disposal	12,894,084	-	13,559,162
Culture and Recreation	430,292	123,264	10,550
Community Development	7,492,653	893,662	3,181,783
Interest on Long-Term Debt	186,888	-	-
Total Governmental Activities	<u>212,616,868</u>	<u>-</u>	<u>29,310,226</u>
Business-Type Activities:			
Water and Sewer	41,704,915	-	46,056,230
Parking Facilities	1,341,353	-	1,028,288
Total Business-Type Activities	<u>43,046,268</u>	<u>-</u>	<u>47,084,518</u>
Total Primary Government	<u>\$ 255,663,136</u>	<u>\$ -</u>	<u>\$ 76,394,744</u>
<b>Component Units:</b>			
Public Library	\$ 6,502,869	\$ -	\$ 150,919
W.C.M.E.A.A.	5,258,297	-	3,748,092
The Joliet Area Historical Museum	1,418,060	-	97,977
Total Component Units	<u>\$ 13,179,226</u>	<u>\$ -</u>	<u>\$ 3,996,988</u>

See Accompanying Notes to Basic Financial Statements. □

Revenues		Net (Expense) Revenue and Changes in Net Position			
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
		Governmental Activities	Business-Type Activities	Total	
\$ 2,625	\$ -	(\$ 22,521,800)	\$ -	(\$ 22,521,800)	\$ -
737,532	-	( 125,638,489)	-	( 125,638,489)	-
1,090,461	4,400,621	( 23,645,766)	-	( 23,645,766)	-
-	-	665,078	-	665,078	-
-	-	( 543,006)	-	( 543,006)	-
1,561,876	7,505,655	3,862,999	-	3,862,999	-
-	-	( 186,888)	-	( 186,888)	-
<u>3,392,494</u>	<u>11,906,276</u>	<u>( 168,007,872)</u>	<u>-</u>	<u>( 168,007,872)</u>	<u>-</u>
212,227	-	-	4,563,542	4,563,542	-
-	-	-	( 313,065)	( 313,065)	-
<u>212,227</u>	<u>-</u>	<u>-</u>	<u>4,250,477</u>	<u>4,250,477</u>	<u>-</u>
<u>\$ 3,604,721</u>	<u>\$ 11,906,276</u>	<u>( 168,007,872)</u>	<u>4,250,477</u>	<u>( 163,757,395)</u>	<u>-</u>
\$ 121,786	\$ -	-	-	-	( 6,230,164)
1,253,847	-	-	-	-	( 256,358)
1,262,832	-	-	-	-	( 57,251)
<u>\$ 2,638,465</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 6,543,773)</u>
General Revenues:					
Property Taxes		35,673,215	-	35,673,215	5,927,107
Intergovernmental Revenues					
Gaming Taxes		18,441,096	-	18,441,096	-
State Sales Taxes		21,102,355	-	21,102,355	-
State Income Taxes		14,164,006	-	14,164,006	-
Other Intergovernmental		6,320,214	-	6,320,214	-
Home Rule Sales Taxes		24,789,062	-	24,789,062	-
Utility Taxes		9,828,321	-	9,828,321	-
Other Taxes		8,816,247	-	8,816,247	-
Interest and Investment Earnings		99,754	57,047	156,801	57,846
(Loss) on Disposal of Fixed Assets		-	-	-	( 206,511)
Contributions to Permanent Funds		-	-	-	5,823
Other General Revenues		1,077,583	1,445,952	2,523,535	66,214
Transfers		2,228,910	( 2,228,910)	-	-
Total General Revenues and Transfers		<u>142,540,763</u>	<u>( 725,911)</u>	<u>141,814,852</u>	<u>5,850,479</u>
Change in Net Position		( 25,467,109)	3,524,566	( 21,942,543)	( 693,294)
Net Position - Beginning		( 1,535,953)	250,304,430	248,768,477	21,003,039
Net Position - Ending		<u>(\$ 27,003,062)</u>	<u>\$ 253,828,996</u>	<u>\$ 226,825,934</u>	<u>\$ 20,309,745</u>

## CITY OF JOLIET, ILLINOIS

### Governmental Funds Balance Sheet December 31, 2016

	General Fund	Evergreen Terrace II Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 27,118,698	\$ -	\$ 1,339,789	\$ 3,044,879	\$ 31,503,366
Escrow Deposits	-	-	-	517,300	517,300
Investments	-	-	7,010,757	10,981,832	17,992,589
Receivables					
Property Taxes, Net of Allowance for Uncollectible Amounts	33,649,841	-	-	2,919,407	36,569,248
Intergovernmental	18,753,947	-	1,000,953	1,002,315	20,757,215
Accrued Interest	-	-	5,995	10,997	16,992
Customer Accounts, Net	4,006,456	-	-	13,014	4,019,470
Estimated Unbilled Usage	1,662,580	-	-	-	1,662,580
Inventory	-	-	-	160,000	160,000
Property Purchase Deposit	-	15,093,413	-	-	15,093,413
Internal Receivables	18,067,322	-	-	-	18,067,322
Total Assets	\$ 103,258,844	\$ 15,093,413	\$ 9,357,494	\$ 18,649,744	\$ 146,359,495
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Vouchers Payable	\$ 4,473,682	\$ -	\$ 830,678	\$ 2,302,360	\$ 7,606,720
Customer Deposits and Credits	427,792	-	-	1,051,291	1,479,083
Health Claims Payable	1,637,200	-	-	-	1,637,200
Unearned Revenue	947,833	-	-	132,977	1,080,810
Internal Payables	-	17,996,019	-	71,303	18,067,322
Accrued Payroll and Other	1,931,232	-	-	-	1,931,232
Total Liabilities	9,417,739	17,996,019	830,678	3,557,931	31,802,367
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Property Taxes	33,649,841	-	-	2,919,407	36,569,248
Deferred Other Income	5,556,105	-	-	9,778	5,565,883
Total Deferred Inflows of Resources	39,205,946	-	-	2,929,185	42,135,131
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	160,000	160,000
Restricted	-	-	8,526,816	8,883,977	17,410,793
Assigned	10,610,275	-	-	3,195,713	13,805,988
Unassigned	44,024,884	( 2,902,606)	-	( 77,062)	41,045,216
Total Fund Balances	54,635,159	( 2,902,606)	8,526,816	12,162,628	72,421,997
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 103,258,844	\$ 15,093,413	\$ 9,357,494	\$ 18,649,744	\$ 146,359,495

See Accompanying Notes to Basic Financial Statements.

## CITY OF JOLIET, ILLINOIS

### Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position December 31, 2016

Total fund balances - governmental funds \$ 72,421,997

*Amounts reported for governmental activities in the Statement of Net Position are different because:*

Capital assets net of accumulated depreciation of \$255,528,788 used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. 391,719,957

Some assets, deferred outflows of resources, liabilities, and deferred inflows of resources reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as assets, deferred outflows of resources, liabilities, or deferred inflows of resources in governmental funds. These activities consist of:

Deferred outflows of resources related to pensions	22,052,320
Accrued interest payable on debt	( 49,367)
Accrued compensated absences	( 22,721,874)
Net pension liability	( 344,399,481)
Estimated liability for self-insured losses	( 6,687,409)
Other postemployment benefits	( 121,933,936)
General obligation bonds	( 7,940,000)
Unamortized premium on bonds	( 238,619)
Deferred inflows of resources related to pensions	( 14,792,533)
Deferred revenues collected after sixty days	<u>5,565,883</u>

Net position of governmental activities (\$ 27,003,062)

## CITY OF JOLIET, ILLINOIS

Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2016

	<u>General Fund</u>	<u>Evergreen Terrace II Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenue</b>					
Property Taxes	\$ 33,855,735	\$ -	\$ -	\$ 2,168,421	\$ 36,024,156
Other Taxes	43,571,342	-	-	-	43,571,342
Intergovernmental State Shared Revenue Federal, State and Private Grants and Allotments	59,774,527	-	3,979,117	237,991	63,991,635
Charges for Services	678,396	-	609,257	6,713,395	8,001,048
Interest Earnings	9,916,403	-	-	-	9,916,403
Licenses, Permits, Rentals, and Fees	30,915	-	26,850	41,989	99,754
Fines and Forfeitures	17,539,418	-	-	75,146	17,614,564
Special Assessments	1,662,288	-	-	188,400	1,850,688
Other	-	-	-	44,300	44,300
	1,071,244	-	-	2,788,330	3,859,574
Total Revenue	<u>168,100,268</u>	<u>-</u>	<u>4,615,224</u>	<u>12,257,972</u>	<u>184,973,464</u>
<b>Expenditures</b>					
Current:					
General Government	17,467,311	79,998	-	-	17,547,309
Public Safety	63,231,434	-	-	585,941	63,817,375
Public Works	11,149,915	-	319	-	11,150,234
Refuse Disposal	12,894,084	-	-	-	12,894,084
Culture and Recreation	272,215	-	-	-	272,215
Employee Benefits and Pension Plans	55,823,484	-	-	-	55,823,484
Community Development	4,033,442	-	-	1,222,804	5,256,246
Capital Outlay	-	-	6,832,908	13,780,611	20,613,519
Debt Service - Principal	-	-	-	1,370,000	1,370,000
Debt Service - Interest and Fees	-	-	-	276,950	276,950
Total Expenditures	<u>164,871,885</u>	<u>79,998</u>	<u>6,833,227</u>	<u>17,236,306</u>	<u>189,021,416</u>
Revenue Over (Under) Expenditures	<u>3,228,383</u>	<u>( 79,998)</u>	<u>( 2,218,003)</u>	<u>( 4,978,334)</u>	<u>( 4,047,952)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	8,480	-	-	-	8,480
Transfers In	2,228,910	-	-	7,430,934	9,659,844
Transfers Out	( 7,430,934)	-	-	-	( 7,430,934)
Total Other Financing Sources (Uses)	<u>( 5,193,544)</u>	<u>-</u>	<u>-</u>	<u>7,430,934</u>	<u>2,237,390</u>
Net Change in Fund Balance	<u>( 1,965,161)</u>	<u>( 79,998)</u>	<u>( 2,218,003)</u>	<u>2,452,600</u>	<u>( 1,810,562)</u>
<b>Fund Balances, (Deficit) Beginning of Year</b>	<u>56,600,320</u>	<u>( 2,822,608)</u>	<u>10,744,819</u>	<u>9,710,028</u>	<u>74,232,559</u>
<b>Fund Balances, (Deficit) End of Year</b>	<u>\$ 54,635,159</u>	<u>(\$ 2,902,606)</u>	<u>\$ 8,526,816</u>	<u>\$ 12,162,628</u>	<u>\$ 72,421,997</u>

See Accompanying Notes to Basic Financial Statements.

## CITY OF JOLIET, ILLINOIS

### Reconciliation of the Statement of Revenues Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities For the Year Ended December 31, 2016

Net change in fund balances - governmental fund (\$ 1,810,562)

*Amounts reported for governmental activities in the  
Statement of Activities are different because:*

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2015 to 2016 consists of:

Sales, income and use taxes received from the state of Illinois	13,205
Utility and auto rental taxes received from the state of Illinois	( <u>74,300</u> )

Total change in unavailable revenue ( 61,095)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are depreciated over their estimated useful lives as depreciation expense.

This is the amount of assets capitalized in the current period	20,613,837
This is the amount of depreciation recorded in the current period	( <u>17,033,480</u> )
	3,580,357

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Statement of Net Position. 1,370,000

Governmental funds do not report the change in certain long-term assets and liabilities, the change has been recorded in the Statement of Net Position

Decrease in interest payable	5,404
Increase in compensated absences	( 2,007,354 )
Increase in claims liabilities	( 983,551 )
Increase in net pension liability/(asset) and related deferred amounts	( 10,008,159 )
Increase in other postemployment benefits	( 15,636,807 )

The City amortized bond premiums in the Statement of Net Position 84,658

Change in net position of governmental activities (\$ 25,467,109)

# CITY OF JOLIET, ILLINOIS

## Statement of Net Position Proprietary Funds December 31, 2016

	<b>Business-Type Activities</b>		
	<b>Water and Sewer Fund</b>	<b>(Nonmajor) Parking Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets			
Unrestricted Assets			
Investments	\$ 12,346,023	\$ 391,428	\$ 12,737,451
Receivables			
Accrued Interest	1,260	-	1,260
Customer Accounts, Net of \$1,615,104			
Allowance for Uncollectible Amounts	2,938,571	2,500	2,941,071
Estimated Unbilled Usage	6,163,920	-	6,163,920
Prepaid Expenses	30,150	-	30,150
Total Unrestricted Assets	<u>21,479,924</u>	<u>393,928</u>	<u>21,873,852</u>
Restricted Assets (Water Debt Accounts)			
Cash	1,553,656	-	1,553,656
Escrow Deposits	5,617,800	-	5,617,800
Intergovernmental Receivable	325,242	-	325,242
Total Restricted Assets	<u>7,496,698</u>	<u>-</u>	<u>7,496,698</u>
Total Current Assets	<u>28,976,622</u>	<u>393,928</u>	<u>29,370,550</u>
Noncurrent Assets			
Capital Assets			
Land and Land Improvements	2,361,932	2,232,179	4,594,111
Waterworks and Sewerage System	246,603,841	-	246,603,841
Parking Decks and Lots	-	2,292,744	2,292,744
Equipment	16,040,144	30,260	16,070,404
Construction in Progress	67,054,293	889	67,055,182
Total Noncurrent Assets	<u>332,060,210</u>	<u>4,556,072</u>	<u>336,616,282</u>
Total Assets	<u>361,036,832</u>	<u>4,950,000</u>	<u>365,986,832</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	206,510	-	206,510
Deferred Outflows of Resources Related to Pensions	4,018,403	240,481	4,258,884
Total Deferred Outflows of Resources	<u>4,224,913</u>	<u>240,481</u>	<u>4,465,394</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 365,261,745</u>	<u>\$ 5,190,481</u>	<u>\$ 370,452,226</u>

See Accompanying Notes to Basic Financial Statements.



	<b>Business-Type Activities</b>		
	<b>Water and Sewer Fund</b>	<b>(Nonmajor) Parking Fund</b>	<b>Total</b>
<b>LIABILITIES</b>			
Current Liabilities			
Payable from Unrestricted Assets			
Vouchers Payable	\$ 3,710,518	\$ 67,703	\$ 3,778,221
Accrued Payroll	318,986	13,646	332,632
Accrued Compensated Absences - Current	1,024,557	54,208	1,078,765
Bonds Payable - Current Portion	5,215,000	-	5,215,000
Loans Payable - Current Portion	2,307,109	-	2,307,109
Customer Deposits and Credits	639,837	1,391	641,228
Unearned Revenue	1,749	2,500	4,249
Payable from Restricted Assets			
Vouchers Payable	2,012,610	-	2,012,610
Accrued Interest Payable	415,015	-	415,015
Total Current Liabilities	<u>15,645,381</u>	<u>139,448</u>	<u>15,784,829</u>
Noncurrent Liabilities			
Long Term Debt			
Accrued Compensated Absences	1,024,557	54,208	1,078,765
Net Pension Liability	15,384,324	920,674	16,304,998
Other Postemployment Benefits	12,857,556	530,752	13,388,308
Revenue Bonds Payable	17,353,403	-	17,353,403
Loans Payable	<u>51,437,041</u>	<u>-</u>	<u>51,437,041</u>
Total Noncurrent Liabilities	<u>98,056,881</u>	<u>1,505,634</u>	<u>99,562,515</u>
Total Liabilities	<u>113,702,262</u>	<u>1,645,082</u>	<u>115,347,344</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources Related to Pensions	<u>1,203,842</u>	<u>72,044</u>	<u>1,275,886</u>
Total Deferred Inflows of Resources	<u>1,203,842</u>	<u>72,044</u>	<u>1,275,886</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	255,954,167	4,556,072	260,510,239
Restricted for:			
Expendable Purposes:			
Debt Service	5,202,785	-	5,202,785
Unrestricted	<u>( 10,801,311)</u>	<u>( 1,082,717)</u>	<u>( 11,884,028)</u>
Total Net Position	<u>250,355,641</u>	<u>3,473,355</u>	<u>253,828,996</u>
Total Liabilities and Net Position	<u>\$ 365,261,745</u>	<u>\$ 5,190,481</u>	<u>\$ 370,452,226</u>

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## CITY OF JOLIET, ILLINOIS

Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2016

	<b>Business-Type Activities</b>		
	<b>Water and Sewer Fund</b>	<b>(Nonmajor) Parking Fund</b>	<b>Total</b>
<b>Operating Revenue *</b>			
Charges for Services - Water	\$ 18,062,239	\$ -	\$ 18,062,239
Charges for Services - Sewer	25,340,304	-	25,340,304
Charges for Services - Other	100,807	958,524	1,059,331
Tap on / Turn on Fees	2,547,388	-	2,547,388
Fines and Other	1,489,882	69,826	1,559,708
	<u>47,540,620</u>	<u>1,028,350</u>	<u>48,568,970</u>
<b>Operating Expense</b>			
Personnel Services	9,538,158	543,123	10,081,281
Personnel Benefits	6,815,724	352,720	7,168,444
Other Employee Costs	68,273	70	68,343
Professional Services	2,175,053	112,473	2,287,526
Property Services	3,021,854	89,697	3,111,551
Other Services	361,939	20,661	382,600
Supplies	6,164,578	65,290	6,229,868
Other Expenses	51,848	-	51,848
Property and Projects	880,961	-	880,961
Depreciation	11,797,953	157,319	11,955,272
	<u>40,876,341</u>	<u>1,341,353</u>	<u>42,217,694</u>
Operating Income (Loss)	<u>6,664,279</u>	<u>( 313,003)</u>	<u>6,351,276</u>
<b>Nonoperating Revenue (Expense)</b>			
State Grants	173,727	-	173,727
Interest Earnings	56,611	436	57,047
Amortization of Bond Premiums and Deferrals	132,415	-	132,415
Interest Expense	( 960,989)	-	( 960,989)
Total Nonoperating Revenue (Expense)	<u>( 598,236)</u>	<u>436</u>	<u>( 597,800)</u>
Income (Loss) Before Transfers	6,066,043	( 312,567)	5,753,476
<b>Transfers Out</b>	<u>( 2,027,174)</u>	<u>( 201,736)</u>	<u>( 2,228,910)</u>
Change in Net Position	4,038,869	( 514,303)	3,524,566
<b>Total Net Position, Beginning of Year</b>	<u>246,316,772</u>	<u>3,987,658</u>	<u>250,304,430</u>
<b>Total Net Position, End of Year</b>	<u>\$ 250,355,641</u>	<u>\$ 3,473,355</u>	<u>\$ 253,828,996</u>

\* All operating revenue of the Waterworks and Sewerage Fund was used as security for the Series 2010, 2011, 2012, 2014A and 2014B revenue bonds.

## CITY OF JOLIET, ILLINOIS

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2016

	Business-Type Activities		
	Water and Sewer Fund	(Nonmajor) Parking Fund	Total
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers	\$ 43,925,688	\$ 1,028,811	\$ 44,954,499
Payments to Suppliers	( 17,035,982)	( 530,662)	( 17,566,644)
Payments to Employees	( 9,233,028)	( 533,301)	( 9,766,329)
Net Cash Provided by (Used in) Operating Activities	17,656,678	( 35,152)	17,621,526
<b>Cash Flows from Noncapital Financing Activities</b>			
Payments to Other Funds	( 2,027,374)	( 201,736)	( 2,229,110)
Operating Grants Received	173,727	-	173,727
Net Cash (Used in) Noncapital Financing Activities	( 1,853,647)	( 201,736)	( 2,055,383)
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchases of Capital Assets	( 36,850,040)	( 8,561)	( 36,858,601)
Payments to Bond Paying Agent	( 5,735,000)	-	( 5,735,000)
Payments on Loans	( 647,855)	-	( 647,855)
Loan Proceeds	19,881,469	-	19,881,469
Payment of Interest on Debt	( 1,090,015)	-	( 1,090,015)
Net Cash (Used in) Capital and Related Financing Activities	( 24,441,441)	( 8,561)	( 24,450,002)
<b>Cash Flows from Investing Activities</b>			
Investment Sales or Maturities	7,132,864	41,809	7,174,673
Income Received on Investments	56,596	436	57,032
Net Cash Provided by Investing Activities	7,189,460	42,245	7,231,705
Net (Decrease) in Cash	( 1,448,950)	( 203,204)	( 1,652,154)
<b>Cash and Restricted Cash, Beginning of Year</b>	3,002,606	203,204	3,205,810
<b>Cash and Restricted Cash, End of Year</b>	\$ 1,553,656	\$ -	\$ 1,553,656

See Accompanying Notes to Basic Financial Statements.

	<b>Business-Type Activities</b>		
	<b>Water and Sewer Fund</b>	<b>(Nonmajor) Parking Fund</b>	<b>Total</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating Income (Loss)	\$ 6,664,279	(\$ 313,003)	\$ 6,351,276
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation Expense	11,797,953	157,319	11,955,272
Changes in Assets and Liabilities			
Receivables	( 3,462,509)	-	( 3,462,509)
Vouchers Payable	467,059	13,797	480,856
Accrued Payroll	65,498	3,550	69,048
Accrued Compensated Absences	239,632	6,272	245,904
Unearned Revenue	1,693	-	1,693
Other Postemployment Benefits	959,365	31,950	991,315
Net Pension Liability and Related Deferred Amounts	1,077,824	64,502	1,142,326
Customer Deposits and Credits	( 154,116)	461	( 153,655)
Total Adjustments	<u>10,992,399</u>	<u>277,851</u>	<u>11,270,250</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 17,656,678</u>	<u>(\$ 35,152)</u>	<u>\$ 17,621,526</u>

## CITY OF JOLIET, ILLINOIS

### Statement of Fiduciary Net Position Fiduciary Funds December 31, 2016

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash	\$ 16,276	\$ 599,031
Investments, at Fair Value		
U.S. Government and Agency Securities	42,494,012	-
U.S. Government Sponsored Agency Securities	11,130,873	-
State and Local Government Securities	2,290,069	-
Insurance Company Contracts	9,683,265	-
Certificates of Deposit	1,375,733	-
Money Market Mutual Funds	17,452,551	-
Mutual Funds	139,184,094	-
Common Stock	56,551,735	-
Corporate Bonds	42,529,934	-
Total Investments	322,692,266	-
Accrued Interest Receivable	688,227	-
Due from Participants	10,764	-
Total Assets	323,407,533	\$ 599,031
<b>LIABILITIES</b>		
Due to Other Governments	-	599,031
Accrued Investment Expenses	115,561	-
Total Liabilities	115,561	\$ 599,031
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 323,291,972</b>	

See Accompanying Notes to Basic Financial Statements.

## CITY OF JOLIET, ILLINOIS

### Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Year Ended December 31, 2016

	<u>Pension Trust Funds</u>
<b>Additions</b>	
Contributions	
Employer Contributions	\$ 26,891,487
Plan Member Contributions	<u>4,933,889</u>
Total Contributions	<u>31,825,376</u>
Investment Income	
Net Increase in Fair Value of Investments	13,967,787
Interest and Dividends	<u>8,166,109</u>
Total Investment Income	22,133,896
Less Investment Expenses	<u>887,410</u>
Net Investment Income	<u>21,246,486</u>
Miscellaneous Income	<u>46,886</u>
Total Additions	<u>53,118,748</u>
<b>Deductions</b>	
Benefit Payments (Including Refunds of Plan Member Contributions)	23,039,089
Administrative and Other Expenses	<u>143,815</u>
Total Deductions	<u>23,182,904</u>
Net Increase In Net Position	29,935,844
<b>Net Position Restricted for Pensions</b>	
Beginning of Year	<u>293,356,128</u>
End of Year	<u>\$ 323,291,972</u>

See Accompanying Notes to Basic Financial Statements.

## CITY OF JOLIET, ILLINOIS

Combining Statement of Net Position  
Component Units  
June 30, 2016 and December 31, 2016

ASSETS	December 31, 2016	June 30, 2016		Total
	Joliet Public Library	Will County Metropolitan Exposition and Auditorium Authority	The Joliet Area Historical Museum	
<b>Current Assets:</b>				
Cash	\$ 5,948,055	\$ 355,743	\$ 250,766	\$ 6,554,564
Investments	-	36,285	49,202	85,487
Receivables				
Property Taxes, Net of Allowance for Uncollectible Amounts	5,964,567	-	-	5,964,567
Accrued Interest	-	4	-	4
Customer Accounts, Net	2,716	36,013	-	38,729
Pledges Receivable	-	8,200	-	8,200
Other	-	22,969	-	22,969
Inventory	-	32,672	43,043	75,715
Prepaid Expenses	59,722	105,248	16,720	181,690
Grant Advance	-	9,456	-	9,456
<b>Restricted Assets (Endowment Funds)</b>				
Cash	-	27,621	47,942	75,563
Investments	-	958,312	286,117	1,244,429
Total Current Assets	11,975,060	1,592,523	693,790	14,261,373
<b>Noncurrent Assets:</b>				
Capital Assets (Net)				
Library	12,846,667	-	-	12,846,667
W.C.M.E.A.A.	-	7,497,185	-	7,497,185
Historical Museum	-	-	557,731	557,731
Construction in Progress	-	16,365	-	16,365
Total Noncurrent Assets	12,846,667	7,513,550	557,731	20,917,948
Total Assets	24,821,727	9,106,073	1,251,521	35,179,321
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows of Resources				
Related to Pensions	1,295,339	-	-	1,295,339
Total Deferred Outflows of Resources	1,295,339	-	-	1,295,339
Total Assets and Deferred Outflows of Resources	\$ 26,117,066	\$ 9,106,073	\$ 1,251,521	\$ 36,474,660

See Accompanying Notes to Basic Financial Statements.



	December 31, 2016		June 30, 2016		Total
	Joliet Public Library	Will County Metropolitan Exposition and Auditorium Authority	The Joliet Area Historical Museum		
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Vouchers Payable	\$ 81,168	\$ 569,789	\$ 16,674	\$ 667,631	
Accrued Payroll	70,312	-	-	70,312	
Accrued Compensated Absences	32,640	157,772	66,149	256,561	
Accrued Interest	-	62,713	-	62,713	
Loans and Leases Payable - Current Portion	-	2,427,012	-	2,427,012	
Unearned Revenue - Advance Ticket Sales	-	223,581	17,481	241,062	
Due to Primary Government	-	-	767,317	767,317	
Due to Volunteers	-	110,848	-	110,848	
Other	25,435	92,332	-	117,767	
Total Current Liabilities	209,555	3,644,047	867,621	4,721,223	
<b>Noncurrent Liabilities:</b>					
Accrued Compensated Absences	130,562	-	-	130,562	
Loans and Leases Payable	-	1,340	-	1,340	
Net Pension Liability	4,959,163	-	-	4,959,163	
Total Noncurrent Liabilities	5,089,725	1,340	-	5,091,065	
Total Liabilities	5,299,280	3,645,387	867,621	9,812,288	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Property Taxes	5,964,567	-	-	5,964,567	
Deferred Inflows - Pensions	388,060	-	-	388,060	
Total Deferred Inflows of Resources	6,352,627	-	-	6,352,627	
<b>NET POSITION</b>					
Net Investment in Capital Assets	12,846,667	5,086,882	557,731	18,491,280	
Restricted for:					
Expendable Purposes:					
Temporary Funds	-	-	253,817	253,817	
Nonexpendable Purposes:					
Permanent Funds	10,000	1,008,173	130,083	1,148,256	
Unrestricted	1,608,492	(634,369)	(557,731)	416,392	
Total Net Position	14,465,159	5,460,686	383,900	20,309,745	
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 26,117,066	\$ 9,106,073	\$ 1,251,521	\$ 36,474,660	

## CITY OF JOLIET, ILLINOIS

Combining Statement of Activities  
Component Units  
For the Year Ended June 30, 2016 and December 31, 2016

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>Joliet Public Library</b>			
Library Operations	\$ 6,502,869	\$ 150,919	\$ 121,786
<b>W.C.M.E.A.A.</b>			
Culture and Recreation	126,601	-	331,074
Theatre and Rental Operations	5,131,696	3,748,092	922,773
<b>The Joliet Area Historical Museum</b>			
Culture and Recreation	1,418,060	97,977	1,262,832
Total Component Units	\$ 13,179,226	\$ 3,996,988	\$ 2,638,465

General Revenues:  
Property Taxes  
Interest and Investment Earnings  
(Loss) on Disposal of Fixed Assets  
Contributions to Permanent Funds  
Other General Revenues

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

See Accompanying Notes to Basic Financial Statements. □

**Net (Expense) Revenue and  
Changes in Net Position**

<u>December 31, 2016</u>	<u>June 30, 2016</u>		
<u>Joliet Public Library</u>	<u>Will County Metropolitan Exposition and Auditorium Authority</u>	<u>The Joliet Area Historical Museum</u>	<u>Total</u>
(\$ 6,230,164)	\$ -	\$ -	(\$ 6,230,164)
-	204,473	-	204,473
-	( 460,831)	-	( 460,831)
-	-	( 57,251)	( 57,251)
( 6,230,164)	( 256,358)	( 57,251)	( 6,543,773)
5,927,107	-	-	5,927,107
19,329	28,994	9,523	57,846
-	( 206,511)	-	( 206,511)
-	5,823	-	5,823
66,214	-	-	66,214
6,012,650	( 171,694)	9,523	5,850,479
( 217,514)	( 428,052)	( 47,728)	( 693,294)
14,682,673	5,888,738	431,628	21,003,039
<u>\$ 14,465,159</u>	<u>\$ 5,460,686</u>	<u>\$ 383,900</u>	<u>\$ 20,309,745</u>

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

### *Introduction*

The City of Joliet, Illinois (the City) was incorporated June 19, 1852. The City is a home rule unit and operates under the Council / Manager form of government. The City Council is composed of the Mayor and eight council members. The City provides services to the community that includes: police, fire, water and wastewater utility, community development, street maintenance, and general services.

The financial statements of the City of Joliet, Illinois are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (USGAAP). USGAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

### *Financial Reporting Entity*

As defined by accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

The accompanying financial statements present the City of Joliet, Illinois (the primary government) and its component units. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

### *Component Units that are Fiduciary in Nature*

The Police Pension Fund and Firefighters' Pension Fund of the City of Joliet are Illinois local governments, as such; they are separate legal entities with their own management and budget authority. These funds exist solely to provide pension benefits for the City's police officers and firefighters and their beneficiaries. The financial statements of the Pension Funds as of and for the fiscal year ended December 31, 2016, are reported as pension trust funds - fiduciary funds. Each pension fund prepared separately issued component unit financial statements. The Police Pension Fund report may be obtained by writing to the City of Joliet Administrative Office, 150 West Jefferson Street, Joliet, Illinois 60432. The Firefighters' Pension Fund report may be obtained by writing to the Joliet Firefighters' administrative office, 101 East Clinton Street, Joliet, Illinois 60432.

### *Discretely Presented Component Units*

A discretely presented component unit is an entity that is legally separate from the City, but for which the City is financially accountable, or whose relationship with the City is such that exclusion would cause the City's statements to be misleading or incomplete. The City's component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

### *Joliet Public Library*

The Joliet Public Library provides a broad range of services and reference information to area citizens, including book and film rental and audio-visual materials.

On September 1, 1875, under the provisions of an 1872 Illinois Statute, "The Illinois Local Public Library Act", the Joliet City Council adopted an ordinance providing for the establishment of a public library in Joliet. The Joliet Public Library began public service on March 7, 1876. The Library is governed by a board of library trustees consisting of nine members appointed by the Mayor of the City of Joliet and confirmed by the City Council. Board members serve three-year terms with three members being appointed annually.

The Joliet Public Library is primarily supported by property taxes. The annual budget, appropriation, and levy for the Library are enacted as ordinances of the City of Joliet by the City Council of the City of Joliet. The Library receives some revenue from the sale of real property, fines and fees, and from state, federal, and corporate grants. Separate financial statements may be obtained at the Library's business office, 150 North Ottawa Street, Joliet, Illinois, 60432.

### *Will County Metropolitan Exposition and Auditorium Authority*

The Will County Metropolitan Exposition and Auditorium Authority (the Authority) was created under Illinois Public Act 80-909. The original purpose of the Authority was to rehabilitate and restore a historic building, the Rialto Square Theatre. Duties of the Authority consist of promoting, operating, and maintaining expositions and conventions in the metropolitan area for industrial, cultural, educational, theatrical, sports, trade, and scientific exhibits and to construct, equip, and maintain auditoriums and exposition buildings for such purposes. While the Authority still has the same basic purpose, theatre operations, from January 1, 1989 through December 31, 1993, had been carried out by the Rialto Square Theatre Corporation, a separate autonomous non-profit organization. As of January 1, 1994, the Authority resumed theatre operations. In 1982, the Act was amended to allow the authority to lease property as an owner and change the Authority name from Joliet to Will County Metropolitan Exposition and Auditorium Authority. The Mayor of the City of Joliet, with the consent of the City Council, appoints a voting majority of Authority's Governing Board. The City, through an intergovernmental agreement, provides a substantial amount of financial support to the Authority. The Authority operates on a fiscal year ending June 30. Separate financial statements may be obtained at the Authority's administrative office, 15 East Van Buren Street, Joliet, Illinois, 60432.

### *The Joliet Area Historical Museum*

The Joliet Area Historical Museum (the Museum) is an Illinois nonprofit organization incorporated in 1999. The museum was established to maintain, promote, and support a museum dedicated to presenting the history of the Joliet area to the public. The Museum was opened to the public in October 2002. The Museum is supported primarily through an agreement with the City of Joliet, grants, contributions, and membership dues. The City, through an agreement with the Museum, provides a substantial amount of financial support to the Museum. The Museum is fiscally dependent on the City; the City approves the Museum's annual budget and the Museum cannot borrow funds without the prior approval of the City.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

The City has the sole and exclusive right to all income, receipts, and revenues and other consideration of whatever kind or nature realized by, from, or in connection with the Museum Property, the Inaugural Collection, or the operation of the Museum. The Museum operates on a fiscal year ending June 30. Separate financial statements may be obtained at the Museum's administrative office, 204 North Ottawa Street, Joliet, Illinois, 60432.

No other agencies or units of local government meet the criteria of GASB Statement Numbers 14, 39, or 61 for inclusion in the reporting entity as a component unit.

### ***Basis of Presentation***

#### *Government-wide Financial Statements*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and nonexchange revenue. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

#### *Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The City's funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City (General Fund) or meets the following criteria:

- a) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and
- b) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

#### *Governmental Funds*

Governmental funds are those through which most governmental functions of the City are financed. The City's expendable financial resources (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental funds:

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

**General Fund** - The General Fund, a major fund, is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

**Special Revenue Funds** - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The City's major special revenue funds are the following:

Evergreen Terrace II Fund - Accounts for revenue and expenditures related to the Evergreen Terrace property. Historically, the main revenue source of this fund was federal grants from the U.S. Department of Housing and Urban Development. Additional revenue sources include miscellaneous income. The fund recorded the payment towards the eventual purchase the Evergreen Terrace property in 2015.

Motor Fuel Tax Fund - Accounts for revenue and expenditures for improvement of City streets and bridges. The main revenue source is taxes imposed on the purchase of motor fuel. Additional revenue sources include state grants and interest income.

**Debt Service Fund** - The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest of general long-term debt and related costs.

**Capital Projects Funds** - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

### *Proprietary Funds*

Proprietary funds are used to account for the City's ongoing organizations and activities, which are similar to those often, found in the private sector. The measurement focus is based upon determination of net income.

**Enterprise Funds** – Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. The City uses enterprise funds to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City's major enterprise fund is the following:

Water and Sewer Fund - Accounts for the revenue and expense related to providing a safe, potable water supply for domestic and industrial usage and fire protection and for maintaining a dependable system for collecting and treating the waste waters of the City of Joliet.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

### *Fiduciary Funds (not Included in Government-wide Statements)*

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, other governments, or other funds. These include the following fund types: **Pension Trust Funds** and **Agency Funds**. The Pension trust funds include the City of Joliet Police Pension Fund and City of Joliet Firefighters' Pension Fund. These funds account for City contributions in the form of property taxes and contributions from participants used to fund the respective pension plans and payments to beneficiaries in accordance with the Illinois Pension Code. Agency Funds account for monies held on behalf of others, mainly funds held by the City's police department.

### ***Measurement Focus and Basis of Accounting***

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

#### *Measurement Focus*

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement or the "economic resources" measurement is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position. Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since preservation of capital is critical. Agency funds do not have a measurement focus.



# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

### *Basis of Accounting*

#### Government-wide Financial Statements

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Changes in net position resulting from exchange and exchange-like transactions are recognized when the exchange takes place. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions, and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Eliminations have been made in the Statement of Net Position to remove the “grossing-up” effect on assets and liabilities within the governmental and business-type activities’ columns for amounts reported in the individual funds as internal receivables and payables. Similarly, transfers between funds have been eliminated in the Statement of Activities. Amounts reported in the activities’ columns as receivable from or payable to fiduciary funds (if any) have been reclassified in the Statement of Net Position as accounts receivable or payable to external parties. Interfund services provided and used (sales and purchases of goods and services between funds for a price approximating their external exchange value) are not eliminated in the process of consolidation.

Net position is reported as restricted when constraints placed on net position use is either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

#### Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting on funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

### Governmental Funds

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within sixty days, or soon enough thereafter, to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. When an asset is recorded in governmental fund financial statements but the revenue is not available, the City reports a deferred inflow of resources until such time as the revenue becomes available.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

Shared revenues remitted from the State of Illinois, such as state income tax, replacement tax, sales tax, gaming tax, automobile rental tax, pari-mutuel tax, and State motor fuel tax allotments, are accrued applying the susceptible-to-accrual concept based upon the earlier of the month they were liabilities to the State or the month collected by the State.

Licenses and permits, charges for services (other than water), and miscellaneous revenues (except for investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Revenues from Federal and State grants and similar programs are recognized when the City has done everything necessary to establish its right to the revenue. Usually this is at the time expenditures have been incurred for an authorized purpose.

### Proprietary Funds

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resources focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at the end of the year.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses - generally revenues from grants and interest and expenses for debt service.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

### *Budgets and Budgetary Accounting*

Annual budgets are legally adopted and separately reported for all funds of the City except for those mentioned in Note 4. The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to December 31<sup>st</sup>, the City Manager submits to the City Council a proposed annual budget for the fiscal year commencing January 1. The annual budget includes proposed expenditures and the means of financing them. All budgets are adopted on a modified accrual basis except for the following modifications:

- Collections of special revenue fund loans, capital project fund assessments, and special assessments are budgeted as revenue in the year received.
- Special revenue fund loans are shown as expenditures when the funds are disbursed.
- Certain transfers between governmental funds are budgeted as revenues and expenditures.
- In the enterprise funds, payment of principal and interest are shown as expenses.
- For report presentation purposes, actual revenues and expenditures and other financing sources and uses have been adjusted to incorporate these modifications with a reconciliation provided.
- Public hearings are conducted to obtain taxpayer comments.

Prior to December 31<sup>st</sup>, the annual budget is legally enacted through passage of an ordinance. Passage of the annual budget is done in lieu of an appropriation ordinance as permitted by the Illinois Compiled Statutes.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. The level of control (level at which expenditures may not exceed budget) is the fund total, not the individual line items. The annual budget can be amended by a two-thirds vote of the City Council. All appropriations lapse at year-end.

### *Cash and Cash Equivalents*

Cash, as presented in the Statement of Cash Flows for the City's Enterprise Funds, consist of demand deposit accounts and petty cash funds. Investments in certificates of deposit, which may or may not have initial maturities of less than three months, are considered to be investments rather than cash.

### *Capital Assets*

Capital assets are stated on the basis of historical cost (estimated for certain items purchased prior to December 31, 1997). Major capital asset additions are financed primarily from bond proceeds. Assets acquired through gifts or donations are recorded at their estimated acquisition value at the time of acquisition. The City has established a capitalization threshold of \$25,000 for infrastructure and land improvements, buildings, waterworks and sewerage systems, and parking decks. The capitalization threshold for furniture and equipment is \$5,000.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

### *Depreciation of Capital Assets*

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are shown below:

Infrastructure	40 Years
Land Improvements	10 to 15 Years
Buildings	50 Years
Waterworks and Sewerage Systems	40 Years
Parking Decks	50 Years
Equipment	5 to 15 Years

Assets of the Water and Sewer Fund acquired prior to 1957 are considered to be fully depreciated and were removed from the accounting records. Assets acquired from 1957 through 1987 will be removed from the books in future years as they become fully depreciated. This policy was enacted because the exact composition of capital assets acquired between 1957 and 1987 is not readily ascertainable and, therefore, these assets cannot be removed from the accounting records as they are physically replaced. The above policy provides a means to remove these assets from the accounting records over time. All City infrastructure constructed or acquired in fiscal years ended after June 30, 1980 have been capitalized.

### *Interfund Transfers*

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers.

### *Encumbrances*

Encumbrances are recorded when purchase orders are issued for goods or services. Actual expenditures are recognized when the goods or services are received.

### *Investments*

Investments of the City are carried at fair value (see note 3). Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

### *Employee Compensated Absences*

Employee vacation, sick time, and comp time, for which the employees are eligible to receive termination payments, are recorded as a liability in the Statement of Net Position. The liability will be paid from the fund that the respective employee's salary is paid from.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

### *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF) and the Police and Firefighters' Pension Plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by those plans, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### *Customer Accounts and Unbilled Receivables*

Estimated sales for municipal waste, water, and wastewater usage, which are unbilled at year-end, are recognized as current year revenue and are included in "Receivables - Estimated Unbilled Usage". Customer accounts receivable are recorded net of an allowance for uncollectible accounts.

### *Inventory*

Inventory recorded in the governmental funds consists of commercial real estate held for resale and residential real estate purchased for rehabilitation and subsequent sale under the Neighborhood Stabilization Grant. This inventory is recorded at cost.

### *Fund Balances*

The fund balances of the City's governmental funds are required to be reported using five separate classifications as listed below. The City may not necessarily utilize each classification in a given fiscal year.

**Nonspendable fund balance** - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification may include inventories, prepaid amounts, assets held for sale, and long-term receivables.

**Restricted fund balance** - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

**Committed fund balance** - Amounts that can only be used for specific purposes because of a formal action (ordinance) by the City's highest level of decision-making authority, the City Council.

**Assigned fund balance** - Amounts that are constrained by the City's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the City Council, Mayor, or another body (such as a Finance Committee), or by an official to whom that authority has been given. The City has taken formal action to create each of the City's funds reported in this report, thereby assigning those resources for the purpose for which the fund was established. Any non-negative year end fund balance that is not reported as nonspendable, restricted, or committed is reported as assigned (with the exception of the General Fund).

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 1. Summary of Significant Accounting Policies

Unassigned fund balance - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of cumulative overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Note 16 provides details of fund balances.

### *Restricted Net Position – Proprietary Funds*

Certain cash and investments along with related intergovernmental receivables in the Water and Sewer Fund are restricted for debt service and capital improvements in accordance with the ordinances authorizing the issuance of the Series 2010, 2011, 2012, 2014A, and 2014B revenue bonds and the IEPA loans. These assets are reflected as restricted assets. The City also reports liabilities for amounts payable from restricted assets. Restricted assets that exceed related amounts payable are reported as a restriction of net position.

### *Use of Resources Policy*

The City considers restricted resources to have been used first when expenditures/expenses are incurred for purposes for which both restricted and unrestricted balances are available. Committed, assigned, and unassigned amounts are considered to have been spent in that order when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. Expenditures incurred for a specifically identified purpose will reduce the specific identified classification of fund balance.

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, and deferred inflows of resources and disclosure of contingent assets, liabilities, deferred outflows of resources, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

## 2. Property Taxes

Property taxes are levied each year on all taxable real property located in the City. The amounts recorded as revenue for fiscal year 2016 represent the taxes from the 2015 and prior year levies. The budget anticipates that the 2016 property tax levy will be used to finance the 2017 expenditures. The 2016 levy has been recognized as a receivable as of December 31, 2016 but recognition as revenue has been deferred to 2017 because the revenue is not considered available to finance 2016 expenditures.

Net property taxes receivable reflect the estimated collectible portion of the 2016 levies as of December 31, 2016. Property taxes receivable for prior years are immaterial and are not recorded.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 2. Property Taxes

Based on past experience, an allowance for estimated collection losses (2% of the extended levy) has been recorded to reduce the property taxes receivable to the estimated amounts collectible.

Property taxes are levied on the last Tuesday in December and attach as an enforceable lien on property on January 1 and are payable in two installments on or about June 1 and September 1 subsequent to the year of levy.

All of the City's governmental funds account for property taxes as described above.

## 3. Tax Abatements

As of December 31, 2016, the City provided tax abatements through five separate programs to encourage economic development within the City. The abatements are reported as reductions to revenues in the applicable individual funds of the City.

The City rebated a portion of the Tax Increment Financing (TIF) property taxes as allowed by the Illinois Tax Increment Redevelopment Allocation Act. The City had agreements with seven entities as of December 31, 2016. The entities must make improvements to properties within the TIF district. The entities remitted their share of property taxes to the County; upon receipt of the taxes from the County, the City refunded the entities up to 100% of the TIF tax paid by each entity, subject to various formulas as dictated by the individual agreements. Rebates paid under the TIF property tax program totaled \$498,753 during the year ended December 31, 2016, including \$184,600 paid to one developer, which amounted to 37% of the TIF rebates.

The City rebated a portion of sales taxes as allowed by the Illinois Compiled Statutes (Economic Incentive Agreements). The City's largest sales tax rebate program involves automobile dealerships. Dealerships can qualify for rebates up to \$100,000 annually to a maximum of fifteen years based on the level of capital investments made to their properties, the sales volume of vehicles, and the amount of sales tax paid to the state. The City had agreements with seven auto dealers (six of which were active) as of December 31, 2016. The City also had three sales tax rebate agreements with non-auto dealers which involved rebates based on percentages of sales. Rebates paid under the sales tax programs totaled \$810,374 during the year ended December 31, 2016, including a total of \$444,435 paid to six auto dealers and \$289,124 paid to a communications equipment corporation, which represented 36% of the sales tax rebates.

The City rebated a portion of business district sales taxes as allowed by the Illinois Business District Development and Redevelopment Law. The City had ten-year agreements with two entities that operate within the specified business district as of December 31, 2016. The entities remitted sales taxes to the state of Illinois; upon collection of the taxes from the state, the City refunded the entities up to 100% of the incremental business district sales tax paid by each entity. Rebates paid under the business district sales tax program were made in the amounts of \$31,194 and \$21,674 to gas stations that also operated convenience stores for a total of \$52,868 during the year ended December 31, 2016.

The City rebated amusement taxes as allowed under home-rule provisions of the Illinois Compiled Statutes. The City had an agreement with a racetrack developer as of December 31, 2016. The developer remitted amusement taxes to the City; upon collection of the taxes from the developer, the City refunded up to 100% of the amusement tax paid to reimburse the developer for certain public improvements made by the developer. Rebates paid under this program totaled \$113,885 during the year ended December 31, 2016.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 3. Tax Abatements

The City rebated a certain portion of special service area property taxes as allowed under the Special Service Area Tax Law provisions of the Illinois Compiled Statutes. The City had an agreement with a shopping center developer as of December 31, 2016. The developer remitted property taxes to the County; upon receipt of the taxes from the County, the City refunded the developer 100% of the property tax paid to reimburse the developer for certain public improvements made by the developer. Rebates paid under this program totaled \$49,853 during the year ended December 31, 2016.

### 4. Cash and Investments

#### *Primary Government*

The City is authorized by the Illinois Compiled Statutes (the Illinois Public Funds Investment Act (30 ILCS 235/2) to invest any available funds in: (1) in bonds, notes, certificates of indebtedness, treasury bills or other securities, which are guaranteed by the full faith and credit of the United States of America as to principal and interest; (2) in bonds, notes, debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities; (3) in interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) in short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and which mature not later than 270 days from the date of purchase, (5) in money market mutual funds registered under the Investment Company Act of 1940, (6) interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, school district, or state. In addition, the fiduciary component units, the Police and Firefighters' Pension Trust Funds, can invest in corporate bonds, general accounts of Illinois authorized life insurance companies, and certain State of Israel obligations. The Pension Funds may also invest in certain separate accounts of Illinois authorized life insurance companies, mutual funds, and common stocks, in total not to exceed either 10% and 55% of total net position of each Fund, depending on type of investment.

#### *Deposits*

In addition to checking accounts, the City maintains an investment pool comprised of certificates of deposit and an Illinois Funds Money Market Fund account that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Investments". The year-end carrying amounts and bank balances for the City and Pension Trust Funds (excluding cash on hand of \$4,266 are as follows:

	Carrying Amount			Total Bank Balance
	Checking Accounts	Certificates of Deposit	Total	
All City Funds Except				
Pension Trust Funds	\$ 43,742,804	\$ 8,112,708	\$ 51,855,512	\$ 41,139,318
Police Pension Fund	15,060	1,375,733	1,390,793	1,390,793
Firefighters' Pension Fund	1,116	-	1,116	1,116
Total	<u>\$ 43,758,980</u>	<u>\$ 9,488,441</u>	<u>\$ 53,247,421</u>	<u>\$ 42,531,227</u>



## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 4. Cash and Investments

Custodial Credit Risk - this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy, which covers the City's policies for all "deposits" and "investments" requires collateral for all deposits and investments except for those investments in the state pool (the Illinois Funds) or the federal government securities. The collateral must have a market value of not less than 100% of all deposits and investments. The Pension Funds' investment policies do not require collateralization of deposits or investments. As of year-end, all account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, or collateralized with securities of the U.S. Government held in the City's name by financial institutions acting as the City's agent.

The City maintains an investment in the Illinois Funds Money Market Fund. The balance at December 31, 2016 was \$18,661,515. The Illinois Funds Money Market Fund is an external investment pool created by the Illinois General Assembly. The fund invests in U.S. Treasury bills and notes, fully collateralized time deposits in Illinois financial institutions, collateralized repurchase agreements, and mutual funds that invest in U.S. Treasury obligations and collateralized repurchased agreements; the average weighted maturity of the pool's investments at December 31, 2016 is 48 days. The fair value of the position in the Illinois Funds Money Market Fund is the same as the value of the pool shares. The Illinois State Treasurer's Investment Advisory Board has oversight responsibility over the Illinois Funds Money Market Fund.

#### *Investments*

Fair Value Measurement - Investments are measured at fair value on a recurring basis. The Pension Funds categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Pension Funds have the following recurring fair value measurements as of December 31, 2016:

<b><i>Police Pension Fund</i></b>	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level				
Debt Securities:				
U.S. Treasury Securities	\$ 24,545,057	\$ 24,545,057	\$ -	\$ -
U.S. Agency Securities	1,705,065	-	1,705,065	-
U.S. Agency Sponsored Securities	6,898,440	-	6,898,440	-
Corporate Bonds	26,587,456	-	26,587,456	-
State and Local Bonds	1,378,649	-	1,378,649	-
Total Debt Securities	<u>61,114,667</u>	<u>24,545,057</u>	<u>36,569,610</u>	<u>-</u>
Equity Securities:				
Mutual Funds	114,217,901	114,217,901	-	-
Total Equity Securities	<u>114,217,901</u>	<u>114,217,901</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>175,332,568</u>	<u>\$ 138,762,958</u>	<u>\$ 36,569,610</u>	<u>\$ -</u>
Investments Measured at the Net Asset Value				
Insurance Company Contracts	9,683,265			
Total Investments Measured at Fair Value	<u>\$ 185,015,833</u>			

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 4. Cash and Investments

<b><i>Firefighters' Pension Fund</i></b> Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
<b>Debt Securities:</b>				
U.S. Treasury Securities	\$ 15,070,279	\$ 15,070,279	\$ -	\$ -
U.S. Agency Securities	1,173,611	-	1,173,611	-
U.S. Agency Sponsored Securities	4,232,433	-	4,232,433	-
Corporate Bonds	15,942,478	-	15,942,478	-
State and Local Bonds	911,420	-	911,420	-
Total Debt Securities	<u>37,330,221</u>	<u>15,070,279</u>	<u>22,259,942</u>	<u>-</u>
<b>Equity Securities:</b>				
Common Stock	56,551,735	56,551,735	-	-
Mutual Funds	24,966,193	24,966,193	-	-
Total Equity Securities	<u>81,517,928</u>	<u>81,517,928</u>	<u>-</u>	<u>-</u>
<b>Total Investments Measured at Fair Value</b>	<u><b>\$ 118,848,149</b></u>	<u><b>\$ 96,588,207</b></u>	<u><b>\$ 22,259,942</b></u>	<u><b>\$ -</b></u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investments measured at the Net Asset Value (NAV) consist of Insurance Company Contracts (Separate Account). The Separate Account is made available through a group annuity contract and is comprised of a diversified U.S. real estate equity portfolio consisting primarily of high quality, well-leased real estate properties in multifamily, industrial, office, retail, and hotel sectors. Although withdrawal limitations could be implemented for the Separate Account based on market factors inherent in real estate, there were no withdrawal limitations as of December 31, 2016. The fair value of the investment in this type has been determined using the NAV per share of the Pension Fund's ownership interest in the group annuity contract.

**Custodial Credit Risk** - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City or Pension Funds will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The investment policies for the City and the Pension Funds as it pertains to custodial credit risk for investments were outlined above. The investments held in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. All other investments were held by the Pension Funds and were registered in the name of the Pension Funds.

**Concentration of Credit Risk** - The City's and the Pension Funds' investment policies place no limit on the amount that may be invested in any one issuer; however, diversification of the investment portfolio must be appropriate as to the nature and purpose of the funds using the "prudent person rule". At year-end, the City held investments in the Illinois Funds which represented 100% of total City investments.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 4. Cash and Investments

The long-term expected rate of return on the Police and Firefighters' Fund's investments in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) have been developed for each major assets class. These ranges were 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. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Funds' target asset allocation as of December 31, 2016 are listed in the tables below:

<u>Police Pension Fund</u>			Allocation-Weighted
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income U.S. Government	15.00%	0.30%	0.05%
Fixed Income State and Local	3.00%	0.30%	0.01%
Equity - Mutual Funds	65.00%	5.85%	3.80%
Fixed Income Corporate Bonds	12.00%	0.30%	0.04%
Cash	5.00%	-3.00%	-0.15%
Total	<u>100.00%</u>		<u>3.75%</u>
Expected Inflation			<u>3.00%</u>
Total Return			<u>6.75%</u>

<u>Firefighters' Pension Fund</u>			Allocation-Weighted
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income U.S. Government	27.00%	0.30%	0.08%
Fixed Income State and Local	3.00%	0.30%	0.01%
Equity - Stocks and Mutual Funds	55.00%	6.87%	3.78%
Fixed Income Corporate Bonds	10.00%	0.30%	0.03%
Cash	5.00%	-3.00%	-0.15%
Total	<u>100.00%</u>		<u>3.75%</u>
Expected Inflation			<u>3.00%</u>
Total Return			<u>6.75%</u>

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 4. Cash and Investments

Interest Rate Risk - The Firefighters' Pension Fund does not have formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The Police Pension Fund's investment policy dictates fixed income securities are to be invested in a ladder of maturities approach with securities generally extending over a ten-year period. As of December 31, 2016, the Pension Funds' fixed income investment maturities (using the segmented time distribution method) and fair values were as follows:

#### Police Pension Fund

Investment Description	Total Fair Value 12/31/2016	Investment Maturities			
		Less Than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Bonds	\$ 212,608	\$ -	\$ -	\$ -	\$ 212,608
U.S. Treasury Notes	23,984,996	4,261,241	12,120,372	7,603,383	-
U.S. Treasury Bills	347,453	347,453	-	-	-
SBA Loan Pools	1,151,135	-	-	293,584	857,551
GNMA	553,930	-	123,665	2,065	428,200
FFCB	1,158,967	-	1,158,967	-	-
FHLB	1,015,520	-	1,015,520	-	-
FHLMC	1,827,539	-	593,573	1,103,481	130,485
FNMA	2,896,414	241	1,064,030	1,681,983	150,160
Corporate Bonds	26,587,456	2,102,548	12,843,037	10,007,907	1,633,964
State and Local Bonds	1,378,649	150,823	345,204	573,907	308,715

#### Firefighters' Pension Fund

Investment Description	Total Fair Value 12/31/2016	Investment Maturities			
		Less Than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Bonds	\$ 234,460	\$ -	\$ -	\$ -	\$ 234,460
U.S. Treasury Notes	14,620,883	2,078,687	7,761,868	4,780,328	-
U.S. Treasury Bills	214,936	214,936	-	-	-
SBA Loan Pools	427,494	-	-	104,637	322,857
GNMA	356,294	-	69,141	2,828	284,325
TVA	389,823	389,823	-	-	-
FFCB	99,211	-	99,211	-	-
FHLMC	1,958,031	138,947	985,147	741,000	92,937
FNMA	2,175,191	-	944,832	812,668	417,691
Corporate Bonds	15,942,478	808,074	7,135,121	7,184,735	814,548
State and Local Bonds	911,420	60,172	217,896	160,262	473,090

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 4. Cash and Investments

Credit Risk - The City's and Pension Funds' investment policies do not further limit their investment choices beyond those referred to in the Public Funds Investment Act and/or the Illinois Pension Code. As of December 31, 2016, the City's investment in the Illinois Funds was rated AAAM by Standard & Poor's rating agency. The Pension Trust Funds' investments, fair values, and credit ratings as described by Standard & Poor's rating agency were as follows:

Investment Description	Police Pension		Firefighters' Pension		Credit Rating
	Total Fair Value 12/31/2016	% of Total Investments	Total Fair Value 12/31/2016	% of Total Investments	
<b>U.S. Government and Agency Securities</b>					
U.S. Treasury Bonds	\$ 212,608	0.11%	\$ 234,460	0.18%	N/A
U.S. Treasury Notes	23,984,996	12.61%	14,620,883	11.15%	N/A
U.S. Treasury Bills	347,453	0.18%	214,936	0.16%	N/A
Small Business Administration Loan Pools	1,151,135	0.61%	427,494	0.33%	N/A
Government National Mortgage Association	553,930	0.29%	356,294	0.27%	N/A
Tennessee Valley Authority	-	0.00%	389,823	0.30%	N/A
Subtotal	<u>26,250,122</u>	<u>13.80%</u>	<u>16,243,890</u>	<u>12.39%</u>	
<b>U.S. Government Sponsored Agency Securities</b>					
Federal Farm Credit Banks	1,158,967	0.61%	99,211	0.08%	AA+
Federal Home Loan Banks	1,015,520	0.53%	-	0.00%	AA+
Federal Home Loan Mortgage Corporation	1,827,539	0.96%	1,958,031	1.49%	AA+
Federal National Mortgage Association	2,896,414	1.52%	2,175,191	1.66%	AA+
Subtotal	<u>6,898,440</u>	<u>3.62%</u>	<u>4,232,433</u>	<u>3.23%</u>	
State and Local Government Securities	<u>1,378,649</u>	<u>0.72%</u>	<u>911,420</u>	<u>0.70%</u>	AAA / A
Insurance Company Contracts	<u>9,683,265</u>	<u>5.09%</u>	<u>-</u>	<u>0.00%</u>	N/A
<b>Money Market Mutual Funds</b>					
First Midwest Bank	<u>5,221,739</u>	<u>2.75%</u>	<u>12,230,812</u>	<u>9.33%</u>	AAAm
<b>Mutual Funds</b>					
American Funds	114,217,901	60.04%	-	0.00%	N/A
First Midwest Bank	-	0.00%	24,966,193	19.05%	N/A
Subtotal	<u>114,217,901</u>	<u>60.04%</u>	<u>24,966,193</u>	<u>19.05%</u>	
Common Stock	<u>-</u>	<u>0.00%</u>	<u>56,551,735</u>	<u>43.14%</u>	N/A
Corporate Bonds	<u>26,587,456</u>	<u>13.98%</u>	<u>15,942,478</u>	<u>12.16%</u>	AAA / BBB-
Total Investments	<u>\$ 190,237,572</u>	<u>100.00%</u>	<u>\$ 131,078,961</u>	<u>100.00%</u>	

N/A - Rating not required.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 4. Cash and Investments

Foreign Currency Risk - the Police Pension Fund's investments in foreign obligations and the Firefighters' Pension Fund's investments in foreign stocks were denominated in U.S. currency and therefore are not subject to foreign currency risk.

A reconciliation of the City's cash and investment balances as reported in the basic financial statements and the deposits and investments presented in this note is as follows:

### Reconciliation of notes to financial statements:

#### **Cash and Investments (Note Above)**

Cash - Carrying Amount of Deposits	\$ 53,247,421
Cash on Hand	4,266
Investments - City Investment in Illinois Funds	18,661,515
Investments - Police Pension Fund	190,237,572
Investments - Firefighters' Pension Fund	131,078,961
Total	<u>\$ 393,229,735</u>

#### **Cash and Investments (Basic Financial Statements)**

Primary Government Cash - Statement of Net Position	\$ 33,057,022
Primary Government Escrow Deposits - Statement of Net Position	6,135,100
Primary Government Investments - Statement of Net Position	30,730,040
Pension Trust Funds Cash - Statement of Fiduciary Net Position	16,276
Pension Trust Funds Investments - Statement of Fiduciary Net Position	322,692,266
Agency Fund Cash - Statement of Fiduciary Net Position	599,031
Total	<u>\$ 393,229,735</u>

### **Discretely Presented Component Units**

The Joliet Public Library and the Will County Metropolitan Exposition and Auditorium Authority are authorized by the Illinois Compiled Statutes to invest in instruments similar to the City as noted above.

#### Joliet Public Library:

At December 31, 2016, the Library's cash consisted of demand deposits held at local financial institutions. The carrying amount of the Library's deposits was \$5,944,143 and the bank balance was \$6,384,551. Additionally, at year-end, the Library has \$3,912 invested in the Illinois Funds.

Custodial Credit Risk - The Library's investment policy requires collateral for all deposits in excess of FDIC limits. As of year-end, all of the bank balances were insured or collateralized by securities held in safekeeping in a custodial account at a federal reserve bank.

#### Will County Metropolitan Exposition and Auditorium Authority:

At June 30, 2016, the Authority's cash consisted of \$9,900 of petty cash on hand and demand deposits held at local financial institutions. The carrying amount of the Authority's deposits was \$373,464 and the bank balance was \$388,626. The Authority had investments in money market mutual funds of \$13,560 which were rated AAAM by Standard & Poor's. The Authority also had investments of \$981,037 held by First Midwest Bank, comprised of equities of \$25,403, which were valued using Level 1 inputs and \$955,634 of mutual funds, which were valued using Level 2 inputs.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 4. Cash and Investments

The Joliet Area Historical Museum:

The Museum is a nonprofit organization that reports under standards set by the Financial Accounting Standards Board. As such, reporting requirements for deposits and investments are different from GASB requirements. At year end, June 30, 2016, the Museum maintained cash of \$298,708 and investments in money market mutual funds of \$335,319. Deposit and investment risk disclosures were not available.

## 5. Budgetary Reporting

The budget is prepared on the same basis and uses the same accounting principles as are used to prepare the financial statements. No supplemental appropriations were made during the year. The budget information is presented in this report in all cases where annual appropriations are required. Unexpended budgeted amounts lapse at the end of the budget year. Spending control for most funds is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line item levels. Expenditures on the GAAP basis exceeded budgeted expenditures in the Grants and Special Revenue Fund and Special Revenue Revolving Fund by \$1,534,814 and \$84,863, respectively, during the year ended December 31, 2016.

## 6. Interfund Balances and Transfers

Interfund transfers during the year ended December 31, 2016 were as follows:

Fund	Interfund	
	Transfers In	Transfers Out
<b>General Fund:</b>		
Nonmajor Governmental Funds	\$ -	\$ 7,430,934
Water and Sewer Fund	2,027,174	-
Nonmajor Enterprise Fund	201,736	-
Total General Fund	2,228,910	7,430,934
<b>Nonmajor Governmental Funds</b>		
General Fund	7,430,934	-
Total Nonmajor Governmental Funds	7,430,934	-
<b>Water and Sewer Fund</b>		
General Fund	-	2,027,174
Total Water and Sewer Fund	-	2,027,174
<b>Nonmajor Enterprise Fund:</b>		
General Fund	-	201,736
Total Nonmajor Enterprise Fund	-	201,736
Grand Total	\$ 9,659,844	\$ 9,659,844

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 6. Interfund Balances and Transfers

### *Routine Transfers*

The above transfers were made to move monies between funds to finance operations and various programs in accordance with budgetary authorizations approved by the City Council. The General Fund transferred \$7,430,934 to the Capital Improvement Fund (a nonmajor capital projects fund) as part of the annual funding of capital projects.

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "internal receivables and payables." The purpose of most short term loans is to cover temporary cash shortfalls in funds with deficit cash positions, all of which are expected to be repaid within one year. Internal (interfund) balances at December 31, 2016 were as follows:

Fund	Internal Balances	
	Receivable	Payable
<b>General Fund:</b>		
Evergreen Terrace II Fund	\$ 17,996,019	\$ -
Nonmajor Governmental Funds	71,303	-
Total General Fund	18,067,322	-
 <b>Evergreen Terrace II Fund:</b>		
General Fund	-	17,996,019
Total Evergreen Terrace II Fund	-	17,996,019
 <b>Nonmajor Governmental Funds:</b>		
General Fund	-	71,303
Total Nonmajor Governmental Funds	-	71,303
Grand Total	\$ 18,067,322	\$ 18,067,322

### *Due to Primary Government*

The Museum's June 30, 2016 financial statements show a liability to the City for \$767,317. This amount reflects the reclassification of unrestricted net position at year end as agreed upon in the intergovernmental agreement between the two entities. As of July 1, 2016 this reclassification was reversed to allow the Museum to utilize the funds in the current year's operations. Therefore, this amount is not reflected on the City's financial statements as due from component unit.



## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 7. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

Primary Government	Balance 12/31/2015	Additions	Reductions	Balance 12/31/2016
<b>Governmental Activities:</b>				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 18,567,294	\$ -	\$ -	\$ 18,567,294
Construction in Progress	27,893,733	9,565,763	8,934,474	28,525,022
Subtotal	<u>46,461,027</u>	<u>9,565,763</u>	<u>8,934,474</u>	<u>47,092,316</u>
<i>Depreciable Capital Assets:</i>				
Infrastructure	449,270,791	13,558,517	-	462,829,308
Land Improvements	6,106,594	718,455	-	6,825,049
Buildings	70,453,309	950,352	-	71,403,661
Equipment	55,439,964	4,755,224	1,104,845	59,090,343
Furniture and Fixtures	8,068	-	-	8,068
Subtotal	<u>581,278,726</u>	<u>19,982,548</u>	<u>1,104,845</u>	<u>600,156,429</u>
Total at Historical Cost	<u>627,739,753</u>	<u>29,548,311</u>	<u>10,039,319</u>	<u>647,248,745</u>
<i>Less Accumulated Depreciation for:</i>				
Infrastructure	167,651,988	11,536,842	-	179,188,830
Land Improvements	2,803,271	497,906	-	3,301,177
Buildings	28,497,165	1,784,221	-	30,281,386
Equipment	40,643,029	3,212,897	1,104,845	42,751,081
Furniture and Fixtures	4,700	1,614	-	6,314
Total Accumulated Depreciation	<u>239,600,153</u>	<u>17,033,480</u>	<u>1,104,845</u>	<u>255,528,788</u>
Governmental Activities Capital Assets, Net	<u>\$ 388,139,600</u>	<u>\$ 12,514,831</u>	<u>\$ 8,934,474</u>	<u>\$ 391,719,957</u>

Depreciation expense was charged to the City's governmental functions as follows:

General Government	\$ 1,247,911
Public Safety	2,167,561
Public Works	12,537,243
Culture and Recreation	48,363
Community Development	<u>1,032,402</u>
Total Depreciation Expense	<u>\$ 17,033,480</u>

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 7. Capital Assets

Primary Government	Balance 12/31/2015	Additions	Reductions	Balance 12/31/2016
<b>Business-Type Activities:</b>				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 4,160,624	\$ 433,487	\$ -	\$ 4,594,111
Construction in Progress	60,765,811	16,929,602	10,640,231	67,055,182
Subtotal	64,926,435	17,363,089	10,640,231	71,649,293
<i>Depreciable Capital Assets:</i>				
Waterworks and Sewerage System	402,901,241	19,149,791	-	422,051,032
Parking Decks and Lots	7,265,770	2,000	-	7,267,770
Equipment	25,746,562	2,908,466	220,319	28,434,709
Subtotal	435,913,573	22,060,257	220,319	457,753,511
Total at Historical Cost	500,840,008	39,423,346	10,860,550	529,402,804
 <i>Less Accumulated Depreciation for:</i>				
Waterworks and Sewerage System	165,436,622	10,010,569	-	175,447,191
Parking Decks and Lots	4,821,503	153,523	-	4,975,026
Equipment	10,793,444	1,791,180	220,319	12,364,305
Total Accumulated Depreciation	181,051,569	11,955,272	220,319	192,786,522
 Business-Type Capital Assets, Net	 <u>\$ 319,788,439</u>	 <u>\$ 27,468,074</u>	 <u>\$ 10,640,231</u>	 <u>\$ 336,616,282</u>

Depreciation expense of \$11,797,953 and \$157,319 was charged to the Water and Sewer and Parking Facilities functions, respectively.

Component Units	Balance 12/31/2015	Additions	Reductions	Balance 12/31/2016
Joliet Public Library	\$ 26,716,931	\$ 936,249	\$ 615,485	\$ 27,037,695
Less Accumulated Depreciation	13,747,506	1,028,545	585,023	14,191,028
Joliet Public Library Capital Assets, Net	<u>\$ 12,969,425</u>	<u>(\$ 92,296)</u>	<u>\$ 30,462</u>	<u>\$ 12,846,667</u>
W.C.M.E.A.A.	Balance 6/30/2015	Additions	Reductions	Balance 6/30/2016
W.C.M.E.A.A.	\$ 22,149,698	\$ 2,316,908	\$ -	\$ 24,466,606
Construction in Progress	2,519,745	57,597	2,560,977	16,365
Less Accumulated Depreciation	16,529,172	440,249	-	16,969,421
W.C.M.E.A.A. Capital Assets, Net	<u>\$ 8,140,271</u>	<u>\$ 1,934,256</u>	<u>\$ 2,560,977</u>	<u>\$ 7,513,550</u>
Joliet Area Historical Museum	\$ 770,019	\$ 68,215	\$ -	\$ 838,234
Less Accumulated Depreciation	238,529	41,974	-	280,503
Joliet Area Historical Museum Capital Assets, Net	<u>\$ 531,490</u>	<u>\$ 26,241</u>	<u>\$ -</u>	<u>\$ 557,731</u>

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 8. Pension and Retirement Fund Commitments

### Illinois Municipal Retirement Fund

#### *Plan Description*

The City'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 employees of the Library are included in the City's IMRF Plan; the Library comprises 9% of the Plan. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent 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 JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 8. Pension and Retirement Fund Commitments

#### *Employees Covered by Benefit Terms*

At December 31, 2016, the following employees were covered by the benefit terms:

	Regular	SLEP	ECO
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	397	-	-
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	213	-	-
Active Plan Members	446	-	-
Total	1,056	-	-

#### *Contributions*

As set by statute, the City's Regular Plan Members are required to contribute 4.5% 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 City's annual contribution rate for calendar year 2016 was 18.64%. For the fiscal year ended December 31, 2016, the City contributed \$6,803,057 to the plan. The City 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

#### *Net Pension Liability*

The City's net pension liability was measured as of December 31, 2016. 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, 2016:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 8. Pension and Retirement Fund Commitments

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

<u>Asset Class</u>	<u>Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38.00%	6.85%
International Equity	17.00%	6.75%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	5.75%
Alternative Investments	9.00%	2.65-7.35%
Cash Equivalents	<u>1.00%</u>	2.25%
Total	100.00%	

### *Discount Rate*

A Single Discount Rate of 7.50% was used to measure the total pension liability for the Regular Plan, SLEP, and ECO. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate was 7.50%.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 8. Pension and Retirement Fund Commitments

#### *Changes in the Net Pension Liability*

	Regular Plan	SLEP	ECO
Total Pension Liability			
Service Cost	\$ 3,687,773	\$ -	\$ -
Interest	17,731,524	8,176	10,627
Differences Between Expected and Actual Experience	( 3,592,731)	( 117,189)	( 152,321)
Changes of Assumptions	( 1,828,304)	-	-
Benefit Payments, Including Refunds of Plan Member Contributions	( 12,347,896)	-	-
Net Change in Total Pension Liability	3,650,366	( 109,013)	( 141,694)
Total Pension Liability - Beginning	242,656,999	109,013	141,694
Total Pension Liability - Ending	<u>246,307,365</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position			
Contributions from Employer	6,803,057	-	-
Contributions from Nonemployer Contributing Entities	1,511,711	-	-
Contributions from Plan Members	12,526,627	-	-
Pension Plan Net Investment Income	-	8,176	10,627
Benefit Payments, Including Refunds of Plan Member Contributions	( 12,347,896)	-	-
Other Changes	111,738	( 117,207)	( 152,344)
Net Change in Plan Fiduciary Net Position	8,605,237	( 109,031)	( 141,717)
Plan Fiduciary Net Position - Beginning	182,600,326	109,031	141,717
Plan Fiduciary Net Position - Ending	<u>191,205,563</u>	<u>-</u>	<u>-</u>
Net Pension Liability - Ending	<u>\$ 55,101,802</u>	<u>\$ -</u>	<u>\$ -</u>

#### *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, for the Regular Plan, SLEP, and ECO, respectively, 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
<i>Regular Plan</i>			
City's Net Pension Liability	\$ 88,012,954	\$ 55,101,802	\$ 28,067,729
<i>SLEP</i>			
City's Net Pension Liability	\$ -	\$ -	\$ -
<i>ECO</i>			
City's Net Pension Liability	\$ -	\$ -	\$ -

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 8. Pension and Retirement Fund Commitments

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

For the year ended December 31, 2016, the City recognized pension expense of \$10,663,481, \$5,409, and \$6,929, for the Regular Plan, SLEP, and ECO, respectively. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Regular Plan		SLEP		ECO	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>						
Differences between Expected and Actual Experience	\$ 1,886,653	\$ 2,857,585	\$ -	\$ -	\$ -	\$ -
Changes of Assumptions	3,143,022	1,454,196	-	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	<u>9,362,980</u>	<u>-</u>	<u>5,352</u>	<u>3,515</u>	<u>6,679</u>	<u>4,569</u>
Total Deferred Amounts Related to Pensions	<u>\$ 14,392,655</u>	<u>\$ 4,311,781</u>	<u>\$ 5,352</u>	<u>\$ 3,515</u>	<u>\$ 6,679</u>	<u>\$ 4,569</u>

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

Year Ending December 31,	Regular Plan	SLEP	ECO
	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources
2017	\$ 4,415,605	\$ 997	\$ 1,195
2018	4,217,578	998	1,197
2019	2,227,441	720	861
2020	( 779,750)	( 878)	( 1,143)
Total	<u>\$ 10,080,874</u>	<u>\$ 1,837</u>	<u>\$ 2,110</u>

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 8. Pension and Retirement Fund Commitments

### *Police Pension and Firefighter's Pension Plans*

#### *Plan Descriptions*

The City contributes to two single-employer defined benefit pension plans: the Joliet Police Pension Plan and the Joliet Firefighters' Pension Plan (Plans). Each plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Sworn Police and Fire personnel are covered by the Plans. The Plans are part of the City of Joliet's financial reporting entity and are included in the City's financial report as pension trust funds.

Although these are single-employer pension plans, the defined benefits and employee and employer contribution requirements are governed by Illinois Compiled Statutes and may only be amended by the Illinois legislature. The Joliet Police Pension Fund is administered by the Joliet Police Pension Board of Trustees. Two members of the Police Pension Board are appointed by the City's Mayor, one member is elected by pension beneficiaries, and two members are elected by active police employees. The Joliet Firefighters' Pension Fund is administered by the Joliet Firefighters' Pension Board of Trustees. Two members of the Firefighters' Pension Board are appointed by the City's Mayor, one member is elected by pension beneficiaries, and two members are elected by active firefighter employees.

Participating employees are required to contribute 9.91% and 9.455% of their salary to the Police and Firefighters' Plans, respectively. If a participating employee leaves the covered employment, other than due to employment connected disability or death, before 20 years of credited service, accumulated employee contributions are refundable to the employee. The City is required to contribute the remaining amounts necessary to finance the plans and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police and Firefighters' Pension Plans. For the year ended December 31, 2016, the City's contributions were 52.87% and 54.49% of covered payroll for the Police and Firefighters' Pension Plans, respectively.

Rather than use annual actuarial information provided by the Illinois Division of Insurance, the City of Joliet has commissioned its own actuarial study by Gabriel, Roeder, Smith & Company of Chicago, Illinois. Gabriel, Roeder, Smith & Company bases the information that is included in the required supplementary information on actuarial calculations.

At January 1, 2016 (the date of the latest actuarial valuation) membership in each plan consisted of the following:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	173	146
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	10	2
Active Plan Members	<u>269</u>	<u>209</u>
Total	<u>452</u>	<u>357</u>



## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 8. Pension and Retirement Fund Commitments

Summary of Significant Accounting Policies and Plan Asset Matters

#### *Basis of Accounting*

The Police Pension Fund and the Firefighters' Pension Fund are pension trust funds and are accounted for by the accrual basis of accounting. Employee and employer contributions are recognized as additions when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

#### *Method Used to Value Investments*

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. Details regarding cash and investments are disclosed in note 3.

#### *Net Pension Liability*

The components of the net pension liability of the Police and Firefighters' Pension Plans as of December 31, 2016 were as follows:

	Police Pension	Firefighters' Pension
Total Pension Liability	\$ 364,889,602	\$ 268,964,210
Plan Fiduciary Net Position	191,982,345	131,309,627
Net Pension Liability	\$ 172,907,257	\$ 137,654,583
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.61%	48.82%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Plans.

#### *Actuarial Assumptions*

The total pension liability for each pension plan was determined by actuarial valuations as of December 31, 2016 based on information rolled forward from actuarial valuation reports as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date: January 1, 2016 - Actuarially determined contribution rates are calculated as of January 1, which is 24 months prior to the end of the fiscal year in which contributions are reported.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 8. Pension and Retirement Fund Commitments

*Methods and Assumptions Used to Determine Contribution Rates as of the Valuation Date:*

Actuarial Cost Method: Entry Age Normal Amortization Method 29-year closed level percentage of pay amortization (from January 1, 2016).

Remaining Amortization Period: 28 years.

Asset Valuation Method: 4 year smoothed market.

Inflation: 3.00%.

Salary Increases: Salary increase rates based on service-related productivity and merit rates plus inflation.

Postretirement Benefit Increases: Postretirement benefit increases are 3.00%, compounded, for Tier 1 employees, and 3.00% or one-half of the annual increase in the Consumer Price Index, whichever is less, simple, for Tier 2 employees.

Investment Rate of Return: 6.75% as of the January 1, 2016 valuation.

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition.

Mortality: 1994 Group Annuity Mortality Table. 110% of the 1994 Group Annuity Mortality Table is used for post-disablement mortality.

*Methods and Assumptions Used for Accounting Purposes as of the Valuation Date:*

Actuarial Cost Method: Entry Age Normal.

Asset Valuation Method: Market (Fair) Value.

*Discount Rates*

A single discount rate of 6.75% was used to measure the total pension liability for both the Police Pension Plan and the Firefighters' Pension Plan. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine this single discount rate assumed that plan member 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 these assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 8. Pension and Retirement Fund Commitments

#### *Changes in the Net Pension Liability*

	Police Pension Plan	Firefighters' Pension Plan
Total Pension Liability		
Service Cost	\$ 8,813,638	\$ 7,525,565
Interest	23,486,380	17,333,665
Differences Between Expected and Actual Experience	( 2,016,850)	( 3,393,450)
Benefit Payments, Including Refunds of Plan Member Contributions	( 12,876,051)	( 10,163,038)
Net Change in Total Pension Liability	17,407,117	11,302,742
Total Pension Liability - Beginning	347,482,485	257,661,468
Total Pension Liability - Ending	364,889,602	268,964,210
 Plan Fiduciary Net Position		
Contributions from Employer	14,559,331	12,332,156
Contributions from Plan Members	2,763,589	2,170,300
Other Contributions	33,263	13,623
Pension Plan Net Investment Income	12,420,957	8,825,529
Benefit Payments, Including Refunds of Plan Member Contributions	( 12,876,051)	( 10,163,038)
Pension Plan Administrative Expense	( 61,794)	( 82,021)
Net Change in Plan Fiduciary Net Position	16,839,295	13,096,549
Plan Fiduciary Net Position - Beginning	175,143,050	118,213,078
Plan Fiduciary Net Position - Ending	191,982,345	131,309,627
 Net Pension Liability - Ending	 \$ 172,907,257	 \$ 137,654,583

#### *Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.75% and 6.75% for the Police and Firefighters' Pension Plans, respectively, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Police Pension			
City's Net Pension Liability	\$ 226,898,047	\$ 172,907,257	\$ 128,549,460
 Firefighters' Pension			
City's Net Pension Liability	\$ 176,240,661	\$ 137,654,583	\$ 105,859,641

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 8. Pension and Retirement Fund Commitments

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

For the year ended December 31, 2016, the City recognized pension expense of \$19,433,702 and \$15,082,945 for the Police and Firefighters' Pension Plans, respectively. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police Pension Plan		Firefighters' Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions				
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>				
Differences between Expected and Actual Experience	\$ -	\$ 3,966,407	\$ -	\$ 7,245,031
Net Difference between Projected and Actual Earnings on Pension Plan Investments	<u>7,831,994</u>	<u>361,694</u>	<u>5,369,863</u>	<u>563,482</u>
Total Deferred Amounts Related to Pensions	<u>\$ 7,831,994</u>	<u>\$ 4,328,101</u>	<u>\$ 5,369,863</u>	<u>\$ 7,808,513</u>

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

Year Ending December 31,	Police Pension Plan	Firefighters' Pension Plan
	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2017	\$ 1,837,582	(\$ 446,793)
2018	1,837,582	( 446,793)
2019	1,837,582	( 446,791)
2020	( 773,082)	1,343,160
2021	( 682,659)	1,202,291
Thereafter	<u>( 553,112)</u>	<u>1,233,576</u>
Total	<u>\$ 3,503,893</u>	<u>\$ 2,438,650</u>

*Investment Rate of Return*

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 7.05% and 7.40% for the Police and Firefighters' Pension Plans, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 8. Pension and Retirement Fund Commitments

#### *Funding Policy*

The City funds its contributions to the Police and Firefighter's pension plans through an annual tax levy. The levy amount is actuarially determined as the annual contribution necessary to fund the normal costs, plus the amount to amortize the unfunded accrued liability. The City levies 102% of the Annual Required Contribution based on the actuarial calculations for the next tax extension. Therefore, the annual required contributions for the year ended December 31, 2016 are levied for the 2017 tax levy and will be collected during the fiscal year ending December 31, 2018.

#### *Reconciliation of Pension Note to Government-Wide Financial Statements*

	Net Pension Liability	Deferred Outflows of Resources Related to Pensions	Deferred Inflows of Resources Related to Pensions
<i>Amounts Reported in Note 8</i>			
IMRF - Regular Plan	\$ 55,101,802	\$ 14,392,655	\$ 4,311,781
IMRF - SLEP Plan	-	5,352	3,515
IMRF - ECO Plan	-	6,679	4,569
Police Pension Plan	172,907,257	7,831,994	4,328,101
Firefighters' Pension Plan	137,654,583	5,369,863	7,808,513
Total	\$ 365,663,642	\$ 27,606,543	\$ 16,456,479
 <i>Amounts Reported in the Government-Wide Financial Statements</i>			
Governmental Activities	\$ 344,399,481	\$ 22,052,320	\$ 14,792,533
Business-Type Activities	16,304,998	4,258,884	1,275,886
Component Unit - Library	4,959,163	1,295,339	388,060
Total	\$ 365,663,642	\$ 27,606,543	\$ 16,456,479

### 9. Postemployment Benefits Other Than Pensions

#### *Plan Description*

The City administers a single-employer defined benefit healthcare and life insurance plan, the Retiree Healthcare and Life Insurance Plan (RHLIP). The plan provides lifetime healthcare and life insurance for eligible retirees and their dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the City and the unions representing City employees and are renegotiated each bargaining period. RHLIP does not issue a stand-alone financial report.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 9. Postemployment Benefits Other Than Pensions

#### *Funding Policy*

Contribution requirements are also negotiated between the City and union representatives. All plan funding is done on a pay-as-you-go basis. Currently, the retired employees pay the blended 1988 premium rate for healthcare insurance and the City pays the difference between the current blended rate and the 1988 blended rate. Additionally, the City pays 100% of the premiums to provide group term life insurance ranging from \$10,000 to \$25,000, depending on type of qualifying employee group. For fiscal year 2016, the City contributed \$7,943,250 to the plan, total retiree contributions were \$509,092.

#### *Annual OPEB Cost and Net OPEB Obligation*

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to RHLIP:

Annual Required Contribution	\$ 23,780,078
Interest on Net OPEB Obligation	4,747,765
Adjustment to Annual Required Contribution	( 3,956,471)
Annual OPEB Cost	24,571,372
Contributions Made	( 7,943,250)
Increase in Net OPEB Obligation	16,628,122
Net OPEB Obligation - Beginning of Year	118,694,122
Net OPEB Obligation - End of Year	<u>\$ 135,322,244</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2016, 2015, and 2014 was as follows:

	Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
RHLIP Plan:	12/31/2016	\$ 24,571,372	32.3%	\$ 135,322,244
	12/31/2015	20,307,649	38.1%	118,694,122
	12/31/2014	19,290,732	38.1%	106,128,043

The total net OPEB obligation of \$135,322,244 has been recorded in the Statement of Net Position. Payments to liquidate the liability have typically been made by the General, Water and Sewer, and Parking Funds.

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 9. Postemployment Benefits Other Than Pensions

### *Funded Status and Funding Progress*

As of January 1, 2016, based on the January 1, 2016 actuarial valuation, the actuarial accrued liability for benefits was \$310,228,464, all of which was unfunded. There has been no change in funding this program. The covered payroll (annual payroll of active employees covered by the plan) was \$74,125,274 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 418.52%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### *Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date:	January 1, 2016.
Actuarial cost method:	Entry Age Normal.
Amortization method:	Level Percentage of Payroll, Open.
Remaining amortization period:	30 years.
Actuarial assumptions:	
Discount Rate:	4.0%.
Wage Inflation:	4.0%.
Price Inflation:	3.0%.
Healthcare Trend Rate:	8.0% per year graded down to 4.5% per year.

## 10. Commitments and Contingencies

### *General Litigation*

The City monitors all claims and lawsuits on a case by case basis. If a claim is asserted and a probable loss is reasonably estimable, the City recognizes a liability in the financial statements. The City is currently a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 10. Commitments and Contingencies

#### *Evergreen Terrace Litigation*

In September 2014, the City won a condemnation lawsuit to take over Evergreen Terrace, a Housing and Urban Development (HUD) sponsored housing project. The property includes Evergreen Terrace I, with three buildings and 241 units, and Evergreen Terrace II, which has 115 units in two buildings.

In March, 2015, the purchase price of just over \$15 million was determined based on the decision reached by a federal jury. In August 2015, the City paid \$15,093,413 from available resources to the United States District Court, Northern District of Illinois for the property owners of Evergreen Terrace. The property owners have appealed the federal court decision and as of December 31, 2016 the City has not been granted ownership rights to the Evergreen Terrace property. The purchase of the property was recorded as an asset in the governmental funds financial statements in the Evergreen Terrace II Fund as a property purchase deposit. The City expects to win the appeal and take ownership of the property in fiscal year 2017. Once ownership is secured, the City will reclassify the \$15 million property purchase deposit as either an outflow of resources as a special item and will record the property as a capital asset at cost within the governmental activities of the City or will record the purchase as an investment in the governmental funds, depending upon the final expected use of the property.

#### *Fund Commitments*

The City has entered into contracts totaling approximately \$44.7 million for projects to be paid from the loan proceeds from the Water and Sewer Fund; as of December 31, 2016 about \$40.8 million had been paid leaving remaining commitments at \$3.9 million. Additionally, the City had entered into contracts totaling approximately \$10.8 million for the ongoing multi-modal project to be paid from the Grants and Special Revenue Fund; as of December 31, 2016 about \$10.2 million had been paid leaving remaining commitments at \$0.6 million.

### 11. Compensated Absences

All full-time City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. The City has recorded the liability for compensated absences using the "Vesting Method". Under the Vesting Method, the liability is measured based on the sick leave, vacation, and comp time accumulated at the balance sheet date by those employees who are eligible to receive payments upon termination. Amounts in excess of the payment allowed at termination are excluded because those balances are available only for use as paid time off. The governmental liabilities are typically liquidated by the General Fund. The City's liability for compensated absences as of December 31, 2016 is as follows:

	Balance 12/31/2015	Additions	Reductions	Balance 12/31/2016	Amount Due Within One Year
Governmental Activities	\$ 20,714,520	\$ 12,364,614	\$ 10,357,260	\$ 22,721,874	\$ 11,360,937
Business-Type Activities:					
Water and Sewer Fund	1,809,482	1,144,373	904,741	2,049,114	1,024,557
Sewer Fund					
Parking Fund	102,144	57,344	51,072	108,416	54,208
Total Business-Type	<u>1,911,626</u>	<u>1,201,717</u>	<u>955,813</u>	<u>2,157,530</u>	<u>1,078,765</u>
Total Liability	<u>\$ 22,626,146</u>	<u>\$ 13,566,331</u>	<u>\$ 11,313,073</u>	<u>\$ 24,879,404</u>	<u>\$ 12,439,702</u>



## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 12. Risk Management

The City is exposed to various risks of loss related to torts: theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for its risk financing activities in the General Fund. The General Fund pays all general liabilities, unemployment and workers' compensation, and auto and collision claims for which the City is held liable. The City's Consolidated Property & Casualty Insurance Program consists of primary package insurance coverage consists of excess specific coverage for General, Auto, Police / Law Enforcement, Public Official / Employment Practices Liability (EPL), and Employee Benefit Liability (EMT). The coverage limit on the primary package policy is \$10,000,000 per occurrence and aggregate with an additional \$10,000,000 umbrella extending over the initial \$10,000,000 package limit. The Self-Insured Retention (SIR) is \$1,000,000 for all package components. Worker's Compensation Excess Specific coverage is to statutory limits with \$1,000,000 of employer's liability. The SIR for this line is \$700,000. The City's property coverage is all risk, repair or replacement Full Limit Value (FLV) with a \$100,000 deductible.

This coverage includes Extra Expense (\$6,500,000 per named location), EDP equipment (\$2,500,000 per named location), Valuable Papers (\$2,500,000 per named location), Blanket Auto Physical Damage (\$2,500,000 all locations, ACV), Property in Transit and Builder's Risk coverage at various limits as well as Earthquake (\$50,000,000 with a \$100,000 deductible) coverage for a Total Insured Value (TIV) of \$250,000,000.

The City's Boiler and Machinery coverage is \$250,000,000 with a \$100,000 deductible. All coverage is on an "Occurrence" form/basis. There were no significant reductions in insurance coverage from the previous year. Settled claims have not exceeded the insurance coverage in the last three years.

The City also participates in an externally administered self-insurance programs for workers' compensation, unemployment compensation, and general liability claims and medical claims. The City's group health insurance plans maintain specific stop loss coverage for claims in excess of \$200,000 and aggregate stop loss coverage for total plan losses in excess of 125% of projected claims. Dental coverage benefits are limited to \$1,000 per covered individual per year. The claims liability of \$6,687,409 for workers' compensation, unemployment compensation, and general liability claims is reported as a liability in the Statement of Net Position; the amount is based on the estimated outcome of outstanding claims on a case-by-case basis. The amount estimated to be paid within one year is \$2,942,409. The claims are typically paid by the General Fund.

The liability for health claims of \$1,637,200 is reported in the General Fund. The amount is based on reported claims due and payable at year-end along with an estimate of claims that were incurred before year-end but not yet reported.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 12. Risk Management

Changes in the claims liability amounts in the fiscal years ended December 31, 2016 and 2015 were as follows:

	Workers'		
	Compensation, Unemployment, General Liability	Health Claims	Total
Claims Liability, December 31, 2014	\$ 6,134,549	\$ 1,074,600	\$ 7,209,149
Incurred Claims	3,213,539	21,297,319	24,510,858
Change in Estimates	( 430,691)	( 136,510)	( 567,201)
Claim Payments	( 3,213,539)	( 20,998,409)	( 24,211,948)
Claims Liability, December 31, 2015	5,703,858	1,237,000	6,940,858
Incurred Claims	3,042,697	21,510,110	24,552,807
Change in Estimates	983,551	-	983,551
Claim Payments	( 3,042,697)	( 21,109,910)	( 24,152,607)
Claims Liability, December 31, 2016	<u>\$ 6,687,409</u>	<u>\$ 1,637,200</u>	<u>\$ 8,324,609</u>

### 13. Long-Term Debt

Changes in long-term debt during the year were as follows:

	Balance December 31, 2015	Debt Issued	Debt Retired	Balance December 31, 2016	Amounts Due Within One Year
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 9,310,000	\$ -	(\$ 1,370,000)	\$ 7,940,000	\$ 1,400,000
Premium on Bonds	<u>323,277</u>	<u>-</u>	<u>( 84,658)</u>	<u>238,619</u>	<u>-</u>
Total Governmental Activities	<u>9,633,277</u>	<u>-</u>	<u>( 1,454,658)</u>	<u>8,178,619</u>	<u>1,400,000</u>
<b>Business-Type Activities:</b>					
<b>Waterworks and Sewerage</b>					
Revenue Bonds	27,895,000	-	( 5,735,000)	22,160,000	5,215,000
Premium on Bonds	<u>757,953</u>	<u>-</u>	<u>( 349,550)</u>	<u>408,403</u>	<u>-</u>
Total Revenue Bonds	<u>28,652,953</u>	<u>-</u>	<u>( 6,084,550)</u>	<u>22,568,403</u>	<u>5,215,000</u>
IEPA Loans Payable	<u>41,623,729</u>	<u>12,768,276</u>	<u>( 647,855)</u>	<u>53,744,150</u>	<u>2,307,109</u>
Total Business-Type Activities	<u>70,276,682</u>	<u>12,768,276</u>	<u>( 6,732,405)</u>	<u>76,312,553</u>	<u>7,522,109</u>
Total Primary Government	<u>\$ 79,909,959</u>	<u>\$ 12,768,276</u>	<u>(\$ 8,187,063)</u>	<u>\$ 84,491,172</u>	<u>\$ 8,922,109</u>

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 13. Long-Term Debt

Annual debt service payments required to service outstanding bonds at December 31, 2016 are as follows:

**Governmental Activities:**

General Obligation Bonds:

Years Ending December 31,	Interest	Principal	Total
2017	\$ 248,263	\$ 1,400,000	\$ 1,648,263
2018	208,513	1,445,000	1,653,513
2019	166,150	1,495,000	1,661,150
2020	121,075	1,535,000	1,656,075
2021	64,600	1,590,000	1,654,600
2022	7,125	475,000	482,125
	<u>\$ 815,726</u>	<u>\$ 7,940,000</u>	<u>\$ 8,755,726</u>

**Business-Type Activities:**

Revenue Bonds:

Years Ending December 31,	Interest	Principal	Total
2017	\$ 701,675	\$ 5,215,000	\$ 5,916,675
2018	478,825	5,575,000	6,053,825
2019	294,350	3,460,000	3,754,350
2020	200,725	2,155,000	2,355,725
2021	143,325	1,955,000	2,098,325
2022-2024	132,300	3,800,000	3,932,300
	<u>\$ 1,951,200</u>	<u>\$ 22,160,000</u>	<u>\$ 24,111,200</u>

*General Obligation Bonds Payable*

General obligation bonds outstanding at December 31, 2016 are summarized as follows:

	<u>Series</u>	<u>Interest Rates</u>	<u>Dated</u>	<u>Principal</u>
General Obligation Refunding Issue	2014C	3.00%	12/18/2014	\$ 1,445,000
Refunding Issue	2014D	2.00 - 3.00%	12/18/2014	1,535,000
Refunding Issue	2015A	2.00 - 4.00%	6/23/2015	4,960,000
				<u>\$ 7,940,000</u>

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 13. Long-Term Debt

#### *2014C Series Bonds*

The 2014C Series Bonds are General Obligation Refunding Bonds with an issue date of December 18, 2014 for \$1,445,000, issued to advance refund a portion of the outstanding 2012 Lease Purchase Agreement. The 2014C Series Bonds are payable in varying amounts beginning January 1, 2020 until January 1, 2022. Interest is due semi-annually at a rate of 3.00%. The bonds are not subject to optional redemption prior to maturity. The 2014C bond issue is scheduled to be paid from the General Debt Service Fund.

#### *2014D Series Bonds*

The 2014D Series Bonds are Taxable General Obligation Refunding Bonds with an issue date of December 18, 2014 for \$2,000,000, issued to advance refund a portion of the outstanding 2012 Lease Purchase Agreement. The 2014D Series Bonds are payable in varying amounts beginning January 1, 2016 until January 1, 2020. Interest is due semi-annually at rates ranging from 2.00% to 3.00%. The bonds are not subject to optional redemption prior to maturity. The 2014D bond issue is scheduled to be paid from the General Debt Service Fund.

#### *2015A Series Bonds*

The 2015A Series Bonds are General Obligation Refunding Bonds with an issue date of June 23, 2015 for \$6,775,000, issued to advance refund the remaining portion of the outstanding 2005 General Obligation Refunding Bonds. The 2015A Series Bonds are payable in varying amounts beginning December 15, 2015 until December 15, 2021. Interest is due semi-annually at rates of 2.00% to 4.00%. The bonds are not subject to optional redemption prior to maturity. The 2015A bond issue is scheduled to be paid from the General Debt Service Fund.

#### *Revenue Bonds Payable*

All of the City's Revenue Bonds are payable from the Water and Sewer Fund. Revenue bond obligations outstanding at December 31, 2016 are summarized as follows:

	Series	Interest Rates	Dated	Principal
Revenue Bond	2010	2.00 - 5.00%	11/17/2010	\$ 3,685,000
Revenue Bond	2011	4.00%	12/20/2011	9,120,000
Revenue Bond	2012	2.00 - 5.00%	2/7/2012	365,000
Revenue Bond	2014A	2.00 - 3.00%	10/21/2014	2,995,000
Revenue Bond	2014B	2.00 - 3.00%	10/7/2014	5,995,000
				\$ 22,160,000

#### *2010 Series Bonds*

The City issued \$8,860,000 of Waterworks and Sewerage Revenue Refunding Bonds dated November 17, 2010 to be used to advance refund \$8,835,000 of outstanding 2002A Series Bonds. The bonds are payable in varying annual installments from January 1, 2011 through January 1, 2019. The interest rates on the bonds vary from 2.00% to 5.00%.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 13. Long-Term Debt

#### *2011 Series Bonds*

The City issued \$9,120,000 of Waterworks and Sewerage Revenue Refunding Bonds dated December 20, 2011 to be used to advance refund \$9,550,000 of outstanding 2003 Series Bonds. The bonds are payable in varying annual installments from January 1, 2017 through January 1, 2019. The interest rate on the bonds is 4.00%.

#### *2012 Series Bonds*

The City issued \$13,160,000 of Waterworks and Sewerage Revenue Refunding Bonds dated February 7, 2012 to be used to advance refund \$450,000 of outstanding Water and Sewerage Revenue Bond Series 2003 and \$12,900,000 of outstanding Water and Sewerage Revenue Bond Series 2004. The bonds are payable in varying annual installments from January 1, 2014 through January 1, 2017. The interest rates on the bonds range from 2.00% to 5.00%.

#### *2014A Series Bonds*

The 2014A Series Bonds are Waterworks and Sewerage Revenue Bonds with an issue date of October 21, 2014 for \$3,620,000, issued to finance certain capital improvements to the Waterworks and Sewerage System of the City. The 2014A Series Bonds are payable in varying amounts beginning January 1, 2016 until January 1, 2024. Interest is due semi-annually at rates ranging from 2.00% to 3.00%. The bonds are not subject to optional redemption prior to maturity.

#### *2014B Series Bonds*

The 2014B Series Bonds are Waterworks and Sewerage Revenue Refunding Bonds with an issue date of October 7, 2014 for \$6,100,000, issued to advance refund \$6,095,000 of then outstanding Waterworks and Sewerage Revenue Refunding Bonds. The 2014B Series Bonds are payable in varying amounts beginning January 1, 2015 until January 1, 2022. Interest is due semi-annually at rates ranging from 2.00% to 3.00%. The bonds are not subject to optional redemption prior to maturity.

#### *Loans Payable - Illinois EPA*

All of the City's Illinois Environmental Protection Agency (IEPA) Loans are payable from the Water and Sewer Fund. Loan obligations outstanding at December 31, 2016 are summarized as follows:

<u>Loan Number</u>	<u>Interest Rate</u>	<u>Principal Owed at Year End</u>	<u>Phase</u>
L17-4445	1.250%	\$ 1,222,790	Repayment
L17-3148	1.250%	10,631,913	Repayment
L17-4705	1.995%	23,987,581	Drawdown
L17-4750	1.995%	6,540,349	Drawdown
L17-5070	1.995%	11,361,517	Drawdown
		\$ 53,744,150	

IEPA Loan - L17-4445, issued in the amount of \$1,501,841 to provide funds to improve the public water supply. The loan is dated August 9, 2012, and is due in semi-annual installments of \$43,512, which includes interest of 1.25%. The final payment is due April 9, 2032.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 13. Long-Term Debt

IEPA Loan - L17-3148, issued in the amount of \$12,340,922 to provide funds to improve the public water supply. The loan is dated November 7, 2013 and is due in semi-annual installments of \$357,547, which includes interest of 1.25%. The final payment is due June 7, 2033.

IEPA Loan - L17-4705, issued to provide funds to improve the wastewater system. The loan is dated September 30, 2014. The loan is anticipated to total \$24,946,296 to be repaid by the City over a twenty year period with interest at 1.995%. The City had drawn a total of \$23,987,581 through December 31, 2016. The final loan amount and repayment schedule were not available at the time of this report.

IEPA Loan - L17-4750, issued to provide funds for the U.S. Route 6 sanitary sewer improvements project. The loan is dated September 30, 2014. The loan is anticipated to total \$7,344,582 to be repaid by the City over a twenty year period with interest at 1.995%. The City had drawn a total of \$6,540,349 through December 31, 2016. The final loan amount and repayment schedule were not available at the time of this report.

IEPA Loan - L17-5070, issued to provide funds to improve the East-side Wastewater Treatment Plant. The loan is dated September 30, 2014. The loan is anticipated to total \$12,411,409 to be repaid by the City over a twenty year period with interest at 1.995%. The City had drawn a total of \$11,361,517 through December 31, 2016. The final loan amount and repayment schedule were not available at the time of this report.

Annual debt service payments required to service the outstanding IEPA Loans with determined payment schedules (L17-4445 and L17-3148) at December 31, 2016 are as follows:

***Business-Type Activities:***

IEPA Loans:

Years Ending December 31,	Interest	Principal	Total
2017	\$ 146,141	\$ 655,978	\$ 802,119
2018	137,915	664,204	802,119
2019	129,586	672,533	802,119
2020	121,153	680,966	802,119
2021	112,615	689,504	802,119
2022-2026	431,199	3,579,395	4,010,594
2027-2031	201,085	3,809,508	4,010,593
2032-2033	13,539	1,102,615	1,116,154
	<u>\$ 1,293,233</u>	<u>\$ 11,854,703</u>	<u>\$ 13,147,936</u>

The City is scheduled to repay \$1,651,131 of principal in 2017 on the loans that are still in the drawdown phase; when combined with the 2017 principal amount in the schedule above, the total "current" portion of the loans payable has been reported as \$2,307,109.

*Deferred Amount on Refunding*

The City has reported a deferred amount on refunding of debt related to the debt defeasances of \$206,510 as deferred outflows of resources in the business-type activities in the Statement of Net Position.

## CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

### 14. Inter-Entity Transactions

The City's expenses for the year ended December 31, 2016 include a total of \$275,400 paid to the Joliet Area Historical Museum and \$597,789 paid to Will County Metropolitan Exposition and Auditorium Authority (Component Units) as annual support payments. The City also paid \$324,815 to the Plainfield Library District for the benefit of the Joliet Library (Component Unit) to pay for the duplicate library real estate taxes that would have resulted from the City annexing property formerly included in the Plainfield Library District. The City received \$676,217 from the Joliet Public Library during the year for reimbursement of Library employee pension costs.

### 15. Significant Water and Sewer Fund Customers

Revenue from water and sewer service charges and annual water and sewer usage in cubic feet from the ten largest users for the year ended December 31, 2016 are as follows:

	Combined Water and Sewer Usage Cubic Feet	Total Water and Sewer Revenues
Village of Shorewood	52,734,700	\$ 1,746,534
P Q Corporation	30,666,616	1,301,881
Ecolab, Inc.	12,870,122	1,299,116
Joliet Housing Authority	5,997,008	965,697
Village of Rockdale	18,361,122	765,080
St. Joseph Medical Center	9,081,253	620,901
Will County Government	4,440,174	325,404
Village of Channahon	7,136,084	281,967
Larkin Village Apartments	3,218,894	227,116
East Joliet Sanitary District	4,537,953	148,296
Total Ten Largest System Users	149,043,926	\$ 7,681,992
Total System Users	1,118,269,068	\$ 43,402,543
Ten Largest as a Percentage of Total System Users	13.33%	17.70%

# CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements  
December 31, 2016

## 16. Fund Balances/Net Position

Details of the City's fund balances by individual major fund and nonmajor funds in the aggregate are as follows:

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Evergreen Terrace II Fund	Motor Fuel Tax Fund		
<b>Fund Balances:</b>					
<i>Nonspendable for:</i>					
Inventory	\$ -	\$ -	\$ -	\$ 160,000	\$ 160,000
<i>Restricted for:</i>					
Road Projects	-	-	8,526,816	4,601,329	13,128,145
Multi-Modal Transportation Center	-	-	-	1,128,786	1,128,786
Police Purposes	-	-	-	1,692,894	1,692,894
Tax Increment Financing Projects	-	-	-	822,723	822,723
Debt Service	-	-	-	515,835	515,835
Community Development Projects	-	-	-	122,410	122,410
Total Restricted	<u>-</u>	<u>-</u>	<u>8,526,816</u>	<u>8,883,977</u>	<u>17,410,793</u>
<i>Assigned to:</i>					
Budgetary Shortfall	7,707,669	-	-	-	7,707,669
Evergreen Terrace Deficit	2,902,606	-	-	-	2,902,606
Road Projects	-	-	-	129	129
Tax Increment Financing Projects	-	-	-	18,362	18,362
Capital Projects	-	-	-	3,177,222	3,177,222
Total Assigned	<u>10,610,275</u>	<u>-</u>	<u>-</u>	<u>3,195,713</u>	<u>13,805,988</u>
<i>Unassigned</i>	<u>44,024,884</u>	<u>( 2,902,606)</u>	<u>-</u>	<u>( 77,062)</u>	<u>41,045,216</u>
<b>Total Fund Balances</b>	<u>\$ 54,635,159</u>	<u>(\$ 2,902,606)</u>	<u>\$ 8,526,816</u>	<u>\$ 12,162,628</u>	<u>\$ 72,421,997</u>

As of December 31, 2016, the Evergreen Terrace II Fund and the Block Grant Fund had deficit fund balances of \$2,902,606 and \$77,062, respectively. The deficits are anticipated to be reduced through future transfers from the General Fund coupled with future revenues.

### *Prior Period Adjustment to Net Position*

Beginning net position of the Joliet Public Library was increased by \$300,967 to correct an error in recognition of receivables and payables and to reclassify a fiduciary fund to a governmental fund.



**Required Supplementary Information**

## CITY OF JOLIET, ILLINOIS

### Required Supplementary Information

Schedules of Changes in the Net Pension Liability (Asset) and Related Ratios  
Illinois Municipal Retirement Fund  
Last Three Calendar Years

	Regular Plan		
	2016	2015	2014
<b>Total Pension Liability</b>			
Service Cost	\$ 3,687,773	\$ 3,462,247	\$ 3,752,266
Interest	17,731,524	16,879,641	15,727,556
Differences Between Expected and Actual Experience	( 3,592,731)	3,010,012	284,326
Changes of Assumptions	( 1,828,304)	305,128	7,693,624
Benefit Payments, Including Refunds of Plan Member Contributions	( 12,347,896)	( 11,682,532)	( 10,884,098)
<b>Net Change in Total Pension Liability</b>	3,650,366	11,974,496	16,573,674
<b>Total Pension Liability - Beginning</b>	242,656,999	230,682,503	214,108,829
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 246,307,365</u>	<u>\$ 242,656,999</u>	<u>\$ 230,682,503</u>
<b>Plan Fiduciary Net Position</b>			
Contributions from Employer	\$ 6,803,057	\$ 6,296,473	\$ 5,854,220
Contributions from Plan Members	1,511,711	1,554,476	1,474,346
Pension Plan Net Investment Income	12,526,627	889,033	10,499,423
Benefit Payments, Including Refunds of Plan Member Contributions	( 12,347,896)	( 11,682,532)	( 10,884,098)
Other Changes	111,738	5,820,479	( 1,120,954)
<b>Net Change in Plan Fiduciary Net Position</b>	8,605,237	2,877,929	5,822,937
<b>Plan Fiduciary Net Position - Beginning</b>	182,600,326	179,722,397	173,899,460
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 191,205,563</u>	<u>\$ 182,600,326</u>	<u>\$ 179,722,397</u>
<b>Net Pension Liability(Asset) - Ending (A) - (B)</b>	<u>\$ 55,101,802</u>	<u>\$ 60,056,673</u>	<u>\$ 50,960,106</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	77.63%	75.25%	77.91%
<b>Covered-Employee Payroll</b>	32,634,810	33,256,589	30,754,363
<b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	168.84%	180.59%	165.70%

**Notes to Schedule:**

The information is based on actuarial valuation reports from the Illinois Municipal Retirement Fund.

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.

Sheriff's Law Enforcement Personnel (SLEP)			Elected County Official (ECO)		
2016	2015	2014	2016	2015	2014
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,176	9,462	9,182	10,627	11,441	11,001
( 117,189)	( 26,605)	( 9,709)	( 152,321)	( 22,294)	( 11,143)
-	-	4,254	-	-	6,003
-	-	-	-	-	-
( 109,013)	( 17,143)	3,727	( 141,694)	( 10,853)	5,861
109,013	126,156	122,429	141,694	152,547	146,686
\$ -	\$ 109,013	\$ 126,156	\$ -	\$ 141,694	\$ 152,547
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
8,176	605	7,468	10,627	727	8,948
-	-	-	-	-	-
( 117,207)	( 12,575)	( 8,896)	( 152,344)	( 4,471)	( 10,173)
( 109,031)	( 11,970)	( 1,428)	( 141,717)	( 3,744)	( 1,225)
109,031	121,001	122,429	141,717	145,461	146,686
\$ -	\$ 109,031	\$ 121,001	\$ -	\$ 141,717	\$ 145,461
\$ -	(\$ 18)	\$ 5,155	\$ -	(\$ 23)	\$ 7,086
N/A	100.02%	95.91%	N/A	100.02%	95.35%
-	-	-	-	-	-
N/A	N/A	N/A	N/A	N/A	N/A

## CITY OF JOLIET, ILLINOIS

### Required Supplementary Information Schedules of Changes in the Net Pension Liability and Related Ratios Police and Firefighters' Pension Plans Last Three Calendar Years

	Police Pension		
	2016	2015	2014
<b>Total Pension Liability</b>			
Service Cost	\$ 8,813,638	\$ 8,669,493	\$ 8,494,903
Interest	23,486,380	22,362,935	21,353,658
Differences Between Expected and Actual Experience	( 2,016,850)	( 3,044,027)	-
Benefit Payments, Including Refunds of Plan Member Contributions	( 12,876,051)	( 12,167,696)	( 11,424,994)
<b>Net Change in Total Pension Liability</b>	17,407,117	15,820,705	18,423,567
<b>Total Pension Liability - Beginning</b>	347,482,485	331,661,780	313,238,213
<b>Total Pension Liability - Ending (A)</b>	<u>\$ 364,889,602</u>	<u>\$ 347,482,485</u>	<u>\$ 331,661,780</u>
<b>Plan Fiduciary Net Position</b>			
Contributions from Employer	\$ 14,559,331	\$ 13,884,298	\$ 13,610,557
Contributions from Plan Members	2,763,589	3,160,099	3,216,045
Pension Plan Net Investment Income	12,420,957	( 1,307,614)	7,182,303
Other Contributions	33,263	4,863	20,039
Benefit Payments, Including Refunds of Plan Member Contributions	( 12,876,051)	( 12,167,696)	( 11,424,994)
Pension Plan Administrative Expense	( 61,794)	( 79,676)	( 97,033)
<b>Net Change in Plan Fiduciary Net Position</b>	16,839,295	3,494,274	12,506,917
<b>Plan Fiduciary Net Position - Beginning</b>	175,143,050	171,648,776	159,141,859
<b>Plan Fiduciary Net Position - Ending (B)</b>	<u>\$ 191,982,345</u>	<u>\$ 175,143,050</u>	<u>\$ 171,648,776</u>
<b>Net Pension Liability - Ending (A) - (B)</b>	<u>\$ 172,907,257</u>	<u>\$ 172,339,435</u>	<u>\$ 160,013,004</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	52.61%	50.40%	51.75%
<b>Covered-Employee Payroll</b>	27,538,519	28,477,526	26,103,068
<b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	627.87%	605.18%	613.00%

**Notes to Schedule:**

The information is based on actuarial valuation reports from Gabriel, Roeder, Smith & Company.

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.

Firefighters' Pension

2016	2015	2014
\$ 7,525,565	\$ 7,425,956	\$ 7,331,123
17,333,665	16,604,938	16,055,080
( 3,393,450)	( 5,803,238)	-
( 10,163,038)	( 9,726,302)	( 9,343,434)
11,302,742	8,501,354	14,042,769
257,661,468	249,160,114	235,117,345
<u>\$ 268,964,210</u>	<u>\$ 257,661,468</u>	<u>\$ 249,160,114</u>
\$ 12,332,156	\$ 12,021,687	\$ 12,098,687
2,170,300	2,215,794	2,067,693
8,825,529	( 1,051,514)	4,515,726
13,623	725	-
( 10,163,038)	( 9,726,302)	( 9,343,434)
( 82,021)	( 77,628)	( 80,858)
13,096,549	3,382,762	9,257,814
118,213,078	114,830,316	105,572,502
<u>\$ 131,309,627</u>	<u>\$ 118,213,078</u>	<u>\$ 114,830,316</u>
<u>\$ 137,654,583</u>	<u>\$ 139,448,390</u>	<u>\$ 134,329,798</u>
48.82%	45.88%	46.09%
22,631,944	23,496,032	21,699,631
608.23%	593.50%	619.04%

## CITY OF JOLIET, ILLINOIS

### Required Supplementary Information

Schedules of Employer Contributions

Illinois Municipal Retirement Fund

Last Three Calendar Years

#### **Regular Plan**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 6,083,129	\$ 6,803,057	(\$ 719,928)	\$ 32,634,810	20.85%
2015	5,853,160	6,296,473	( 443,313)	33,256,589	18.93%
2014	5,421,994	5,854,220	( 432,226)	30,754,363	19.04%

#### **Sheriff's Law Enforcement Personnel (SLEP)**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ -	\$ -	\$ -	\$ -	N/A
2015	-	-	-	-	N/A
2014	-	-	-	-	N/A

#### **Elected County Official (ECO)**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ -	\$ -	\$ -	\$ -	N/A
2015	-	-	-	-	N/A
2014	-	-	-	-	N/A

**Notes to Schedule:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate\**

*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 2016 Contribution Rates:*

*Actuarial Cost Method:* Aggregate Entry Age Normal.

*Amortization Method:* Level Percentage of Payroll, Closed.

*Remaining Amortization Period:* 27-year closed period.

*Asset Valuation Method:* 5-Year smoothed market; 20% corridor.

*Wage Growth:* 3.50%.

*Price Inflation:* 2.75% - approximate; No explicit price inflation assumption is used in this valuation.

*Salary Increases:* 3.75% to 14.50% including inflation.

*Investment Rate of Return:* 7.50%.

*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

*Mortality:* An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). For non-disabled retirees, 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, 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, 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, 2014 actuarial valuation.

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 JOLIET, ILLINOIS

### Required Supplementary Information Schedules of Employer Contributions Police and Firefighters' Pension Plans Last Three Calendar Years

#### Police Pension Plan

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 14,716,739	\$ 14,559,331	\$ 157,408	\$ 27,538,519	52.87%
2015	14,374,516	13,884,298	490,218	28,477,526	48.76%
2014	13,802,050	13,610,557	191,493	26,103,068	52.14%

#### Firefighters' Pension Plan

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 12,359,863	\$ 12,332,156	\$ 27,707	\$ 22,631,944	54.49%
2015	12,174,544	12,021,687	152,857	23,496,032	51.16%
2014	11,949,709	12,098,687	( 148,978)	21,699,631	55.76%



**Notes to Schedule:**

The Police and Firefighters' Pension Plans both use the following actuarial assumptions.

*Valuation Date:* January 1, 2016.  
Actuarially determined contribution rates are calculated as of January 1, which is 24 months prior to the end of the fiscal year in which contributions are reported.

*Methods and Assumptions Used to Determine Contribution Rates:*

*Actuarial Cost Method:* Entry Age Normal.

*Amortization Method:* 29-year Closed Level Percentage of Pay Amortization (from January 1, 2015).

*Remaining Amortization Period:* 28 Years.

*Asset Valuation Method:* 4 Tear Smoothed Market.

*Inflation:* 3.00%.

*Salary Increases:* Salary increase rates based on service-related productivity and merit rates plus inflation.

*Postretirement Benefit Increases:* 3.00% compounded, for Tier 1 employees, and the lesser of 3.00% or one-half of the annual increase in the CPI, simple, for Tier 2 employees.

*Investment Rate of Return:* 6.75% as of the January 1, 2016 valuation.

*Retirement Age:* Experience-based table of rates that are specific to the type of eligibility condition.

*Mortality:* 1994 Group Annuity Mortality Table. 110% of the 1994 Group Annuity Mortality Table is used for post-disablement mortality.

*Other Information:* There were no benefit changes during the year.

The information is based on actuarial valuation reports from Gabriel, Roeder, Smith & Company

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 JOLIET, ILLINOIS

### Required Supplementary Information Schedules of Investment Returns Police and Firefighters' Pension Plans Last Three Calendar Years

Annual Money-Weighted Rate of Return, Net of Investment Expense:

<u>Calendar Year</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
2016	7.05%	7.40%
2015	-0.75%	-0.88%
2014	4.88%	4.21%

#### 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 JOLIET, ILLINOIS

### Required Supplementary Information

December 31, 2016

#### Schedule of Funding Progress Retiree Healthcare and Life Insurance Benefit Programs

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2016	\$ -	\$310,228,464	\$310,228,464	0.00%	\$ 74,125,274	418.52%
1/1/2014	-	235,051,164	235,051,164	0.00%	70,978,328	331.16%
1/1/2012	-	214,713,030	214,713,030	0.00%	70,369,756	305.12%
1/1/2010	-	205,086,432	205,086,432	0.00%	71,889,093	285.28%
1/1/2009	-	180,752,000	180,752,000	0.00%	71,298,274	253.52%
1/1/2008	-	167,485,137	167,485,137	0.00%	68,556,033	244.30%
1/1/2007	-	201,403,182	201,403,182	0.00%	61,364,217	328.21%

The City funds the benefits on a pay-as-you-go basis; therefore, there are no plan assets at year-end. According to GASB 45, an actuarial valuation should be performed at a minimum frequency of every two years for a plan the size of the City's.

**CITY OF JOLIET, ILLINOIS**

Required Supplementary Information  
General Fund

Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenue</b>				
Local Taxes:				
Property Taxes	\$ 33,345,000	\$ 33,345,000	\$ 33,855,735	\$ 510,735
Home Rule Sales Tax	24,456,672	24,860,000	24,852,474	( 7,526)
Telecommunications Tax	3,835,000	3,540,000	3,584,101	44,101
Natural Gas Tax	870,000	780,000	810,702	30,702
Natural Gas Third Party Tax	470,000	430,000	427,891	( 2,109)
Electricity Tax	2,935,000	2,935,000	2,974,489	39,489
Hotel/Motel Tax	2,000,000	2,500,000	2,720,450	220,450
Real Estate Transfer Tax	1,655,500	1,800,000	2,071,138	271,138
Titled/Registration Tax	150,000	150,000	152,968	2,968
Automobile Rental Tax	36,000	41,000	41,298	298
Food and Beverage Tax	2,900,000	2,970,000	2,960,865	( 9,135)
Gasoline Privilege Tax	545,000	600,000	651,187	51,187
Amusement Tax	100,000	110,000	114,845	4,845
Less Rebates	-	-	( 113,885)	( 113,885)
Amusement Tax, Net	100,000	110,000	960	( 109,040)
Telephone Franchise Tax	82,000	82,000	88,709	6,709
Cable Franchise Tax	1,875,000	1,920,000	2,016,831	96,831
Payments in Lieu of Taxes	71,700	218,000	217,279	( 721)
State Shared Revenues:				
State Sales Tax	21,224,652	21,850,000	21,906,261	56,261
Less Rebates	( 650,000)	( 860,000)	( 810,374)	49,626
State Sales Tax, Net	20,574,652	20,990,000	21,095,887	105,887
Income Taxes	14,900,000	14,700,000	14,164,006	( 535,994)
Replacement Taxes	2,696,000	2,500,000	2,440,419	( 59,581)
Out of State Use Tax	2,600,000	3,500,000	3,518,419	18,419
Pari-Mutuel Tax	120,000	105,000	114,700	9,700
Gaming Wagering Tax	15,890,000	15,400,000	15,249,806	( 150,194)
Gaming Admissions Tax	2,520,000	2,520,000	2,534,350	14,350
Video Gaming Tax	490,000	613,000	656,940	43,940
Federal Grants	-	140,220	271,243	131,023
State Grants	-	11,694	43,551	31,857
State Reimbursements	15,700	219,700	363,602	143,902
Charges for Services	8,279,405	9,946,000	9,916,403	( 29,597)
Municipal Waste Fees	12,895,460	13,100,000	13,359,561	259,561
Licenses	448,000	463,000	484,427	21,427
Permits	1,300,000	2,800,000	2,891,536	91,536
Rentals	382,000	290,000	423,663	133,663
Fees	305,000	382,800	380,231	( 2,569)
Fines	1,530,500	1,590,000	1,662,288	72,288

*(Continued)*

**CITY OF JOLIET, ILLINOIS**

Required Supplementary Information  
General Fund

Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Interest Earnings	\$ 12,500	\$ 20,000	\$ 30,915	\$ 10,915
Miscellaneous	2,108,900	2,199,200	1,071,244	( 1,127,956)
 Total Revenue	 <u>162,394,989</u>	 <u>167,771,614</u>	 <u>168,100,268</u>	 <u>328,654</u>
<b>Expenditures</b>				
Personnel Services	77,695,175	76,934,981	77,239,492	( 304,511)
Personnel Benefits	58,056,957	59,097,920	55,823,484	3,274,436
Other Employee Costs	367,140	387,772	328,109	59,663
Professional Services	3,050,322	4,146,446	3,873,638	272,808
Property Services	18,642,624	18,284,839	17,304,615	980,224
Other Services	1,200,827	1,252,554	1,094,833	157,721
Supplies	7,741,447	7,868,855	6,767,806	1,101,049
Other Expenditures	3,155,150	2,871,750	2,439,908	431,842
 Total Expenditures	 <u>169,909,642</u>	 <u>170,845,117</u>	 <u>164,871,885</u>	 <u>5,973,232</u>
 Revenue Over (Under) Expenditures	 ( 7,514,653)	 ( 3,073,503)	 3,228,383	 6,301,886
 Other Financing Sources (Uses)				
Sale of Capital Assets	1,000	10,000	8,480	( 1,520)
Transfers In	4,725,000	4,725,000	2,228,910	( 2,496,090)
Transfers Out	( 4,000,000)	( 7,430,934)	( 7,430,934)	-
 Total Other Financing Sources (Uses)	 <u>726,000</u>	 <u>( 2,695,934)</u>	 <u>( 5,193,544)</u>	 <u>( 2,497,610)</u>
 Net Change in Fund Balance	 <u>(\$ 6,788,653)</u>	 <u>(\$ 5,769,437)</u>	 <u>( 1,965,161)</u>	 <u>\$ 3,804,276</u>
 <b>Fund Balance, Beginning of Year</b>			 <u>56,600,320</u>	
 <b>Fund Balance, End of Year</b>			 <u>\$ 54,635,159</u>	

**CITY OF JOLIET, ILLINOIS**

Required Supplementary Information  
 Evergreen Terrace II Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenue</b>				
Total Revenue	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
General Government				
Professional Services	<u>700,000</u>	<u>500,000</u>	<u>79,998</u>	<u>420,002</u>
Total Expenditures	<u>700,000</u>	<u>500,000</u>	<u>79,998</u>	<u>420,002</u>
Revenue Over (Under) Expenditures	( 700,000)	( 500,000)	( 79,998)	420,002
<b>Other Financing Sources</b>				
Transfers In	<u>-</u>	<u>3,637,683</u>	<u>-</u>	<u>( 3,637,683)</u>
Total Other Financing Sources	<u>-</u>	<u>3,637,683</u>	<u>-</u>	<u>( 3,637,683)</u>
Net Change in Fund Balance	<u>(\$ 700,000)</u>	<u>\$ 3,137,683</u>	<u>( 79,998)</u>	<u>(\$ 3,217,681)</u>
<b>Fund Balance (Deficit), Beginning of Year</b>			<u>( 2,822,608)</u>	
<b>Fund Balance (Deficit), End of Year</b>			<u>(\$ 2,902,606)</u>	

## CITY OF JOLIET, ILLINOIS

### Required Supplementary Information Motor Fuel Tax Fund

#### Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts GAAP Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenue</b>				
State Shared Revenue Allotments	\$ 3,700,000	\$ 3,700,000	\$ 3,979,117	\$ 279,117
Federal Grants	-	115,000	429,257	314,257
State Grants	-	180,000	180,000	-
Interest	10,000	10,000	26,850	16,850
Total Revenue	3,710,000	4,005,000	4,615,224	610,224
<b>Expenditures</b>				
Public Works				
Property and Projects	11,141,981	7,638,631	6,833,227	805,404
Total Expenditures	11,141,981	7,638,631	6,833,227	805,404
Net Change in Fund Balance	(\$ 7,431,981)	(\$ 3,633,631)	( 2,218,003)	\$ 1,415,628
<b>Fund Balance, Beginning of Year</b>			10,744,819	
<b>Fund Balance, End of Year</b>			\$ 8,526,816	

## **CITY OF JOLIET, ILLINOIS**

Notes to Required Supplementary Information  
December 31, 2016

### **Basis of Accounting**

The City prepared the budget for the general fund and the major special revenue funds on the modified accrual basis of accounting. Certain budgeted amounts were amended during the fiscal year.

### **Fund Deficit**

As of December 31, 2016, the Evergreen Terrace II Fund had deficit fund balance of \$2,902,606. The deficit is anticipated to be reduced through future transfers from the General Fund.



**Other Supplementary Information**

## CITY OF JOLIET, ILLINOIS

General Fund  
Detailed Schedule of Expenditures - Budget and Actual  
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Mayor and Council Department</b>				
Mayor's Office				
Personnel Services	\$ 91,231	\$ 91,231	\$ 91,393	(\$ 162)
Personnel Benefits	17,005	17,005	17,466	( 461)
Other Employee Costs	20,720	20,720	19,837	883
Other Services	2,000	2,000	1,525	475
Supplies	1,800	1,800	392	1,408
Other Expenditures	750	750	17,297	( 16,547)
Total	<u>133,506</u>	<u>133,506</u>	<u>147,910</u>	<u>( 14,404)</u>
City Council				
Personnel Services	152,000	152,000	151,298	702
Personnel Benefits	31,243	18,086	17,158	928
Other Employee Costs	50	450	435	15
Other Services	10,500	10,500	5,554	4,946
Supplies	700	700	615	85
Total	<u>194,493</u>	<u>181,736</u>	<u>175,060</u>	<u>6,676</u>
Liquor Commission				
Personnel Services	45,153	45,153	53,746	( 8,593)
Personnel Benefits	6,061	6,061	6,591	( 530)
Other Employee Costs	300	300	-	300
Professional Services	1,350	1,350	1,066	284
Other Services	1,150	1,150	1,281	( 131)
Supplies	400	400	-	400
Total	<u>54,414</u>	<u>54,414</u>	<u>62,684</u>	<u>( 8,270)</u>
Total Mayor and Council Department	<u>382,413</u>	<u>369,656</u>	<u>385,654</u>	<u>( 15,998)</u>
<b>Department of the City Manager</b>				
City Manager's Office				
Personnel Services	400,400	420,400	430,098	( 9,698)
Personnel Benefits	75,571	75,571	70,725	4,846
Other Employee Costs	14,600	65,500	72,950	( 7,450)
Professional Services	165,000	300,000	308,481	( 8,481)
Property Services	1,000	1,000	995	5
Other Services	97,200	122,600	131,285	( 8,685)
Supplies	5,890	7,090	11,671	( 4,581)
Other Expenditures	230,000	380,000	266,282	113,718
Total	<u>989,661</u>	<u>1,372,161</u>	<u>1,292,487</u>	<u>79,674</u>
Total Department of the City Manager	<u>989,661</u>	<u>1,372,161</u>	<u>1,292,487</u>	<u>79,674</u>

(Continued)

## CITY OF JOLIET, ILLINOIS

General Fund  
Detailed Schedule of Expenditures - Budget and Actual  
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Department of the City Clerk</b>				
City Clerk				
Personnel Services	\$ 334,646	\$ 337,231	\$ 346,481	(\$ 9,250)
Personnel Benefits	62,378	57,852	60,352	( 2,500)
Other Employee Costs	6,700	1,650	688	962
Professional Services	60,000	60,000	32,575	27,425
Property Services	19,500	15,000	17,380	( 2,380)
Other Services	9,250	6,125	6,223	( 98)
Supplies	26,500	20,000	24,647	( 4,647)
Total	<u>518,974</u>	<u>497,858</u>	<u>488,346</u>	<u>9,512</u>
Front Desk				
Personnel Services	113,353	112,782	96,074	16,708
Personnel Benefits	18,310	18,310	18,016	294
Other Employee Costs	350	350	8	342
Professional Services	15,000	-	-	-
Property Services	-	-	1,992	( 1,992)
Other Services	2,500	1,400	-	1,400
Supplies	2,500	2,500	156	2,344
Total	<u>152,013</u>	<u>135,342</u>	<u>116,246</u>	<u>19,096</u>
Total Department of the City Clerk	<u>670,987</u>	<u>633,200</u>	<u>604,592</u>	<u>28,608</u>
<b>Department of Administrative Services</b>				
Human Resources				
Personnel Services	1,743,151	2,086,000	2,033,928	52,072
Personnel Benefits	25,357,923	25,409,778	21,729,195	3,680,583
Other Employee Costs	8,700	5,400	2,481	2,919
Professional Services	290,000	301,000	283,777	17,223
Property Services	300	2,300	5,655	( 3,355)
Other Services	518,260	526,160	440,100	86,060
Supplies	2,300	3,100	2,353	747
Total	<u>27,920,634</u>	<u>28,333,738</u>	<u>24,497,489</u>	<u>3,836,249</u>

(Continued)

## CITY OF JOLIET, ILLINOIS

General Fund  
Detailed Schedule of Expenditures - Budget and Actual  
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Buildings and Grounds</b>				
Personnel Services	\$ 683,435	\$ 683,435	\$ 669,115	\$ 14,320
Personnel Benefits	127,392	127,392	119,851	7,541
Other Employee Costs	50	50	30	20
Professional Services	88,000	170,000	38,573	131,427
Property Services	411,000	361,000	397,311	( 36,311)
Other Services	900	1,900	1,482	418
Supplies	93,500	109,000	78,141	30,859
Other Expenditures	65,900	-	-	-
Total	<u>1,470,177</u>	<u>1,452,777</u>	<u>1,304,503</u>	<u>148,274</u>
<b>Fleet Services</b>				
Personnel Services	2,055,137	2,025,137	2,035,046	( 9,909)
Personnel Benefits	383,078	350,000	357,312	( 7,312)
Other Employee Costs	19,400	15,100	13,413	1,687
Professional Services	10,000	10,000	9,912	88
Property Services	1,550,000	1,505,000	1,426,840	78,160
Other Services	10,725	12,225	10,003	2,222
Supplies	1,629,600	1,644,400	1,623,098	21,302
Total	<u>5,657,940</u>	<u>5,561,862</u>	<u>5,475,624</u>	<u>86,238</u>
Total Department of Administrative Services	<u>35,048,751</u>	<u>35,348,377</u>	<u>31,277,616</u>	<u>4,070,761</u>
<b>Department of Community and Economic Development</b>				
<b>Administration</b>				
Personnel Services	207,308	149,117	187,142	( 38,025)
Personnel Benefits	38,642	38,642	46,100	( 7,458)
Other Employee Costs	21,000	21,000	185	20,815
Professional Services	58,000	58,000	43,918	14,082
Property Services	-	-	9,600	( 9,600)
Other Services	2,200	2,200	1,679	521
Supplies	500	500	217	283
Other Expenditures	1,346,200	1,346,200	1,060,583	285,617
Total	<u>1,673,850</u>	<u>1,615,659</u>	<u>1,349,424</u>	<u>266,235</u>

*(Continued)*

## CITY OF JOLIET, ILLINOIS

General Fund  
Detailed Schedule of Expenditures - Budget and Actual  
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Planning</b>				
Personnel Services	\$ 375,634	\$ 375,634	\$ 356,281	\$ 19,353
Personnel Benefits	64,379	64,379	66,877	( 2,498)
Other Employee Costs	10,500	10,900	3,453	7,447
Professional Services	155,000	155,000	87,792	67,208
Property Services	115,000	115,000	18,480	96,520
Other Services	14,800	15,300	9,444	5,856
Supplies	2,200	2,200	1,079	1,121
Other Expenditures	6,500	6,500	6,295	205
Total	<u>744,013</u>	<u>744,913</u>	<u>549,701</u>	<u>195,212</u>
<b>Neighborhood Services</b>				
Personnel Services	1,217,188	1,217,188	1,181,684	35,504
Personnel Benefits	226,882	226,882	223,685	3,197
Other Employee Costs	4,775	4,775	2,707	2,068
Professional Services	149,000	109,000	163,843	( 54,843)
Property Services	151,280	151,280	126,156	25,124
Other Services	35,000	35,400	22,768	12,632
Supplies	12,900	13,040	14,092	( 1,052)
Total	<u>1,797,025</u>	<u>1,757,565</u>	<u>1,734,935</u>	<u>22,630</u>
<b>Inspections</b>				
Personnel Services	705,186	727,002	692,970	34,032
Personnel Benefits	131,447	131,447	122,240	9,207
Other Employee Costs	3,000	3,000	1,799	1,201
Professional Services	76,600	76,600	25,517	51,083
Other Services	13,290	13,290	9,221	4,069
Supplies	3,700	5,378	6,537	( 1,159)
Total	<u>933,223</u>	<u>956,717</u>	<u>858,284</u>	<u>98,433</u>
Total Department of Community and Economic Development	<u>5,148,111</u>	<u>5,074,854</u>	<u>4,492,344</u>	<u>582,510</u>
<b>Department of Finance</b>				
<b>Administration</b>				
Personnel Services	192,679	192,679	193,032	( 353)
Personnel Benefits	789,000	1,915,324	1,977,559	( 62,235)
Other Employee Costs	1,600	1,600	1,331	269
Professional Services	120,000	120,000	139,725	( 19,725)
Other Services	2,020	2,420	1,858	562
Supplies	400	400	1,114	( 714)
Other Expenditures	308,300	316,300	312,537	3,763
Total	<u>1,413,999</u>	<u>2,548,723</u>	<u>2,627,156</u>	<u>( 78,433)</u>

(Continued)

## CITY OF JOLIET, ILLINOIS

General Fund  
Detailed Schedule of Expenditures - Budget and Actual  
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Customer Service</b>				
Personnel Services	\$ 72,225	\$ 73,105	\$ 75,584	(\$ 2,479)
Other Employee Costs	850	850	40	810
Professional Services	4,100	4,500	10,659	( 6,159)
Property Services	660	660	458	202
Other Services	2,920	2,920	4,785	( 1,865)
Supplies	4,000	4,000	6,562	( 2,562)
Total	<u>84,755</u>	<u>86,035</u>	<u>98,088</u>	<u>( 12,053)</u>
<b>Accounting</b>				
Personnel Services	289,570	289,570	289,860	( 290)
Personnel Benefits	50,000	50,000	50,805	( 805)
Other Employee Costs	8,700	11,500	10,717	783
Professional Services	90,000	90,000	69,774	20,226
Property Services	325,000	325,000	245,294	79,706
Other Services	4,950	10,950	2,999	7,951
Supplies	6,600	6,900	2,462	4,438
Total	<u>774,820</u>	<u>783,920</u>	<u>671,911</u>	<u>112,009</u>
<b>Purchasing</b>				
Personnel Services	237,119	237,507	238,798	( 1,291)
Personnel Benefits	44,315	44,315	41,055	3,260
Other Employee Costs	1,565	1,140	1,159	( 19)
Professional Services	550	3,100	2,245	855
Property Services	3,780	1,665	2,272	( 607)
Other Services	2,250	1,012	838	174
Supplies	1,250	1,000	769	231
Total	<u>290,829</u>	<u>289,739</u>	<u>287,136</u>	<u>2,603</u>
Total Department of Finance	<u>2,564,403</u>	<u>3,708,417</u>	<u>3,684,291</u>	<u>24,126</u>
<b>Technology Department</b>				
Administration				
Personnel Services	113,503	38,450	64,170	( 25,720)
Personnel Benefits	84,110	42,000	26,454	15,546
Other Employee Costs	19,500	19,500	1,943	17,557
Professional Services	160,304	750,300	766,129	( 15,829)
Other Services	2,200	11,550	36,879	( 25,329)
Supplies	-	500	1,020	( 520)
Other Expenditures	125,000	62,500	-	62,500
Total	<u>504,617</u>	<u>924,800</u>	<u>896,595</u>	<u>28,205</u>

(Continued)

## CITY OF JOLIET, ILLINOIS

### General Fund Detailed Schedule of Expenditures - Budget and Actual For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Applications</b>				
Personnel Services	\$ 174,420	\$ 174,420	\$ 177,940	(\$ 3,520)
Personnel Benefits	-	8,000	24,994	( 16,994)
Other Employee Costs	-	-	4,225	( 4,225)
Professional Services	204,000	250	55,179	( 54,929)
Property Services	159,401	159,500	148,615	10,885
Supplies	-	2,000	130,857	( 128,857)
Other Expenditures	100,000	50,000	-	50,000
Total	<u>637,821</u>	<u>394,170</u>	<u>541,810</u>	<u>( 147,640)</u>
<b>Infrastructure</b>				
Personnel Services	159,788	159,838	162,361	( 2,523)
Personnel Benefits	-	8,000	22,837	( 14,837)
Other Employee Costs	-	-	6,510	( 6,510)
Professional Services	701,000	376,000	107,919	268,081
Property Services	365,200	365,200	356,597	8,603
Other Services	100,000	100,000	101,786	( 1,786)
Supplies	25,000	43,500	89,669	( 46,169)
Other Expenditures	32,000	32,000	-	32,000
Total	<u>1,382,988</u>	<u>1,084,538</u>	<u>847,679</u>	<u>236,859</u>
Total Technology Department	<u>2,525,426</u>	<u>2,403,508</u>	<u>2,286,084</u>	<u>117,424</u>
<b>Legal Department</b>				
Personnel Services	392,181	398,065	429,331	( 31,266)
Personnel Benefits	73,230	73,230	85,948	( 12,718)
Other Employee Costs	6,250	1,750	4,165	( 2,415)
Professional Services	191,100	940,000	1,224,616	( 284,616)
Property Services	350,000	-	-	-
Other Services	5,123	2,700	4,664	( 1,964)
Supplies	26,500	27,500	37,752	( 10,252)
Other Expenditures	750,000	670,000	776,429	( 106,429)
Total Legal Department	<u>1,794,384</u>	<u>2,113,245</u>	<u>2,562,905</u>	<u>( 449,660)</u>
<b>Police Department</b>				
Police Pension				
Personnel Benefits	-	-	14,559,331	( 14,559,331)
Total	<u>-</u>	<u>-</u>	<u>14,559,331</u>	<u>( 14,559,331)</u>

(Continued)

## CITY OF JOLIET, ILLINOIS

General Fund  
Detailed Schedule of Expenditures - Budget and Actual  
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Administration/Operations				
Personnel Services	\$ 36,655,531	\$ 35,898,514	\$ 35,814,575	\$ 83,939
Personnel Benefits	16,112,572	16,132,572	1,654,897	14,477,675
Other Employee Costs	148,080	168,000	151,153	16,847
Professional Services	216,618	310,974	260,848	50,126
Property Services	396,723	378,343	246,466	131,877
Other Services	173,489	177,152	146,963	30,189
Supplies	574,107	653,954	514,184	139,770
Other Expenditures	3,500	3,500	478	3,022
Total	<u>54,280,620</u>	<u>53,723,009</u>	<u>38,789,564</u>	<u>14,933,445</u>
School Crossing Guards				
Personnel Services	323,736	323,736	271,887	51,849
Personnel Benefits	24,778	24,778	20,799	3,979
Total	<u>348,514</u>	<u>348,514</u>	<u>292,686</u>	<u>55,828</u>
Total Police Department	<u>54,629,134</u>	<u>54,071,523</u>	<u>53,641,581</u>	<u>429,942</u>
<b>Fire Department</b>				
Fire Pension				
Personnel Benefits	-	-	12,332,156	( 12,332,156)
Total	<u>-</u>	<u>-</u>	<u>12,332,156</u>	<u>( 12,332,156)</u>
Administration				
Personnel Services	24,375,667	24,375,667	24,786,565	( 410,898)
Personnel Benefits	12,539,338	12,528,366	417,293	12,111,073
Other Employee Costs	41,300	15,287	16,691	( 1,404)
Professional Services	14,000	5,000	91,863	( 86,863)
Property Services	153,500	153,500	128,686	24,814
Other Services	84,000	83,500	89,843	( 6,343)
Supplies	347,700	344,593	406,770	( 62,177)
Other Expenditures	181,000	-	-	-
Total	<u>37,736,505</u>	<u>37,505,913</u>	<u>25,937,711</u>	<u>11,568,202</u>
Operations				
Professional Services	70,600	90,600	-	90,600
Other Services	40,000	40,000	-	40,000
Supplies	7,750	7,750	-	7,750
Total	<u>118,350</u>	<u>138,350</u>	<u>-</u>	<u>138,350</u>

(Continued)



## CITY OF JOLIET, ILLINOIS

### General Fund Detailed Schedule of Expenditures - Budget and Actual For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Emergency Management				
Personnel Services	\$ 26,461	\$ 24,461	\$ 25,768	(\$ 1,307)
Personnel Benefits	78,812	9,421	6,946	2,475
Other Employee Costs	2,000	2,000	755	1,245
Property Services	16,500	16,500	14,360	2,140
Other Services	6,200	6,200	8,350	( 2,150)
Supplies	4,200	4,200	20,080	( 15,880)
Total	<u>134,173</u>	<u>62,782</u>	<u>76,259</u>	<u>( 13,477)</u>
Paramedic Services				
Other Employee Costs	4,700	1,000	1,405	( 405)
Professional Services	14,000	19,672	23,733	( 4,061)
Property Services	263,000	240,000	210,011	29,989
Total	<u>281,700</u>	<u>260,672</u>	<u>235,149</u>	<u>25,523</u>
Total Fire Department	<u>38,270,728</u>	<u>37,967,717</u>	<u>38,581,275</u>	<u>( 613,558)</u>
<b>Public Works Department</b>				
Public Works				
Property Services	-	-	39,935	( 39,935)
Total	<u>-</u>	<u>-</u>	<u>39,935</u>	<u>( 39,935)</u>
Administration				
Personnel Services	258,968	258,968	257,879	1,089
Personnel Benefits	532,231	532,231	661,786	( 129,555)
Other Employee Costs	1,300	1,300	420	880
Professional Services	200	200	-	200
Other Services	1,100	1,100	1,623	( 523)
Supplies	400	400	200	200
Total	<u>794,199</u>	<u>794,199</u>	<u>921,908</u>	<u>( 127,709)</u>
Engineering and Construction				
Personnel Services	1,302,278	1,302,278	1,171,271	131,007
Personnel Benefits	242,743	242,743	185,691	57,052
Other Employee Costs	5,650	3,900	2,992	908
Professional Services	132,900	127,900	79,357	48,543
Property Services	323,700	336,000	319,960	16,040
Other Services	17,100	19,100	15,199	3,901
Supplies	73,200	73,000	66,481	6,519
Other Expenditures	6,000	4,000	7	3,993
Total	<u>2,103,571</u>	<u>2,108,921</u>	<u>1,840,958</u>	<u>267,963</u>

(Continued)

## CITY OF JOLIET, ILLINOIS

General Fund  
Detailed Schedule of Expenditures - Budget and Actual  
For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Electrical				
Personnel Services	\$ 345,501	\$ 345,501	\$ 337,675	\$ 7,826
Personnel Benefits	64,401	64,401	68,071	( 3,670)
Other Employee Costs	5,300	5,300	3,168	2,132
Professional Services	30,000	30,000	32,971	( 2,971)
Property Services	1,500	4,500	4,209	291
Other Services	5,700	5,700	6,010	( 310)
Supplies	3,574,250	3,574,250	2,836,892	737,358
Total	<u>4,026,652</u>	<u>4,029,652</u>	<u>3,288,996</u>	<u>740,656</u>
Roadways				
Personnel Services	4,419,542	4,189,242	4,450,824	( 261,582)
Personnel Benefits	820,075	820,075	784,073	36,002
Other Employee Costs	10,200	5,450	3,449	2,001
Professional Services	33,000	37,000	13,166	23,834
Property Services	13,965,280	14,083,091	13,537,799	545,292
Other Services	29,100	30,200	25,251	4,949
Supplies	1,253,400	1,254,600	837,261	417,339
Total	<u>20,530,597</u>	<u>20,419,658</u>	<u>19,651,823</u>	<u>767,835</u>
Bicentennial Park				
Personnel Services	232,184	230,670	166,716	63,954
Personnel Benefits	61,041	61,059	47,221	13,838
Property Services	70,300	70,300	45,544	24,756
Other Services	6,900	7,800	7,220	580
Supplies	60,200	60,200	52,735	7,465
Total	<u>430,625</u>	<u>430,029</u>	<u>319,436</u>	<u>110,593</u>
Total Public Works Department	<u>27,885,644</u>	<u>27,782,459</u>	<u>26,063,056</u>	<u>1,719,403</u>
Total General Fund	<u>\$ 169,909,642</u>	<u>\$ 170,845,117</u>	<u>\$ 164,871,885</u>	<u>\$ 5,973,232</u>

## NONMAJOR SPECIAL REVENUE FUNDS

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Block Grant Fund** - Accounts for revenue and expenditures of the Community Development Block Grant Programs.

**Grants and Special Revenue Fund** – Accounts for revenue and expenditures related to the Grants and Special Accounts Fund created to record grant activities.

**Special Revenue Revolving Fund** – Accounts for revenue and expenditures related to the collection of fines, fees, and forfeitures to be used for public safety purposes.

**Foreign Fire Tax Fund** – Accounts for a state shared tax on out-of-state insurance companies to be used for fire department purposes.

**Special Service Area Fund** – Accounts for revenue and expenditures related to Special Area property tax levies.

**Business District Tax Allocation Fund** – Accounts for revenue and expenditures related to the business district tax created for the Illinois Route 53 and Laraway Road Business District.

**Tax Incremental Financing Fund #2** – Accounts for revenue and expenditures related to the Tax Incremental Financing District created for the Downtown Development Program.

**Tax Incremental Financing Fund #3** – Accounts for revenue and expenditures related to the Tax Incremental Financing District created for the Cass Street Redevelopment Program.

## NONMAJOR DEBT SERVICE FUND

This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on general long-term debt.

**General Debt Service Fund** - Accounts for the payment of principal and interest on general obligation bonds.

## NONMAJOR CAPITAL PROJECTS FUNDS

These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**Capital Improvement Fund** - Accounts for expenditures of funds transferred in from the General Fund and Special Revenue Funds for various capital improvement projects.

**Performance Bonds Fund** - Accounts for expenditures for monies received from taxpayers for their portion of property improvement expenditures.

**CITY OF JOLIET, ILLINOIS**

All Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2016

	<b>Special Revenue Funds</b>					
	<b>Block Grant Fund</b>	<b>Grants and Special Revenue Fund</b>	<b>Special Revenue Revolving Fund</b>	<b>Foreign Fire Tax Fund</b>	<b>Special Service Area Fund</b>	<b>Business District Tax Allocation Fund</b>
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ 1,260,635	\$ 465,256	\$ 482,447	\$ -
Escrow Deposits	-	-	-	-	-	-
Investments	-	1,975,081	-	-	-	115,654
Receivables						
Property Taxes, Net of Allowance for Uncollectible Amounts	-	-	-	-	631,917	-
Intergovernmental	-	972,233	-	-	-	30,082
Accrued Interest	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	13,014	-
Inventory	-	160,000	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 3,107,314</u>	<u>\$ 1,260,635</u>	<u>\$ 465,256</u>	<u>\$ 1,127,378</u>	<u>\$ 145,736</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Vouchers Payable	\$ 7,224	\$ 981,615	\$ 32,997	\$ -	\$ 25,000	\$ 13,548
Customer Deposits and Credits	-	711,500	-	-	-	-
Unearned Revenue	-	125,413	-	-	7,564	-
Internal Payables	69,838	-	-	-	-	-
Total Liabilities	<u>77,062</u>	<u>1,818,528</u>	<u>32,997</u>	<u>-</u>	<u>32,564</u>	<u>13,548</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Property Taxes	-	-	-	-	631,917	-
Deferred Other Income	-	-	-	-	-	9,778
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,917</u>	<u>9,778</u>
<b>FUND BALANCES</b>						
Nonspendable	-	160,000	-	-	-	-
Restricted	-	1,128,786	1,227,638	465,256	462,768	122,410
Assigned	-	-	-	-	129	-
Unassigned	(77,062)	-	-	-	-	-
Total Fund Balances	<u>(77,062)</u>	<u>1,288,786</u>	<u>1,227,638</u>	<u>465,256</u>	<u>462,897</u>	<u>122,410</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 3,107,314</u>	<u>\$ 1,260,635</u>	<u>\$ 465,256</u>	<u>\$ 1,127,378</u>	<u>\$ 145,736</u>

Tax Incremental Financing Fund #2	Tax Incremental Financing Fund #3	Total Special Revenue Funds	Debt Service Fund	Capital Projects Funds			Total
			General Debt Service Fund	Capital Improvement Fund	Performance Bonds Fund	Total Capital Projects Funds	
\$ 578,496	\$ 61,451	\$ 2,848,285	\$ -	\$ -	\$ 196,594	\$ 196,594	\$ 3,044,879
-	-	-	517,300	-	-	-	517,300
201,138	-	2,291,873	-	4,481,640	4,208,319	8,689,959	10,981,832
591,000	68,950	1,291,867	1,627,540	-	-	-	2,919,407
-	-	1,002,315	-	-	-	-	1,002,315
-	-	-	-	10,997	-	10,997	10,997
-	-	13,014	-	-	-	-	13,014
-	-	160,000	-	-	-	-	160,000
<u>\$ 1,370,634</u>	<u>\$ 130,401</u>	<u>\$ 7,607,354</u>	<u>\$ 2,144,840</u>	<u>\$ 4,492,637</u>	<u>\$ 4,404,913</u>	<u>\$ 8,897,550</u>	<u>\$ 18,649,744</u>
\$ -	\$ -	\$ 1,060,384	\$ -	\$ 1,241,976	\$ -	\$ 1,241,976	\$ 2,302,360
-	-	711,500	-	150,000	189,791	339,791	1,051,291
-	-	132,977	-	-	-	-	132,977
-	-	69,838	1,465	-	-	-	71,303
-	-	<u>1,974,699</u>	<u>1,465</u>	<u>1,391,976</u>	<u>189,791</u>	<u>1,581,767</u>	<u>3,557,931</u>
591,000	68,950	1,291,867	1,627,540	-	-	-	2,919,407
-	-	9,778	-	-	-	-	9,778
<u>591,000</u>	<u>68,950</u>	<u>1,301,645</u>	<u>1,627,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,929,185</u>
-	-	160,000	-	-	-	-	160,000
761,272	61,451	4,229,581	515,835	-	4,138,561	4,138,561	8,883,977
18,362	-	18,491	-	3,100,661	76,561	3,177,222	3,195,713
-	-	(77,062)	-	-	-	-	(77,062)
<u>779,634</u>	<u>61,451</u>	<u>4,331,010</u>	<u>515,835</u>	<u>3,100,661</u>	<u>4,215,122</u>	<u>7,315,783</u>	<u>12,162,628</u>
<u>\$ 1,370,634</u>	<u>\$ 130,401</u>	<u>\$ 7,607,354</u>	<u>\$ 2,144,840</u>	<u>\$ 4,492,637</u>	<u>\$ 4,404,913</u>	<u>\$ 8,897,550</u>	<u>\$ 18,649,744</u>

**CITY OF JOLIET, ILLINOIS**

All Nonmajor Governmental Funds  
Combining Statement of Revenue, Expenditures and  
Changes in Fund Balances  
For the Year Ended December 31, 2016

	<b>Special Revenue Funds</b>					
	<b>Block Grant Fund</b>	<b>Grants and Special Revenue Fund</b>	<b>Special Revenue Revolving Fund</b>	<b>Foreign Fire Tax Fund</b>	<b>Special Service Area Fund</b>	<b>Business District Tax Allocation Fund</b>
<b>Revenue</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 350,941	\$ -
Intergovernmental State Shared Revenue Federal, State and Private Grants and Allotments	-	-	-	177,994	-	59,997
Interest Earnings	371,562	6,341,833	-	-	-	-
Rentals and Fees	-	5,499	45	325	26	310
Fines and Forfeitures	1,886	-	73,260	-	-	-
Special Assessments	-	-	188,400	-	44,300	-
Other	-	-	-	-	10	-
	474	2,201,000	6,846	-	-	-
<b>Total Revenue</b>	<b>373,922</b>	<b>8,548,332</b>	<b>268,551</b>	<b>178,319</b>	<b>395,277</b>	<b>60,307</b>
<b>Expenditures</b>						
Current:						
Public Safety	-	272,325	194,168	119,448	-	-
Community Development	102,800	1,028,107	-	-	79,983	-
Capital Outlay	356,660	7,033,079	50,855	-	36,050	-
Debt Service - Principal	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>459,460</b>	<b>8,333,511</b>	<b>245,023</b>	<b>119,448</b>	<b>116,033</b>	<b>-</b>
Revenue Over (Under) Expenditures	( 85,538)	214,821	23,528	58,871	279,244	60,307
<b>Other Financing Sources</b>						
Transfers In	-	-	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>( 85,538)</b>	<b>214,821</b>	<b>23,528</b>	<b>58,871</b>	<b>279,244</b>	<b>60,307</b>
<b>Fund Balances, Beginning of Year</b>	<b>8,476</b>	<b>1,073,965</b>	<b>1,204,110</b>	<b>406,385</b>	<b>183,653</b>	<b>62,103</b>
<b>Fund Balances, End of Year</b>	<b>(\$ 77,062)</b>	<b>\$ 1,288,786</b>	<b>\$ 1,227,638</b>	<b>\$ 465,256</b>	<b>\$ 462,897</b>	<b>\$ 122,410</b>

Tax Incremental Financing Fund #2	Tax Incremental Financing Fund #3	Total Special Revenue Funds	Debt Service	Capital Projects Funds			Total
			General Debt Service Fund	Capital Improvement Fund	Performance Bonds Fund	Total Capital Projects Funds	
\$ 140,933	\$ 17,435	\$ 509,309	\$ 1,659,112	\$ -	\$ -	\$ -	\$ 2,168,421
-	-	237,991	-	-	-	-	237,991
-	-	6,713,395	-	-	-	-	6,713,395
115	4	6,324	93	21,529	14,043	35,572	41,989
-	-	75,146	-	-	-	-	75,146
-	-	188,400	-	-	-	-	188,400
-	-	44,300	-	-	-	-	44,300
-	-	2,208,330	-	-	580,000	580,000	2,788,330
<u>141,048</u>	<u>17,439</u>	<u>9,983,195</u>	<u>1,659,205</u>	<u>21,529</u>	<u>594,043</u>	<u>615,572</u>	<u>12,257,972</u>
-	-	585,941	-	-	-	-	585,941
9,704	2,210	1,222,804	-	-	-	-	1,222,804
-	-	7,476,644	-	5,954,571	349,396	6,303,967	13,780,611
-	-	-	1,370,000	-	-	-	1,370,000
-	-	-	276,950	-	-	-	276,950
<u>9,704</u>	<u>2,210</u>	<u>9,285,389</u>	<u>1,646,950</u>	<u>5,954,571</u>	<u>349,396</u>	<u>6,303,967</u>	<u>17,236,306</u>
131,344	15,229	697,806	12,255	( 5,933,042)	244,647	( 5,688,395)	( 4,978,334)
-	-	-	-	7,430,934	-	7,430,934	7,430,934
-	-	-	-	7,430,934	-	7,430,934	7,430,934
131,344	15,229	697,806	12,255	1,497,892	244,647	1,742,539	2,452,600
<u>648,290</u>	<u>46,222</u>	<u>3,633,204</u>	<u>503,580</u>	<u>1,602,769</u>	<u>3,970,475</u>	<u>5,573,244</u>	<u>9,710,028</u>
<u>\$ 779,634</u>	<u>\$ 61,451</u>	<u>\$ 4,331,010</u>	<u>\$ 515,835</u>	<u>\$ 3,100,661</u>	<u>\$ 4,215,122</u>	<u>\$ 7,315,783</u>	<u>\$12,162,628</u>

## CITY OF JOLIET, ILLINOIS

Block Grant Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts GAAP Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenue</b>				
Federal Grants	\$ 3,450,000	\$ 4,278,818	\$ 371,562	(\$ 3,907,256)
Fees	100,000	1,890	1,886	( 4)
Miscellaneous Revenue	300,000	300	474	174
Total Revenue	3,850,000	4,281,008	373,922	( 3,907,086)
<b>Expenditures</b>				
Community Development				
Other Employee Costs	-	4,500	7,012	( 2,512)
Professional Services	400,000	546,135	92,702	453,433
Property Services	150,000	87,350	-	87,350
Other Services	-	3,150	3,086	64
Property and Projects	3,300,000	-	356,660	( 356,660)
Total Expenditures	3,850,000	641,135	459,460	181,675
Revenue Over (Under) Expenditures	-	3,639,873	( 85,538)	( 3,725,411)
<b>Other Financing (Uses)</b>				
Transfers Out	-	( 3,637,683)	-	3,637,683
Total Other Financing (Uses)	-	( 3,637,683)	-	3,637,683
Net Change in Fund Balance	\$ -	\$ 2,190	( 85,538)	(\$ 87,728)
Fund Balance, Beginning of Year			8,476	
Fund Balance (Deficit), End of Year			(\$ 77,062)	



## CITY OF JOLIET, ILLINOIS

Grants and Special Revenue Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
<b>Revenue</b>				
Federal Grants	\$ 26,360,935	\$ 1,085,143	\$ 607,631	(\$ 477,512)
State Grants	-	5,055,930	5,726,945	671,015
State Reimbursements	-	-	7,257	7,257
Interest	-	4,500	5,499	999
Miscellaneous Revenue	-	-	2,201,000	2,201,000
Total Revenue	26,360,935	6,145,573	8,548,332	2,402,759
<b>Expenditures</b>				
Public Safety				
Other Employee Costs	2,158	-	-	-
Professional Services	1,406	-	-	-
Property Services	4,262	-	119,593	( 119,593)
Supplies	403,190	1,644	152,332	( 150,688)
Other Expenditures	3,080	-	400	( 400)
Public Works				
Property and Projects	1,255,410	1,255,410	1,749,184	( 493,774)
Community Development				
Other Employee Costs	-	-	33	( 33)
Professional Services	28,392	321,853	1,024,029	( 702,176)
Property Services	660	-	-	-
Other Services	-	2,100	2,651	( 551)
Supplies	940	512	1,394	( 882)
Other Expenditures	217,178	217,178	-	217,178
Property and Projects	24,444,259	5,000,000	5,283,895	( 283,895)
Total Expenditures	26,360,935	6,798,697	8,333,511	( 1,534,814)
Net Change in Fund Balance	\$ -	(\$ 653,124)	214,821	\$ 867,945
<b>Fund Balance, Beginning of Year</b>			1,073,965	
<b>Fund Balance, End of Year</b>			\$ 1,288,786	

## CITY OF JOLIET, ILLINOIS

Special Revenue Revolving Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenue</b>				
Fees	\$ -	\$ -	\$ 73,260	\$ 73,260
Forfeitures	98,866	130,974	115,729	( 15,245)
Fines	-	106,196	72,671	( 33,525)
Interest	-	20	45	25
Miscellaneous Revenue	-	1,392	6,846	5,454
Total Revenue	<u>98,866</u>	<u>238,582</u>	<u>268,551</u>	<u>29,969</u>
<b>Expenditures</b>				
Public Safety				
Other Employee Costs	23,458	23,804	15,179	8,625
Professional Services	15,904	9,898	24,658	( 14,760)
Property Services	-	-	335	( 335)
Other Services	12,106	4,820	5,702	( 882)
Supplies	28,664	40,046	110,246	( 70,200)
Other Expenditures	18,734	31,592	38,048	( 6,456)
Property and Projects	-	50,000	50,855	( 855)
Total Expenditures	<u>98,866</u>	<u>160,160</u>	<u>245,023</u>	<u>( 84,863)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 78,422</u>	23,528	<u>(\$ 54,894)</u>
<b>Fund Balance, Beginning of Year</b>			<u>1,204,110</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 1,227,638</u>	

## CITY OF JOLIET, ILLINOIS

Foreign Fire Tax Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
<b>Revenue</b>				
State Shared Revenue	\$ -	\$ 179,000	\$ 177,994	(\$ 1,006)
Interest	-	370	325	( 45)
Total Revenue	-	179,370	178,319	( 1,051)
<b>Expenditures</b>				
Public Safety				
Professional Services	-	-	6,372	( 6,372)
Supplies	-	-	108,131	( 108,131)
Other Expenditures	-	200,000	4,945	195,055
Total Expenditures	-	200,000	119,448	80,552
Net Change in Fund Balance	\$ -	(\$ 20,630)	58,871	\$ 79,501
<b>Fund Balance, Beginning of Year</b>			406,385	
<b>Fund Balance, End of Year</b>			\$ 465,256	

## CITY OF JOLIET, ILLINOIS

Special Service Area Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts GAAP Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenue</b>				
Property Taxes	\$ 432,436	\$ 461,390	\$ 400,794	(\$ 60,596)
Less Rebates	-	-	( 49,853)	( 49,853)
Property Taxes, Net	432,436	461,390	350,941	( 110,449)
Special Assessments	-	-	44,300	44,300
Interest	-	-	26	26
Miscellaneous Revenue	-	-	10	10
Total Revenue	432,436	461,390	395,277	( 66,113)
<b>Expenditures</b>				
Community Development				
Professional Services	432,436	459,353	4,569	454,784
Property Services	-	6,000	9,000	( 3,000)
Other Expenditures	-	4,050	66,414	( 62,364)
Property and Projects	-	-	36,050	( 36,050)
Total Expenditures	432,436	469,403	116,033	353,370
Net Change in Fund Balance	\$ -	(\$ 8,013)	279,244	\$ 287,257
<b>Fund Balance, Beginning of Year</b>			183,653	
<b>Fund Balance, End of Year</b>			\$ 462,897	

## CITY OF JOLIET, ILLINOIS

Business District Tax Allocation Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenue</b>				
State Shared Revenue	\$ 53,000	\$ 115,000	\$ 112,865	(\$ 2,135)
Less Rebates	-	-	( 52,868)	( 52,868)
State Shared Revenue, Net	53,000	115,000	59,997	( 55,003)
Interest	10	500	310	( 190)
 Total Revenue	 <u>53,010</u>	 <u>115,500</u>	 <u>60,307</u>	 <u>( 55,193)</u>
<b>Expenditures</b>				
Community Development				
Other Expenditures	<u>53,010</u>	<u>115,000</u>	<u>-</u>	<u>115,000</u>
 Total Expenditures	 <u>53,010</u>	 <u>115,000</u>	 <u>-</u>	 <u>115,000</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>\$ 500</u>	 60,307	 <u>\$ 59,807</u>
 <b>Fund Balance, Beginning of Year</b>			 <u>62,103</u>	
 <b>Fund Balance, End of Year</b>			 <u>\$ 122,410</u>	

## CITY OF JOLIET, ILLINOIS

Tax Incremental Financing Fund #2  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts GAAP Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenue</b>				
Property Taxes	\$ 600,000	\$ 600,000	\$ 584,152	(\$ 15,848)
Less Rebates	-	( 600,000)	( 443,219)	156,781
Property Taxes, Net	600,000	-	140,933	140,933
Interest	100	250	115	( 135)
Total Revenue	600,100	250	141,048	140,798
<b>Expenditures</b>				
Community Development				
Professional Services	-	25,000	9,704	15,296
Property and Projects	600,000	-	-	-
Total Expenditures	600,000	25,000	9,704	15,296
Net Change in Fund Balance	\$ 100	(\$ 24,750)	131,344	\$ 156,094
<b>Fund Balance, Beginning of Year</b>			648,290	
<b>Fund Balance, End of Year</b>			\$ 779,634	

## CITY OF JOLIET, ILLINOIS

Tax Incremental Financing Fund #3  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenue</b>				
Property Taxes	\$ 63,400	\$ 70,000	\$ 72,969	\$ 2,969
Less Rebates	( 63,400)	( 67,500)	( 55,534)	11,966
Property Taxes, Net	-	2,500	17,435	14,935
Interest	-	-	4	4
 Total Revenue	 -	 2,500	 17,439	 14,939
<b>Expenditures</b>				
Community Development				
Professional Services	-	2,500	2,210	290
 Total Expenditures	 -	 2,500	 2,210	 290
 Net Change in Fund Balance	 \$ -	 \$ -	 15,229	 \$ 15,229
 <b>Fund Balance, Beginning of Year</b>			 46,222	
 <b>Fund Balance, End of Year</b>			 \$ 61,451	

## CITY OF JOLIET, ILLINOIS

General Debt Service Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts GAAP Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenue</b>				
Property Taxes	\$ 1,652,550	\$ 1,652,000	\$ 1,659,112	\$ 7,112
Interest	-	-	93	93
Total Revenue	1,652,550	1,652,000	1,659,205	7,205
<b>Expenditures</b>				
Debt Principal	1,380,000	1,380,000	1,370,000	10,000
Debt Interest	272,550	272,800	276,950	( 4,150)
Total Expenditures	1,652,550	1,652,800	1,646,950	5,850
Net Change in Fund Balance	\$ -	(\$ 800)	12,255	\$ 13,055
<b>Fund Balance, Beginning of Year</b>			503,580	
<b>Fund Balance, End of Year</b>			\$ 515,835	



## CITY OF JOLIET, ILLINOIS

Capital Improvement Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts GAAP Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenue</b>				
Interest	\$ 500	\$ 10,600	\$ 21,529	\$ 10,929
Total Revenue	500	10,600	21,529	10,929
<b>Expenditures</b>				
General Government				
Property and Projects	3,966,000	2,088,492	1,794,539	293,953
Public Safety				
Property and Projects	-	3,413,342	2,896,559	516,783
Public Works				
Property and Projects	-	806,600	592,637	213,963
Community Development				
Property and Projects	-	1,133,100	670,836	462,264
Total Expenditures	3,966,000	7,441,534	5,954,571	1,486,963
Revenue (Under) Expenditures	( 3,965,500)	( 7,430,934)	( 5,933,042)	1,497,892
<b>Other Financing Sources</b>				
Transfers In	4,000,000	7,430,934	7,430,934	-
Total Other Financing Sources	4,000,000	7,430,934	7,430,934	-
Net Change in Fund Balance	\$ 34,500	\$ -	1,497,892	\$ 1,497,892
<b>Fund Balance, Beginning of Year</b>			1,602,769	
<b>Fund Balance, End of Year</b>			\$ 3,100,661	

## CITY OF JOLIET, ILLINOIS

Performance Bonds Fund  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenue</b>				
Interest	\$ -	\$ 13,300	\$ 14,043	\$ 743
Miscellaneous Revenue	<u>1,000,000</u>	<u>580,000</u>	<u>580,000</u>	<u>-</u>
Total Revenue	<u>1,000,000</u>	<u>593,300</u>	<u>594,043</u>	<u>743</u>
<b>Expenditures</b>				
Public Works				
Property and Projects	<u>4,000,000</u>	<u>390,000</u>	<u>349,396</u>	<u>40,604</u>
Total Expenditures	<u>4,000,000</u>	<u>390,000</u>	<u>349,396</u>	<u>40,604</u>
Net Change in Fund Balance	<u>(\$ 3,000,000)</u>	<u>\$ 203,300</u>	244,647	<u>\$ 41,347</u>
<b>Fund Balance, Beginning of Year</b>			<u>3,970,475</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 4,215,122</u>	

## TRUST AND AGENCY FUNDS

These funds are used to accumulate resources for the payment of retirement benefits.

**Joliet Police Pension Fund and Joliet Firefighters' Pension Fund** - Account for property tax revenue and contributions from participants used to fund the respective pension plans and payments to beneficiaries in accordance with the Illinois Pension Code.

This fund is used to account for assets temporarily held by the City on behalf of other governmental agencies.

**Agency Fund** - Account for resources held for future distributions to other governmental agencies.

## CITY OF JOLIET, ILLINOIS

### Pension Trust Funds Combining Statement of Net Position December 31, 2016

	<b>Joliet Police Pension Fund</b>	<b>Joliet Firefighters' Pension Fund</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash	\$ 15,060	\$ 1,216	\$ 16,276
Investments, at Fair Value			
U.S. Government and Agency Securities	26,250,122	16,243,890	42,494,012
U.S. Government Sponsored Agency Securities	6,898,440	4,232,433	11,130,873
State and Local Government Securities	1,378,649	911,420	2,290,069
Insurance Company Contracts	9,683,265	-	9,683,265
Certificates of Deposit	1,375,733	-	1,375,733
Money Market Mutual Funds	5,221,739	12,230,812	17,452,551
Mutual Funds	114,217,901	24,966,193	139,184,094
Common Stock	-	56,551,735	56,551,735
Corporate Bonds	26,587,456	15,942,478	42,529,934
Total Investments	<u>191,613,305</u>	<u>131,078,961</u>	<u>322,692,266</u>
Accrued Interest Receivable	387,036	301,191	688,227
Due from Participants	<u>-</u>	<u>10,764</u>	<u>10,764</u>
Total Assets	<u>192,015,401</u>	<u>131,392,132</u>	<u>323,407,533</u>
<b>LIABILITIES</b>			
Accrued Investment Expenses	<u>33,056</u>	<u>82,505</u>	<u>115,561</u>
Total Liabilities	<u>33,056</u>	<u>82,505</u>	<u>115,561</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 191,982,345</u>	<u>\$ 131,309,627</u>	<u>\$ 323,291,972</u>

## CITY OF JOLIET, ILLINOIS

### Pension Trust Funds Combining Statement of Changes in Net Position For the Year Ended December 31, 2016

	<b>Joliet Police Pension Fund</b>	<b>Joliet Firefighters' Pension Fund</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer Contributions	\$ 14,559,331	\$ 12,332,156	\$ 26,891,487
Plan Member Contributions	2,763,589	2,170,300	4,933,889
Total Contributions	<u>17,322,920</u>	<u>14,502,456</u>	<u>31,825,376</u>
Investment Income			
Net Increase (Decrease) in Fair Value of Investments	7,336,358	6,631,429	13,967,787
Interest and Dividends	5,351,511	2,814,598	8,166,109
	<u>12,687,869</u>	<u>9,446,027</u>	<u>22,133,896</u>
Less Investment Expenses	266,912	620,498	887,410
Net Investment Income	<u>12,420,957</u>	<u>8,825,529</u>	<u>21,246,486</u>
Miscellaneous Income	33,263	13,623	46,886
Total Additions	<u>29,777,140</u>	<u>23,341,608</u>	<u>53,118,748</u>
<b>Deductions</b>			
Benefit Payments (Including Refunds of Plan Member Contributions)	12,876,051	10,163,038	23,039,089
Administrative and Other Expenses	61,794	82,021	143,815
Total Deductions	<u>12,937,845</u>	<u>10,245,059</u>	<u>23,182,904</u>
Net Increase In Net Position	16,839,295	13,096,549	29,935,844
<b>Net Position Restricted for Pensions</b>			
Beginning of Year	<u>175,143,050</u>	<u>118,213,078</u>	<u>293,356,128</u>
End of Year	<u>\$ 191,982,345</u>	<u>\$ 131,309,627</u>	<u>\$ 323,291,972</u>

# CITY OF JOLIET, ILLINOIS

## Schedule of Changes in Assets and Liabilities Agency Fund For the Year Ended December 31, 2016

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 196,091	\$ 588,114	\$ 185,174	\$ 599,031
Total Assets	<u>\$ 196,091</u>	<u>\$ 588,114</u>	<u>\$ 185,174</u>	<u>\$ 599,031</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 196,091	\$ 588,114	\$ 185,174	\$ 599,031
Total Liabilities	<u>\$ 196,091</u>	<u>\$ 588,114</u>	<u>\$ 185,174</u>	<u>\$ 599,031</u>

## **Other Schedules**

**CITY OF JOLIET, ILLINOIS**

General Obligation Bonds  
 Schedule of Debt Service Requirements  
 December 31, 2016

<u>Due in Fiscal Year</u>	<u>Series 2014C</u>		<u>Series 2014D</u>		<u>Series 2015A</u>	
	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2017	\$ 43,350	\$ -	\$ 35,313	\$ 475,000	\$ 169,600	\$ 925,000
2018	43,350	-	23,313	485,000	141,850	960,000
2019	43,350	-	9,750	500,000	113,050	995,000
2020	36,750	440,000	1,125	75,000	83,200	1,020,000
2021	22,200	530,000	-	-	42,400	1,060,000
2022	<u>7,125</u>	<u>475,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 196,125</u>	<u>\$ 1,445,000</u>	<u>\$ 69,501</u>	<u>\$ 1,535,000</u>	<u>\$ 550,100</u>	<u>\$ 4,960,000</u>



<b>Total G. O. Bonds</b>		
<b>Interest</b>	<b>Principal</b>	<b>Total</b>
\$ 248,263	\$ 1,400,000	\$ 1,648,263
208,513	1,445,000	1,653,513
166,150	1,495,000	1,661,150
121,075	1,535,000	1,656,075
64,600	1,590,000	1,654,600
<u>7,125</u>	<u>475,000</u>	<u>482,125</u>
<u>\$ 815,726</u>	<u>\$ 7,940,000</u>	<u>\$ 8,755,726</u>

## CITY OF JOLIET, ILLINOIS

Water and Sewer Fund Revenue Bonds  
 Schedule of Debt Service Requirements  
 December 31, 2016

<u>Due in Fiscal Year</u>	<u>Series 2010</u>		<u>Series 2011</u>		<u>Series 2012</u>	
	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2017	\$ 148,225	\$ 1,310,000	\$ 294,000	\$ 3,540,000	\$ 3,650	\$ 365,000
2018	81,625	1,485,000	141,400	4,090,000	-	-
2019	22,250	890,000	29,800	1,490,000	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
	<u>\$ 252,100</u>	<u>\$ 3,685,000</u>	<u>\$ 465,200</u>	<u>\$ 9,120,000</u>	<u>\$ 3,650</u>	<u>\$ 365,000</u>

<u>Series 2014A</u>		<u>Series 2014B</u>		<u>Total</u>		<u>Total</u>
<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
\$ 88,150	\$ -	\$ 167,650	\$ -	\$ 701,675	\$ 5,215,000	\$ 5,916,675
88,150	-	167,650	-	478,825	5,575,000	6,053,825
83,900	340,000	158,400	740,000	294,350	3,460,000	3,754,350
72,825	455,000	127,900	1,700,000	200,725	2,155,000	2,355,725
62,850	210,000	80,475	1,745,000	143,325	1,955,000	2,098,325
56,700	200,000	27,150	1,810,000	83,850	2,010,000	2,093,850
37,650	1,070,000	-	-	37,650	1,070,000	1,107,650
10,800	720,000	-	-	10,800	720,000	730,800
<u>\$ 501,025</u>	<u>\$ 2,995,000</u>	<u>\$ 729,225</u>	<u>\$ 5,995,000</u>	<u>\$ 1,951,200</u>	<u>\$ 22,160,000</u>	<u>\$ 24,111,200</u>

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## **STATISTICAL SECTION (UNAUDITED)**

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### ***Financial Trends***

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### ***Revenue Capacity***

These schedules contain information to help the reader assess the City's most significant local revenue sources, gaming tax and property tax.

### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### ***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

### ***Sources:***

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

## CITY OF JOLIET, ILLINOIS

### Net Position by Component

Last Ten Fiscal Years

	2016	2015	2014	2013
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 383,541,338	\$ 378,506,323	\$ 376,649,499	\$ 377,188,517
Restricted	17,361,426	18,655,939	19,541,759	21,276,963
Unrestricted	( 427,905,826)	( 398,698,215)	( 73,536,818)	( 65,588,191)
 Total Governmental Activities				
Net Position	( <u>\$ 27,003,062</u> )	( <u>\$ 1,535,953</u> )	<u>\$ 322,654,440</u>	<u>\$ 332,877,289</u>
 <b>Business-Type Activities</b>				
Net Investment in Capital Assets	\$ 260,510,239	\$ 250,648,934	\$ 235,856,362	\$ 244,064,609
Restricted	5,202,785	5,722,109	6,079,544	8,681,359
Unrestricted	( 11,884,028)	( 6,066,613)	22,132,491	10,979,892
 Total Business-Type Activities				
Net Position	<u>\$ 253,828,996</u>	<u>\$ 250,304,430</u>	<u>\$ 264,068,397</u>	<u>\$ 263,725,860</u>
 <b>Primary Government</b>				
Net Investment in Capital Assets	\$ 644,051,577	\$ 629,155,257	\$ 612,505,861	\$ 621,253,126
Restricted	22,564,211	24,378,048	25,621,303	29,958,322
Unrestricted	( 439,789,854)	( 404,764,828)	( 51,404,327)	( 54,608,299)
 Total Primary Government				
Net Position	<u>\$ 226,825,934</u>	<u>\$ 248,768,477</u>	<u>\$ 586,722,837</u>	<u>\$ 596,603,149</u>

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 374,635,842	\$ 379,531,425	\$ 373,509,063	\$ 381,901,309	\$ 377,669,877	\$ 364,334,790
20,263,209	19,314,093	244,185	414,923	1,370,429	2,091,174
( 58,751,206)	( 53,366,863)	( 14,349,723)	( 9,890,018)	6,508,615	37,208,326
<u>\$ 336,147,845</u>	<u>\$ 345,478,655</u>	<u>\$ 359,403,525</u>	<u>\$ 372,426,214</u>	<u>\$ 385,548,921</u>	<u>\$ 403,634,290</u>
\$ 234,034,466	\$ 222,493,984	\$ 220,816,972	\$ 222,692,317	\$ 216,776,933	\$ 209,109,400
8,019,154	9,594,342	8,655,872	9,548,247	9,414,994	13,756,137
19,569,328	23,703,071	23,903,213	20,064,730	28,122,539	39,139,071
<u>\$ 261,622,948</u>	<u>\$ 255,791,397</u>	<u>\$ 253,376,057</u>	<u>\$ 252,305,294</u>	<u>\$ 254,314,466</u>	<u>\$ 262,004,608</u>
\$ 608,670,308	\$ 602,025,409	\$ 594,326,035	\$ 604,593,626	\$ 594,446,810	\$ 573,444,190
28,282,363	28,908,435	8,900,057	9,963,170	10,785,423	15,847,311
( 39,181,878)	( 29,663,792)	9,553,490	10,174,712	34,631,154	76,347,397
<u>\$ 597,770,793</u>	<u>\$ 601,270,052</u>	<u>\$ 612,779,582</u>	<u>\$ 624,731,508</u>	<u>\$ 639,863,387</u>	<u>\$ 665,638,898</u>

## CITY OF JOLIET, ILLINOIS

### Changes in Net Position Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 27,501,400	\$ 19,877,213	\$ 15,751,882	\$ 14,552,182
Public Safety	133,710,811	127,358,059	114,186,347	112,863,777
Public Works	29,383,814	27,987,446	36,393,134	35,550,897
Refuse Disposal	12,894,084	12,460,715	11,845,815	11,407,720
Culture and Recreation	553,556	447,329	1,714,220	2,166,555
Community Development	8,386,315	7,135,386	7,870,988	7,141,386
Interest on Long-Term Debt	186,888	374,713	468,967	514,305
Total Governmental Activities Expenses	<u>212,616,868</u>	<u>195,640,861</u>	<u>188,231,353</u>	<u>184,196,822</u>
Business-Type Activities:				
Water and Sewer	41,704,915	39,426,756	42,778,789	43,034,733
Parking Facilities	1,341,353	1,204,871	1,466,101	1,504,329
Total Business-Type Activities Expenses	<u>43,046,268</u>	<u>40,631,627</u>	<u>44,244,890</u>	<u>44,539,062</u>
Total Primary Government Expenses	<u>\$ 255,663,136</u>	<u>\$ 236,272,488</u>	<u>\$ 232,476,243</u>	<u>\$ 228,735,884</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
General Government	\$ 4,976,975	\$ 8,632,591	\$ 3,340,855	\$ 2,512,469
Public Safety	7,334,790	2,014,236	7,284,876	8,686,164
Public Works	246,966	274,524	1,382,069	1,381,998
Refuse Disposal	13,559,162	12,541,922	12,383,990	12,188,081
Culture and Recreation	10,550	13,645	153,326	146,768
Community Development	3,181,783	2,509,717	9,089	20,729
Operating Grants and Contributions	3,392,494	2,080,544	1,137,998	1,601,715
Capital Grants and Contributions	<u>11,906,276</u>	<u>10,029,451</u>	<u>11,936,775</u>	<u>16,887,444</u>
Total Governmental Activities Program Revenues	<u>44,608,996</u>	<u>38,096,630</u>	<u>37,628,978</u>	<u>43,425,368</u>
Business-Type Activities:				
Charges for Services				
Water and Sewer	46,056,230	44,337,491	43,332,748	44,374,858
Parking Facilities	1,028,288	1,193,106	1,302,072	1,433,678
Operating Grants and Contributions	212,227	184,299	98,419	820,000
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities Program Revenues	<u>47,296,745</u>	<u>45,714,896</u>	<u>44,733,239</u>	<u>46,628,536</u>
Total Primary Government Program Revenues	<u>\$ 91,905,741</u>	<u>\$ 83,811,526</u>	<u>\$ 82,362,217</u>	<u>\$ 90,053,904</u>



<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 17,298,465	\$ 22,061,979	\$ 17,545,676	\$ 23,144,672	\$ 27,069,722	\$ 22,932,619
116,695,006	108,979,553	105,344,768	105,967,623	98,063,825	90,944,778
27,907,922	31,889,815	34,953,065	30,827,138	51,196,479	37,908,724
10,978,538	10,546,940	10,588,260	10,222,673	9,852,028	9,459,051
2,788,463	3,249,607	3,697,898	3,491,107	4,481,841	6,372,833
9,663,232	4,708,194	7,841,765	8,325,682	8,775,716	8,890,826
561,864	439,371	469,555	498,314	522,772	546,196
<u>185,893,490</u>	<u>181,875,459</u>	<u>180,440,987</u>	<u>182,477,209</u>	<u>199,962,383</u>	<u>177,055,027</u>
37,202,721	37,821,535	35,704,270	33,661,521	36,651,247	36,640,643
1,639,633	1,422,352	1,588,954	1,393,857	1,423,655	1,458,763
<u>38,842,354</u>	<u>39,243,887</u>	<u>37,293,224</u>	<u>35,055,378</u>	<u>38,074,902</u>	<u>38,099,406</u>
<u>\$ 224,735,844</u>	<u>\$ 221,119,346</u>	<u>\$ 217,734,211</u>	<u>\$ 217,532,587</u>	<u>\$ 238,037,285</u>	<u>\$ 215,154,433</u>
\$ 2,880,989	\$ 2,495,764	\$ 2,703,606	\$ 2,168,967	\$ 2,682,279	\$ 4,264,712
7,164,844	6,023,522	6,983,331	8,240,120	6,437,350	6,863,317
926,339	906,232	1,175,970	836,177	1,550,996	2,741,548
12,240,215	12,162,774	12,112,871	10,518,900	9,072,301	7,302,364
476,079	171,270	135,430	306,679	304,173	452,068
24,569	6,623	5,335	22,860	140,922	208,240
824,300	6,670,230	7,613,958	10,794,819	3,983,962	5,081,147
<u>19,506,531</u>	<u>9,345,254</u>	<u>7,621,589</u>	<u>14,916,322</u>	<u>18,849,370</u>	<u>18,088,538</u>
<u>44,043,866</u>	<u>37,781,669</u>	<u>38,352,090</u>	<u>47,804,844</u>	<u>43,021,353</u>	<u>45,001,934</u>
42,480,156	41,929,836	38,851,226	30,192,054	27,975,227	32,504,462
1,405,190	1,448,573	1,514,746	1,124,409	1,135,680	1,164,001
-	-	-	-	-	-
<u>757,740</u>	<u>174,674</u>	<u>157,782</u>	<u>5,005,153</u>	<u>2,504,453</u>	<u>7,377,108</u>
<u>44,643,086</u>	<u>43,553,083</u>	<u>40,523,754</u>	<u>36,321,616</u>	<u>31,615,360</u>	<u>41,045,571</u>
<u>\$ 88,686,952</u>	<u>\$ 81,334,752</u>	<u>\$ 78,875,844</u>	<u>\$ 84,126,460</u>	<u>\$ 74,636,713</u>	<u>\$ 86,047,505</u>

(Continued)

## CITY OF JOLIET, ILLINOIS

### Changes in Net Position Last Ten Fiscal Years

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(\$ 168,007,872)	(\$ 157,544,231)	(\$ 150,602,375)	(\$ 140,771,454)
Business-Type Activities	4,250,477	5,083,269	488,349	2,089,474
Total Primary Government Net Expense	(\$ 163,757,395)	(\$ 152,460,962)	(\$ 150,114,026)	(\$ 138,681,980)
 <b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes	\$ 35,673,215	\$ 35,032,713	\$ 35,410,013	\$ 35,125,574
Intergovernmental Revenues				
Gaming Taxes	18,441,096	18,725,838	19,193,131	19,735,099
State Sales Taxes	21,102,355	20,748,216	20,889,677	19,927,122
State Income Taxes	14,164,006	15,941,799	13,962,209	14,217,853
Other Intergovernmental	6,320,214	5,939,035	5,871,823	5,125,494
Home Rule Sales Taxes	24,789,062	24,693,377	24,225,098	23,564,369
Utility Taxes	9,828,321	9,960,388	9,045,029	8,632,678
Other Taxes	8,816,247	7,978,752	9,592,338	8,791,217
Interest and Investment Earnings	99,754	51,268	41,295	49,366
Other General Revenues	1,077,583	1,373,583	1,994,967	2,332,126
Transfers	2,228,910	3,885,289	153,946	-
Total Governmental Activities General Revenues and Other	142,540,763	144,330,258	140,379,526	137,500,898
Business-Type Activities:				
Interest and Investment Earnings	57,047	14,874	8,134	13,438
Other General Revenues	1,445,952	102,621	-	-
Transfers	( 2,228,910)	( 3,885,289)	( 153,946)	-
Total Business-Type Activities General Revenues and Other	( 725,911)	( 3,767,794)	( 145,812)	13,438
Total Primary Government General Revenues and Other	\$ 141,814,852	\$ 140,562,464	\$ 140,233,714	\$ 137,514,336
 <b>Change in Net Position</b>				
Governmental Activities	(\$ 25,467,109)	(\$ 13,213,973)	(\$ 10,222,849)	(\$ 3,270,556)
Business-Type Activities	3,524,566	1,315,475	342,537	2,102,912
Total Primary Government	(\$ 21,942,543)	(\$ 11,898,498)	(\$ 9,880,312)	(\$ 1,167,644)
 <b>Other Changes in Net Position</b>				
Governmental Activities:				
Adjustment to Beginning of the Year Net Position to Record Pensions and Other	\$ -	(\$ 310,976,420)	\$ -	\$ -
Business-Type Activities:				
Adjustment to Beginning of the Year Net Position to Record Pensions	\$ -	(\$ 15,079,442)	\$ -	\$ -
Adjustment to Beginning of the Year Net Position to Reduce Liability/Deferrals	\$ -	\$ -	\$ -	\$ -

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
(\$ 141,849,624)	(\$ 144,093,790)	(\$ 142,088,897)	(\$ 134,672,365)	(\$ 156,941,030)	(\$ 132,053,093)
<u>5,800,732</u>	<u>4,309,196</u>	<u>3,230,530</u>	<u>1,266,238</u>	<u>( 6,459,542)</u>	<u>2,946,165</u>
<u>(\$ 136,048,892)</u>	<u>(\$ 139,784,594)</u>	<u>(\$ 138,858,367)</u>	<u>(\$ 133,406,127)</u>	<u>(\$ 163,400,572)</u>	<u>(\$ 129,106,928)</u>
\$ 34,661,294	\$ 36,213,525	\$ 36,128,857	\$ 31,324,337	\$ 33,781,957	\$ 29,210,224
20,827,811	21,834,751	22,975,414	23,573,344	28,335,881	36,168,333
18,966,737	20,636,612	19,979,488	19,515,274	20,914,827	20,563,871
11,214,456	13,644,198	14,155,166	10,058,532	13,786,109	13,015,939
4,663,790	4,510,534	4,102,381	3,772,932	3,947,347	3,576,222
22,095,309	15,414,536	15,125,451	14,719,562	15,750,282	16,391,645
9,109,210	7,049,102	6,907,977	6,895,665	7,138,173	7,716,126
8,596,419	5,976,160	5,448,077	6,827,936	7,615,427	9,866,765
94,512	97,622	182,897	693,152	2,672,413	2,334,715
2,289,276	2,865,110	1,848,337	415,103	1,082,713	683,045
<u>-</u>	<u>1,926,770</u>	<u>2,212,163</u>	<u>3,753,822</u>	<u>3,830,533</u>	<u>4,001,355</u>
<u>132,518,814</u>	<u>130,168,920</u>	<u>129,066,208</u>	<u>121,549,659</u>	<u>138,855,662</u>	<u>143,528,240</u>
30,819	32,914	52,396	478,411	1,600,997	4,632,661
-	-	-	-	-	-
<u>-</u>	<u>( 1,926,770)</u>	<u>( 2,212,163)</u>	<u>( 3,753,822)</u>	<u>( 3,830,533)</u>	<u>( 4,001,355)</u>
<u>30,819</u>	<u>( 1,893,856)</u>	<u>( 2,159,767)</u>	<u>( 3,275,411)</u>	<u>( 2,229,536)</u>	<u>631,306</u>
<u>\$ 132,549,633</u>	<u>\$ 128,275,064</u>	<u>\$ 126,906,441</u>	<u>\$ 118,274,248</u>	<u>\$ 136,626,126</u>	<u>\$ 144,159,546</u>
(\$ 9,330,810)	(\$ 13,924,870)	(\$ 13,022,689)	(\$ 13,122,706)	(\$ 18,085,368)	\$ 11,475,147
<u>5,831,551</u>	<u>2,415,340</u>	<u>1,070,763</u>	<u>( 2,009,173)</u>	<u>( 8,689,078)</u>	<u>3,577,471</u>
<u>(\$ 3,499,259)</u>	<u>(\$ 11,509,530)</u>	<u>(\$ 11,951,926)</u>	<u>(\$ 15,131,879)</u>	<u>(\$ 26,774,446)</u>	<u>\$ 15,052,618</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 998,936</u>	<u>\$ -</u>

## CITY OF JOLIET, ILLINOIS

### Fund Balances, Governmental Funds Last Ten Fiscal Years

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>General Fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	10,610,275	9,211,661	8,677,323	1,304,614
Unassigned	44,024,884	47,388,659	43,911,182	47,757,166
 Total General Fund	 \$ 54,635,159	 \$ 56,600,320	 \$ 52,588,505	 \$ 49,061,780
 <b>All Other Governmental Funds</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:				
Special Revenue Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Nonspendable	160,000	60,500	185,000	957,500
Restricted	17,410,793	18,710,710	19,541,759	21,277,120
Assigned	3,195,713	1,683,637	4,633,318	5,648,767
Unassigned	( 2,979,668)	( 2,822,608)	( 2,391,627)	( 1,982,508)
 Total All Other Governmental Funds	 \$ 17,786,838	 \$ 17,632,239	 \$ 21,968,450	 \$ 25,900,879
 Total All Governmental Funds	 \$ 72,421,997	 \$ 74,232,559	 \$ 74,556,955	 \$ 74,962,659

Beginning in 2011, the City adopted the provisions of GASB Statement No. 54, which required reporting fund balances in new classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned. The City also consolidated certain special revenue funds into the General Fund. Information was not available to restate prior year amounts.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ -	\$ -	\$ 4,765,478	\$ 3,639,311	\$ 3,451,512	\$ 9,979,794
-	-	36,723,856	35,931,604	42,415,343	46,075,575
-	856,382	-	-	-	-
-	8,662,751	-	-	-	-
733,274	5,223,867	-	-	-	-
<u>39,994,486</u>	<u>43,076,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 40,727,760</u>	<u>\$ 57,819,645</u>	<u>\$ 41,489,334</u>	<u>\$ 39,570,915</u>	<u>\$ 45,866,855</u>	<u>\$ 56,055,369</u>
\$ -	\$ -	\$ 4,381,426	\$ 3,530,553	\$ 2,986,663	\$ 7,118,551
-	-	20,425,627	15,044,931	13,156,953	15,621,865
-	-	20	2,290	2,283	2,260
-	-	244,165	237,510	( 1,201,339)	( 2,535,607)
912,101	-	-	-	-	-
20,263,209	10,651,342	-	-	-	-
7,631,348	2,092,069	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 28,806,658</u>	<u>\$ 12,743,411</u>	<u>\$ 25,051,238</u>	<u>\$ 18,815,284</u>	<u>\$ 14,944,560</u>	<u>\$ 20,207,069</u>
<u>\$ 69,534,418</u>	<u>\$ 70,563,056</u>	<u>\$ 66,540,572</u>	<u>\$ 58,386,199</u>	<u>\$ 60,811,415</u>	<u>\$ 76,262,438</u>

## CITY OF JOLIET, ILLINOIS

### Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>				
Property Taxes	\$ 36,024,156	\$ 35,414,233	\$ 35,410,013	\$ 35,125,574
Other Taxes	43,571,342	42,562,509	40,369,572	41,048,080
Intergovernmental State Shared Revenue	63,991,635	65,463,314	63,816,190	62,899,002
Federal, State and Private Grants and Allotments	8,001,048	8,065,503	8,588,222	13,727,117
Charges for Services	9,916,403	8,809,756	6,994,409	8,057,811
Interest Earnings	99,754	51,268	41,295	49,366
Licenses, Permits, Rentals and Fees	17,614,564	15,624,983	18,178,809	16,595,345
Fines	1,850,688	1,750,861	1,241,385	1,070,712
Special Assessments	44,300	29,505	76,876	137,753
Other	3,859,574	1,489,478	2,514,062	5,022,686
Total Revenues	<u>184,973,464</u>	<u>179,261,410</u>	<u>177,230,833</u>	<u>183,733,446</u>
<b>Expenditures</b>				
Current:				
General Government	17,547,309	16,947,843	9,636,620	8,627,123
Public Safety	63,817,375	64,768,510	62,600,079	62,407,135
Public Works	11,150,234	12,724,464	18,771,628	18,825,891
Refuse Disposal	12,894,084	12,460,715	11,845,815	11,407,720
Culture and Recreation	272,215	257,448	1,519,372	1,946,028
Employee Benefits and Pension Plans	55,823,484	53,285,862	51,708,771	50,903,221
Community Development	5,256,246	5,088,528	6,174,112	5,828,196
Capital Projects	20,613,519	17,185,910	13,588,883	16,647,740
Debt Service - Principal	1,370,000	910,000	1,480,893	1,210,503
Debt Service - Interest and Fees	276,950	301,569	524,307	510,648
Total Expenditures	<u>189,021,416</u>	<u>183,930,849</u>	<u>177,850,480</u>	<u>178,314,205</u>
Revenue Over (Under) Expenditures	( 4,047,952)	( 4,669,439)	( 619,647)	5,419,241
<b>Other Financing Sources (Uses)</b>				
Issuance of Bonds	-	6,775,000	3,445,000	-
Premium on Bonds Sold	-	267,221	116,060	-
Issuance of Loans and Leases	-	-	-	-
Proceeds from Sale of Capital Assets	8,480	2,000	783	9,000
Transfer to Escrow Paying Agent	-	( 6,925,701)	( 3,501,846)	-
Transfers In	9,659,844	8,637,763	2,153,946	2,020,803
Transfers Out	( 7,430,934)	( 4,752,474)	( 2,000,000)	( 2,020,803)
Total Other Financing Sources (Uses)	<u>2,237,390</u>	<u>4,003,809</u>	<u>213,943</u>	<u>9,000</u>
<b>Net Change in Fund Balances</b>	<u>(\$ 1,810,562)</u>	<u>(\$ 665,630)</u>	<u>(\$ 405,704)</u>	<u>\$ 5,428,241</u>
<b>Other Change in Fund Balances</b>				
Adjustments to Prior Year Balances	\$ -	\$ 341,234	\$ -	\$ -
<b>Debt Service as a Percentage of Noncapital Expenditures</b>				
	<u>1.0%</u>	<u>0.7%</u>	<u>1.2%</u>	<u>1.1%</u>
<b>Expenditures Capitalized as Assets</b>	<u>\$ 20,613,837</u>	<u>\$ 17,185,910</u>	<u>\$ 13,588,883</u>	<u>\$ 16,647,740</u>

The cumulative effect of fund balance adjustments was reported as a restatement of the beginning fund balance, as restating all prior periods was not practicable.

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	34,661,294	\$ 36,213,525	\$ 36,128,857	\$ 31,324,337	\$ 33,781,957	\$ 29,210,224
	36,471,063	28,812,236	27,393,330	26,884,195	30,551,905	32,265,050
	59,630,062	62,215,533	63,271,652	60,245,479	70,194,410	78,086,436
	9,387,986	10,224,214	6,394,606	4,996,695	3,480,798	4,818,561
	6,681,320	5,490,192	6,257,956	7,438,158	5,421,214	6,125,613
	94,512	97,622	182,897	693,151	2,672,413	2,334,715
	17,268,228	16,580,245	17,121,743	14,634,261	14,380,443	15,102,761
	1,314,072	1,010,342	1,059,806	1,175,943	1,359,202	1,562,620
	53,370	66,474	107,611	158,098	138,174	193,267
	7,854,680	5,066,549	4,224,717	6,497,394	1,682,323	1,495,643
	<u>173,416,587</u>	<u>165,776,932</u>	<u>162,143,175</u>	<u>154,047,711</u>	<u>163,662,839</u>	<u>171,194,890</u>
	10,325,895	9,965,638	11,036,782	10,866,938	14,030,951	12,308,246
	62,553,750	58,822,833	57,229,089	59,466,192	60,119,513	57,388,366
	15,058,690	16,960,881	20,460,810	20,094,756	35,412,435	25,499,068
	10,978,538	10,546,940	10,588,005	10,222,430	9,840,329	9,445,833
	3,169,416	2,760,278	2,766,683	3,197,550	4,257,142	5,720,398
	48,571,619	49,876,205	46,001,220	46,726,908	38,338,617	36,346,596
	3,642,130	5,117,148	5,674,347	5,999,950	6,218,589	6,667,331
	23,498,279	10,435,236	3,127,228	4,753,006	15,539,943	10,475,444
	955,435	873,960	838,980	804,165	774,460	745,016
	478,382	427,196	456,681	484,771	508,677	531,746
	<u>179,232,134</u>	<u>165,786,315</u>	<u>158,179,825</u>	<u>162,616,666</u>	<u>185,040,656</u>	<u>165,128,044</u>
(	5,815,547)	( 9,383)	3,963,350	( 8,568,955)	( 21,377,817)	6,066,846
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,778,677	-	-	-	-	-	-
8,232	-	1,760	16,345	4,600	37,475	-
-	-	-	-	-	-	-
-	5,919,943	13,262,417	21,225,209	22,814,883	21,691,679	-
-	( 1,888,076)	( 9,073,154)	( 15,097,814)	( 16,892,688)	( 15,636,800)	-
<u>4,786,909</u>	<u>4,031,867</u>	<u>4,191,023</u>	<u>6,143,740</u>	<u>5,926,795</u>	<u>6,092,354</u>	-
(\$	1,028,638)	\$ 4,022,484	\$ 8,154,373	(\$ 2,425,215)	(\$ 15,451,022)	\$ 12,159,200
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	0.9%	0.8%	0.8%	0.8%	0.7%	0.8%
\$	<u>23,498,279</u>	<u>10,435,236</u>	<u>3,058,400</u>	<u>7,587,716</u>	<u>12,739,623</u>	<u>11,611,339</u>

## CITY OF JOLIET, ILLINOIS

### Gaming Tax Collections Last Ten Fiscal Years

Year	Gaming Privilege Tax	Gaming Admissions Tax	Video Gaming Tax	Total Gaming Tax Revenues
2016	\$ 15,249,806	\$ 2,534,350	\$ 656,940	\$ 18,441,096
2015	15,566,534	2,634,383	524,921	18,725,838
2014	16,082,640	2,728,561	381,930	19,193,131
2013	16,686,389	2,896,733	151,977	19,735,099
2012	17,681,081	3,144,886	1,844	20,827,811
2011	18,537,648	3,297,103	-	21,834,751
2010	19,495,987	3,479,427	-	22,975,414
2009	19,939,459	3,633,885	-	23,573,344
2008	24,086,643	4,249,238	-	28,335,881
2007	31,066,684	5,101,649	-	36,168,333

Source of Information: Illinois Gaming Board

Two casinos operate within the City's municipal boundaries, Hollywood and Harrah's. The City receives gaming taxes from the State of Illinois based on amounts deposited in the State Gaming Fund by the two casinos in accordance with the Illinois Compiled Statutes - the "Riverboat Gambling Act" (230 ILCS 10).

The Riverboat Gambling Act is a complex set of laws governing the operation and taxes related to gaming. The Act provides for the collection of two separate taxes, an admissions tax and a privilege tax, each of which have changed in amounts and percentages throughout the years.

Currently, the City receives an admissions tax - per 230 ILCS 10/12(b), "a municipality shall receive from the State \$1 for each person embarking on a riverboat docked within the municipality".

The City also receives a privilege tax based on the annual adjusted gross receipts received from gambling games - per 230 ILCS 10/13(b), "Beginning January 1, 1998, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by a riverboat shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat.



## CITY OF JOLIET, ILLINOIS

### Principal Gaming Taxpayers in the City Taxes Collected Last Ten Fiscal Years

#### Hollywood Casino Joliet

Start Date: June 17, 1992

Year	Admissions	Taxable AGR	Taxes Collected	
			State	City
2016	\$ 1,063,931	\$ 121,263,932	\$ 28,413,640	\$ 7,127,128
2015	1,094,526	125,325,182	29,794,181	7,360,785
2014	1,097,781	122,578,335	28,908,521	7,226,698
2013	1,237,432	131,183,854	32,023,169	7,802,556
2012	1,346,101	141,806,184	35,559,920	8,421,904
2011	1,411,387	146,401,419	37,214,541	8,736,399
2010	1,265,691	143,440,540	36,016,732	8,437,235
2009	1,116,396	119,954,225	28,105,729	7,116,061
2008	1,678,360	183,930,419	52,566,025	10,876,398
2007	2,109,545	240,209,935	84,512,628	14,120,042

#### Harrah's Joliet Casino & Hotel

Start Date: May 4, 1993

Year	Admissions	Taxable AGR	Taxes Collected	
			State	City
2016	\$ 1,470,419	\$ 183,732,190	\$ 52,058,714	\$ 10,657,028
2015	1,539,857	186,005,491	53,106,911	10,840,132
2014	1,630,780	199,074,466	58,654,892	11,584,503
2013	1,659,301	202,369,258	60,034,982	11,780,566
2012	1,798,785	211,995,581	64,670,074	12,404,063
2011	1,885,716	223,714,297	69,921,372	13,098,352
2010	2,213,736	246,417,859	80,972,451	14,538,179
2009	2,517,489	278,730,833	96,118,118	16,457,283
2008	2,570,878	297,674,723	104,767,205	17,459,483
2007	2,992,104	381,123,736	143,114,888	22,048,291

#### Total Two Casinos Combined

Year	Admissions	Taxable AGR	Taxes Collected	
			State	City
2016	\$ 2,534,350	\$ 304,996,122	\$ 80,472,354	\$ 17,784,156
2015	2,634,383	311,330,673	82,901,092	18,200,917
2014	2,728,561	321,652,801	87,563,413	18,811,201
2013	2,896,733	333,553,112	92,058,151	19,583,122
2012	3,144,886	353,801,765	100,229,994	20,825,967
2011	3,297,103	370,115,716	107,135,913	21,834,751
2010	3,479,427	389,858,399	116,989,183	22,975,414
2009	3,633,885	398,685,058	124,223,847	23,573,344
2008	4,249,238	481,605,142	157,333,230	28,335,881
2007	5,101,649	621,333,671	227,627,516	36,168,333

Source of Information: Illinois Gaming Board

Taxable AGR - Taxable Adjusted Gross Receipts - Gross gaming receipts, less winnings paid to wagerers.

## CITY OF JOLIET, ILLINOIS

### Equalized Assessed Valuation and Estimated Actual Valuation Last Ten Tax Years

Will County					
Tax Year	Railroad Property	Farm Property	Non-Farm Property	Total Equalized Assessed Value	Railroad Property
2016	\$ 39,269,099	\$ 3,610,795	\$ 2,463,426,580	\$ 2,506,306,474	\$ -
2015	38,681,579	10,920,794	2,333,492,731	2,383,095,104	-
2014	36,674,807	11,880,938	2,284,912,129	2,333,467,874	-
2013	36,240,029	11,766,292	2,325,535,824	2,373,542,145	-
2012	32,021,870	12,203,072	2,453,106,920	2,497,331,862	-
2011	32,801,711	12,166,258	2,651,488,319	2,696,456,288	-
2010	5,491,200	4,267,654	2,833,703,353	2,843,462,207	-
2009	1,745,831	3,631,514	3,010,545,603	3,015,922,948	-
2008	1,607,353	4,247,413	2,969,406,313	2,975,261,079	-
2007	1,379,424	3,095,309	2,754,727,137	2,759,201,870	-

Source of Information: Office of Will County Clerk and Office of Kendall County Clerk

<b>Kendall County</b>			<b>Total Equalized Assessed Value Both Counties</b>	<b>City Direct Tax Rate</b>	<b>Total Estimated Actual Taxable Value</b>	<b>Equalized Assessed Value as a Percentage of Estimated Actual Taxable Value</b>
<b>Farm Property</b>	<b>Non-Farm Property</b>	<b>Total Equalized Assessed Value</b>				
\$ 2,288,930	\$ 209,428,257	\$ 211,717,187	\$ 2,718,023,661	1.4789	\$ 8,154,070,983	33.33%
2,199,167	190,366,250	192,565,417	2,575,660,521	1.5517	7,726,981,563	33.33%
2,118,622	171,197,075	173,315,697	2,506,783,571	1.5645	7,520,350,713	33.33%
2,009,352	168,368,546	170,377,898	2,543,920,043	1.5224	7,631,760,129	33.33%
1,910,432	177,102,961	179,013,393	2,676,345,255	1.4466	8,029,035,765	33.33%
1,823,078	193,972,979	195,796,057	2,892,252,345	1.3291	8,676,757,035	33.33%
1,875,136	210,934,803	212,809,939	3,056,272,146	1.2669	9,168,816,438	33.33%
1,963,407	223,154,953	225,118,360	3,241,041,308	1.1969	9,723,123,924	33.33%
1,823,467	216,547,266	218,370,733	3,193,631,812	1.0639	9,580,895,436	33.33%
723,845	189,032,411	189,756,256	2,948,958,126	1.0637	8,846,874,378	33.33%

## CITY OF JOLIET, ILLINOIS

### Direct and Overlapping Property Tax Rates Last Ten Tax Years

Tax Rates Per \$100 Assessed Valuation (1)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
City of Joliet (2)	1.4789	1.5517	1.5645	1.5224	1.4466
Will County (Including Forest Preserve)	0.8091	0.8295	0.8410	0.8186	0.7767
Joliet Township	0.3977	0.4139	0.4164	0.3867	0.3437
School District #204	2.8030	2.8675	2.8749	2.7030	2.4858
School District #86	4.4793	4.6426	4.6168	4.2949	3.7592
Community College #525	0.3099	0.3065	0.3085	0.2943	0.2724
Joliet Park District	<u>0.4700</u>	<u>0.4855</u>	<u>0.4893</u>	<u>0.3966</u>	<u>0.3657</u>
Total (3)	<u>10.7479</u>	<u>11.0972</u>	<u>11.1114</u>	<u>10.4165</u>	<u>9.4501</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
City of Joliet (2)	1.3291	1.2669	1.1969	1.0639	1.0637
Will County (Including Forest Preserve)	0.7244	0.6841	0.6543	0.6387	0.6367
Joliet Township	0.2994	0.2757	0.2523	0.2509	0.2520
School District #204	2.2280	2.0560	1.8972	1.8868	1.9572
School District #86	3.2405	2.8963	2.6112	2.5429	2.5248
Community College #525	0.2447	0.2271	0.2144	0.1896	0.1901
Joliet Park District	<u>0.3265</u>	<u>0.3008</u>	<u>0.2772</u>	<u>0.2782</u>	<u>0.2879</u>
Total (3)	<u>8.3926</u>	<u>7.7069</u>	<u>7.1035</u>	<u>6.8510</u>	<u>6.9124</u>

Notes:

- (1) Source of Information: Office of Will County Clerk
- (2) The City is a home rule unit under the 1970 Illinois State Constitution and, as such, has no statutory tax rate limitations
- (3) Representative tax rates for other governmental units are from Joliet Township tax code #3011, which represents approximately 24% of the City's 2016 EAV, the latest available.

## CITY OF JOLIET, ILLINOIS

### Principal Property Taxpayers in the City Most Current Year Available and Nine Years Prior

Taxpayer	Type of Business Property	2015 Equalized Assessed Valuation	Percentage of Total 2015 Equalized Assessed Valuation	2015 Rank
Centerpoint Joliet Trml RR LLC	Intermodal Center	\$ 37,846,299	1.47%	1
Star-West Louis Joliet LLC	Westfield Louis Joliet Mall	23,716,445	0.92%	2
Desplaines Development LP	Harrah's/Gaming	20,981,965	0.81%	3
GLP Capital LP	Hollywood/Gaming	16,568,086	0.64%	4
GCI Joliet LLC	Central Grocers Distribution Cntr.	13,535,467	0.53%	5
Dollar Tree Distribution Inc.	Dollar Tree Distribution Center	13,374,495	0.52%	6
Teachers Insurance & Annuity Assoc.	Financial Services	12,767,219	0.50%	7
Hart Illinois Industrials LLC	Chemicals	12,291,979	0.48%	8
Wal-Mart RE Business Trust	Retail Store	11,821,520	0.46%	9
2700 Ellis Road Acquisition Corp.	Northern Builders Warehousing	<u>11,112,432</u>	0.43%	10
		<u>\$ 174,015,907</u>	<u>6.76%</u>	
Total City Assessed Valuation		<u>\$ 2,575,660,521</u>		

Taxpayer	Type of Business Property	2006 Equalized Assessed Valuation	Percentage of Total 2006 Equalized Assessed Valuation	2006 Rank
Louis Joliet LLC	Westfield Louis Joliet Mall	\$ 23,921,801	0.92%	1
Dollar Tree Distribution Inc.	Dollar Tree Distribution Center	17,406,497	0.67%	2
Teachers Insurance & Annuity Assoc	Rock Run Industrial Park	13,090,101	0.50%	3
Empress River Casino Co.	Empress / Gaming	12,151,101	0.47%	4
Wal-Mart RE Business Trust	Retail Store	9,663,277	0.37%	5
Menard, Inc.	Home Improvement Retail	8,230,434	0.32%	6
Equity Ind. Limited Partnership IV	Toys R Us Warehousing	6,467,444	0.25%	7
Joliet Joint Venture LLC	Laraway Crossings Industrial Park	6,379,694	0.25%	8
Industrial Property Fund	Rock Run Industrial Park	5,853,482	0.23%	9
Desplaines Development LP	Harrah's/Gaming	<u>5,787,556</u>	0.22%	10
		<u>\$ 108,951,387</u>	<u>4.20%</u>	
Total City Assessed Valuation		<u>\$ 2,595,493,301</u>		

Note: Every effort has been made to identify the largest taxpayers. However, some taxpayers may have multiple parcels which may have been overlooked. Details for the 2015 EAV is the most current available.

Source of Information: Office of Will County Clerk.

## CITY OF JOLIET, ILLINOIS

### Property Tax Rates - Levies and Collections Last Ten Tax Years

<b>Rates Extended</b>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General	0.0003	0.0076	0.0084	0.0086
Police Protection	0.1059	0.1113	0.1137	0.1337
Fire Protection	0.0861	0.0907	0.1047	0.1192
Street and Bridge (Excluding Township Portion)	-	-	-	-
Street Lighting	-	-	-	-
School Crossing Guard	-	-	-	-
E.S.D.A.	-	-	-	-
Illinois Municipal Retirement Fund	-	-	-	-
Coliseum	-	-	-	-
Corporate Purpose Bond and Interest	0.0608	0.0646	0.0690	0.0458
Joliet Police Pension	0.5459	0.5668	0.5561	0.5230
Joliet Firemen Pension	0.4585	0.4801	0.4815	0.4666
Joliet Public Library	0.2214	0.2306	0.2311	0.2255
<b>Total Rates Extended</b>	<u>1.4789</u>	<u>1.5517</u>	<u>1.5645</u>	<u>1.5224</u>
<b>Levies Extended</b>				
General	\$ 8,154	\$ 195,655	\$ 210,483	\$ 218,777
Police Protection	2,878,515	2,865,478	2,850,213	3,401,221
Fire Protection	2,318,417	2,310,911	2,599,921	3,000,349
Street and Bridge (Excluding Township Portion)	-	-	-	-
Street Lighting	-	-	-	-
School Crossing Guard	-	-	-	-
E.S.D.A.	-	-	-	-
Illinois Municipal Retirement Fund	-	-	-	-
Coliseum	-	-	-	-
Corporate Purpose Bond and Interest	1,652,558	1,663,028	1,729,525	1,165,115
Joliet Police Pension	14,654,323	14,592,836	13,940,224	13,304,702
Joliet Firemen Pension	12,649,233	12,360,567	12,070,111	11,869,931
Joliet Public Library	6,018,276	5,936,927	5,793,107	5,736,540
<b>Total Levies Extended</b>	<u>\$ 40,179,476</u>	<u>\$ 39,925,402</u>	<u>\$ 39,193,584</u>	<u>\$ 38,696,635</u>
Current Year Collections	\$ -	\$ 39,831,418	\$ 39,045,552	\$ 37,963,932
Subsequent Collections	-	-	-	7,923
<b>Total Collections</b>	<u>\$ -</u>	<u>\$ 39,831,418</u>	<u>\$ 39,045,552</u>	<u>\$ 37,971,855</u>
<b>Percentage of Extensions Collected</b>				
Current Year Collections	0.00%	99.76%	99.62%	98.11%
Total Collections	<u>0.00%</u>	<u>99.76%</u>	<u>99.62%</u>	<u>98.13%</u>

Source of Information: Office of Will County Clerk and Office of Kendall County Clerk.

Note: Tax Rates are expressed in dollars per \$100 of Assessed Valuation.

The Special Service Area and Tax Incremental Financing tax levies are not included in this schedule.

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
0.0108	0.0513	0.0605	0.0696	0.1087	0.1171
0.1495	0.1443	0.1363	0.1287	0.1479	0.2439
0.1203	0.1243	0.1200	0.1135	0.0957	0.1060
-	-	-	0.0234	-	-
-	-	-	0.0064	0.0264	0.0286
-	-	0.0035	0.0033	0.0036	0.0039
-	-	-	0.0014	0.0006	0.0006
-	-	-	0.0319	0.0172	0.0187
-	-	-	0.0004	0.0026	0.0028
0.0434	0.0396	0.0376	0.0354	-	-
0.4828	0.4077	0.3624	0.3131	0.2432	0.2008
0.4255	0.3649	0.3589	0.2949	0.2202	0.1835
0.2143	0.1970	0.1877	0.1749	0.1775	0.1578
<u>1.4466</u>	<u>1.3291</u>	<u>1.2669</u>	<u>1.1969</u>	<u>1.0436</u>	<u>1.0637</u>
\$ 289,048	\$ 1,494,092	\$ 1,849,045	\$ 2,252,585	\$ 3,471,445	\$ 3,447,660
4,001,174	4,202,679	4,165,700	4,165,341	4,726,529	7,180,908
3,201,577	3,600,840	3,649,073	3,649,138	3,054,465	3,112,405
-	-	-	757,335	648,301	-
-	-	-	207,134	843,111	842,042
-	-	106,970	106,803	114,969	114,824
-	-	-	45,311	19,161	17,665
-	-	-	1,032,435	549,299	550,566
-	-	-	12,946	83,034	82,438
1,161,545	1,153,334	1,149,159	1,145,711	-	-
12,921,516	11,874,097	11,075,933	10,133,397	7,770,032	5,911,957
11,387,956	10,627,564	10,968,963	9,544,359	7,035,504	5,402,610
5,735,462	5,737,545	5,736,624	5,660,591	5,671,836	4,640,062
<u>\$ 38,698,278</u>	<u>\$ 38,690,150</u>	<u>\$ 38,701,467</u>	<u>\$ 38,713,086</u>	<u>\$ 33,987,686</u>	<u>\$ 31,303,137</u>
\$ 38,434,584	\$ 38,060,501	\$ 38,521,596	\$ 38,431,133	\$ 33,724,323	\$ 31,127,257
5,055	21,883	44,566	19,393	68,238	74,769
<u>\$ 38,439,639</u>	<u>\$ 38,082,384</u>	<u>\$ 38,566,162</u>	<u>\$ 38,450,526</u>	<u>\$ 33,792,561</u>	<u>\$ 31,202,026</u>
99.32%	98.37%	99.54%	99.27%	99.23%	99.44%
<u>99.33%</u>	<u>98.43%</u>	<u>99.65%</u>	<u>99.32%</u>	<u>99.43%</u>	<u>99.68%</u>

## CITY OF JOLIET, ILLINOIS

### Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Net Total Debt
	General Obligation Bonds	Resources Restricted for Bond Payment	Capital Leases and Loans	Water/Sewer Revenue Bonds	Resources Restricted for Bond Payment	IEPA Loans	
2016	\$ 8,178,619	(\$ 466,468)	\$ -	\$ 22,568,403	(\$ 5,202,785)	\$ 53,744,150	\$ 78,821,919
2015	9,633,277	( 448,809)	-	28,652,953	( 5,722,109)	41,623,729	73,739,041
2014	10,505,190	-	-	34,724,358	( 5,590,000)	14,715,409	54,354,957
2013	7,784,390	-	4,157,739	37,231,789	( 6,667,700)	13,772,581	56,278,799
2012	8,591,076	-	4,578,242	43,201,265	( 6,216,688)	11,714,756	61,868,651
2011	9,364,039	-	-	48,398,670	( 5,915,375)	3,437,072	55,284,406
2010	10,108,147	( 20)	148,960	50,950,735	( 3,761,245)	-	57,446,577
2009	10,675,000	( 2,290)	292,940	54,035,000	( 8,114,621)	-	70,227,105
2008	11,340,000	( 2,283)	432,105	58,455,000	( 7,876,298)	-	62,348,524
2007	11,980,000	( 2,260)	566,565	61,260,000	( 6,197,736)	-	67,606,569

Fiscal Year	Net Total Debt as a Percentage of Personal Income	Population	Net General Bonded Debt Per Capita	Net Total Debt Per Capita	Net General Bonded Debt Per Actual Value of Property	Net Water/Sewer Revenue Bonds Per Number of Water/Sewer Customers
2016	2.18%	148,262	\$ 52	\$ 532	0.09%	\$ 371
2015	2.04%	147,433	62	500	0.12%	500
2014	1.53%	147,433	71	369	0.14%	646
2013	1.63%	147,433	53	382	0.10%	688
2012	1.85%	147,433	58	420	0.11%	834
2011	1.67%	147,433	64	376	0.11%	947
2010	1.76%	147,433	69	390	0.11%	1,054
2009	2.08%	152,813	70	460	0.11%	1,026
2008	1.67%	145,803	78	428	0.12%	1,135
2007	1.87%	145,803	82	464	0.14%	1,291

Source of Information: Various City Offices



## CITY OF JOLIET, ILLINOIS

### Computation of Direct and Overlapping Bonded Debt December 31, 2016

	<u>Total Debt</u>	<u>Applicable Percent (1)</u>	<u>Overlapping Debt</u>
<u>Direct Debt</u>			
City of Joliet*	\$ 8,178,619	100.000%	\$ 8,178,619
<u>Overlapping Debt</u>			
<u>Schools</u>			
<u>Elementary</u>			
Troy Community Consolidated School District #30C	83,315,000	57.690%	48,064,424
Laraway Community Consolidated School District #70C	810,000	42.290%	342,549
Union School District #81	4,669,083	60.660%	2,832,266
Rockdale School District #84	1,500,000	27.310%	409,650
Joliet Public Schools District #86	54,573,953	86.760%	47,348,362
Manhattan School District #114	9,375,715	0.060%	5,625
New Lenox School District #122	128,453,430	7.030%	9,030,276
<u>High Schools and College</u>			
Minooka Community High School District #111	62,075,000	3.700%	2,296,775
Elwood School District #203	690,000	5.760%	39,744
Joliet Township High School District #204	96,860,000	56.950%	55,161,770
Lockport Township High School District #205	7,155,000	0.010%	716
New Lenox Township High School District #210	210,630,843	1.320%	2,780,327
Unit School District #202U	292,605,000	25.180%	73,677,939
Community College District #525	196,205,000	12.770%	25,055,379
Total Schools			<u>267,045,802</u>
<u>Other Than Schools</u>			
Will County (2)	129,715,000	12.550%	16,279,233
Will County Forest Preserve District	134,175,126	12.550%	16,838,978
New Lenox Township	1,253,501	10.150%	127,230
Channahon Park District	7,177,560	1.280%	91,873
Joliet Park District	20,430,000	83.210%	16,999,803
Lockport Park District	2,473,000	0.020%	495
New Lenox Park District	532,000	11.230%	59,744
Plainfield Park District	4,248,000	31.220%	1,326,226
White Oak Library District	22,960,000	0.010%	2,296
Total Other Than Schools			<u>51,725,878</u>
Total Overlapping Debt			<u>\$ 318,771,680</u>
Total Direct and Overlapping Debt			<u>\$ 326,950,299</u>

Notes: (1) Overlapping debt percentages as of 2/11/2015 most recent study done.  
(2) Includes the Public Building Commission.

\* Amount includes unamortized premium on bonds issued of \$238,619.

## **CITY OF JOLIET, ILLINOIS**

### **Legal Debt Margin Information**

The City of Joliet is a “home rule” municipality under the 1970 Illinois Constitution. As a home rule community, the City has no debt limit nor is it required to seek referendum approval for issuance of general obligation debt. The Illinois General Assembly may, by a three-fifths vote, limit debt incurred which is payable through any funds other than ad valorem property tax receipts. When debt is secured through property taxes, the General Assembly may set limits and require referenda.

**CITY OF JOLIET, ILLINOIS**

**Pledged Revenue Coverage**  
Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	\$ 47,540,620	\$ 29,078,388	\$ 18,462,232	\$ 6,382,855	\$ 960,989	2.51
2015	44,439,639	27,508,552	16,931,087	6,229,832	1,227,519	2.27
2014	43,332,748	29,413,256	13,919,492	6,551,909	1,364,770	1.76
2013	44,374,858	30,049,364	14,325,494	5,419,678	1,656,345	2.02
2012	42,480,156	25,151,848	17,328,308	5,050,000	1,812,911	2.52
2011	41,929,836	23,550,992	18,378,844	2,645,000	1,923,594	4.02
2010	38,851,226	22,177,782	16,673,444	4,620,000	2,117,040	2.47
2009	30,192,054	19,527,900	10,664,154	4,420,000	2,598,041	1.52
2008	27,975,227	23,115,206	4,860,021	2,805,000	2,852,580	0.86
2007	32,504,462	21,904,482	10,599,980	2,655,000	3,039,915	1.86

At December 31, 2016, there were five bond issues and five loans with outstanding balances payable from water/sewer revenues. Details about the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses. Debt service principal does not include amounts defeased by new debt.

## CITY OF JOLIET, ILLINOIS

### Demographic and Economic Statistics Last Ten Years

Year	(a) Population	(b) Per Capita Income	(a) x (b) Personal Income	Unemployment Rate
2016	148,262	\$ 24,374	\$ 3,613,737,988	7.4
2015	147,433	24,461	3,606,358,613	7.4
2014	147,433	24,118	3,555,789,094	9.0
2013	147,433	23,600	3,479,418,800	12.0
2012	147,433	22,826	3,365,305,658	11.5
2011	147,433	22,572	3,327,857,676	12.4
2010	147,433	22,111	3,259,891,063	12.9
2009	152,813	22,133	3,382,210,129	12.7
2008	145,803	25,617	3,735,035,451	9.3
2007	145,803	24,826	3,619,705,278	6.2

Sources of Information: U.S. Census Bureau and U.S. Bureau of Labor Statistics

## CITY OF JOLIET, ILLINOIS

### Principal Employers in the City Current Year and Nine Years Prior

Employer	Type of Business or Property	2016 Number of Employees	2016 Rank	Percentage of 2016 Total Employment
Amazon	Fulfillment Center	3,500	1	6.77%
Presence St. Joseph Medical Center	Hospital	3,034	2	5.87%
Will County	County Government	2,200	3	4.25%
Joliet Junior College	Community College District	1,500	4	2.90%
NRG Energy	Electric Utility Company	987	5	1.91%
Caterpillar	Tractors and Earthmoving Equipment	950	6	1.84%
Joliet Township District #204	School District	910	7	1.76%
City of Joliet	City Government	862	8	1.67%
Harrah's Casino	Riverboat Casino	825	9	1.60%
Hollywood Casino	Riverboat Casino	685	10	1.32%

Employer	Type of Business or Property	2007 Number of Employees	2007 Rank	Percentage of 2007 Total Employment
Provena St. Joseph Medical Center	Hospital	2,764	1	4.18%
Will County	County Government	2,287	2	3.46%
Silver Cross Hospital	Hospital	1,865	3	2.82%
Harrah's Casino	Riverboat Casino	1,123	4	1.70%
Caterpillar Inc	Tractors and Earthmoving Equipment	1,119	5	1.69%
Joliet School District # 86	Elementary School District	1,118	6	1.69%
City of Joliet	City Government	1,055	7	1.59%
Argosy's Empress Casino	Riverboat Casino	985	8	1.49%
Joliet Junior College District #525	Community College District	785	9	1.19%
T. J. Lambrecht Construction	Construction	700	10	1.06%

Sources of Information: Will County Center for Economic Development and U.S. Census Bureau

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## CITY OF JOLIET, ILLINOIS

### City Employment Statistics Last Ten Fiscal Years

Function	2016		2015		2014		2013		2012	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	55	25	41	12	61	25	58	20	68	25
Public Safety										
Police Department	326	37	327	40	319	33	320	33	319	49
Fire Department	205	1	211	1	210	1	204	1	210	2
Streets and Bridges	64	-	45	1	46	-	41	-	42	-
Culture and Recreation (2)	4	-	3	-	4	1	5	2	5	-
Community Development	29	1	22	-	23	1	26	4	31	8
Public Works	20	-	18	-	21	-	22	-	20	-
Water and Sewer (3)	77	2	94	5	91	1	79	4	89	1
Parking Facilities (4)	4	12	4	12	1	13	1	11	3	12
Subtotals	<u>784</u>	<u>78</u>	<u>765</u>	<u>71</u>	<u>776</u>	<u>75</u>	<u>756</u>	<u>75</u>	<u>787</u>	<u>97</u>
TOTAL STAFF		<u>862</u>		<u>836</u>		<u>851</u>		<u>831</u>		<u>884</u>

Function	2011		2010		2009		2008		2007	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	75	27	74	30	86	31	86	31	87	31
Public Safety										
Police Department	336	50	346	54	391	57	391	57	391	57
Fire Department	208	2	210	3	216	3	216	3	216	3
Streets and Bridges	51	-	54	-	54	-	54	-	54	-
Refuse Disposal (1)	-	-	-	-	-	1	-	1	-	1
Culture and Recreation (2)	4	1	4	1	6	1	6	1	6	1
Community Development	31	7	36	2	43	3	43	3	43	3
Public Works	22	-	23	15	28	15	28	15	28	15
Water and Sewer (3)	87	1	92	1	97	1	97	1	99	1
Parking Facilities (4)	3	10	3	15	4	15	4	15	4	15
Subtotals	<u>817</u>	<u>98</u>	<u>842</u>	<u>121</u>	<u>925</u>	<u>127</u>	<u>925</u>	<u>127</u>	<u>928</u>	<u>127</u>
TOTAL STAFF		<u>915</u>		<u>963</u>		<u>1,052</u>		<u>1,052</u>		<u>1,055</u>

(1) Part-time Recycling Coordinator in Deputy City Manager's Office.

(2) Includes Visitors' Service Division in 2007-2013, not in 2014-16.

(3) Includes Customer Services Division Employees.

(4) Includes One Clerk-Typist position from Collector's Office in 2007-09, not in 2010-16.

Source of Information: City of Joliet Annual Budgets.

## CITY OF JOLIET, ILLINOIS

### Operating Indicators by Function Last Ten Fiscal Years

Function	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government					
Fiscal					
Purchase Orders Processed	1,589	1,607	4,043	4,549	5,391
Nonpayroll Checks Issued	10,574	10,737	8,793	8,290	8,061
Maintenance					
Square Footage Maintained by Staff (City Hall)	62,007	62,007	62,007	62,007	62,007
Information Technology Services					
Wireless Network Locations	67	67	67	67	65
Point-to-point Networks Monitored	116	116	116	116	114
Public Safety					
Police					
Physical Arrests Made	4,539	4,812	5,158	5,005	5,435
Traffic Violations	13,829	18,621	17,135	17,347	17,141
Parking Violations	n/a	19,208	17,325	22,513	19,410
911 Emergency Calls Received	90,101	104,000	98,705	93,252	99,625
Fire					
Emergency Responses	20,569	19,993	19,706	27,131	26,701
Inspections	1,845	1,617	1,494	1,617	1,504
Calls For Service	20,569	19,993	19,706	19,263	18,958
Significant Fires Extinguished	43	40	76	71	65
Streets and Bridges					
Lane Miles of Road Resurfaced	18	19.70	9.34	10.00	13.00
Potholes Repaired	31,000	23,410	22,515	21,513	21,315
Culture and Recreation					
Programs Sponsored	1	1	4	3	3
Water and Sewer					
Water and Sewer Accounts	46,185	45,847	44,826	44,314	44,452
Water Only Accounts	329	275	268	261	260
Sewer Only Accounts	299	36	34	32	35
New Connections (Net)	183	1,030	512	(138)	102
Water Main Breaks	239	216	304	250	232
Average Daily Consumption in Gallons	10,999,623	10,572,418	10,380,387	10,467,059	14,431,978
Parking Facilities					
Parking Spaces	2,835	2,835	2,696	3,229	2,801

(1) Data only available through 10/2/16

Source of Information: Various City Offices.



<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
5,411	5,659	5,863	6,539	6,629
8,584	8,788	9,391	12,888	10,781
62,007	62,007	62,007	62,007	62,007
65	37	55	49	34
114	93	93	92	88
6,575	7,563	7,454	8,583	8,422
19,051	18,974	27,724	32,136	39,697
27,464	19,258	31,487	36,380	41,205
93,517	101,836	112,369	116,491	110,481
26,469	26,422	26,236	26,055	25,056
953	953	953	953	952
18,793	18,873	18,740	18,611	17,865
56	49	58	59	97
13.00	15.50	8.60	15.57	13.30
15,724	16,000	16,180	15,922	15,463
3	7	10	19	17
44,350	44,840	44,790	44,770	43,227
262	244	233	226	225
38	36	40	39	38
(490)	50	20	1,543	850
258	225	169	200	245
13,462,570	10,615,500	11,339,279	12,059,926	13,660,959
2,801	2,801	2,983	2,859	2,859

## CITY OF JOLIET, ILLINOIS

### Capital Asset Statistics by Function Last Ten Fiscal Years

Function	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Public Safety					
Police					
Stations	2	2	2	2	2
Substations	1	1	1	1	1
Patrol Units	334	341	350	335	334
Fire					
Active Stations	9	9	9	9	9
Vehicles	60	60	60	57	55
Streets and Bridges					
Miles of Streets	594	516	516	513	512
Bridges	40	40	35	31	31
Traffic Signals	122	123	123	123	123
Warning Flashers	38	38	38	38	38
Public Works					
Vehicles	135	139	136	110	114
Water and Sewer					
Vehicles	93	95	87	92	77
Water					
Water Mains (Miles)	619	609	620	550	540
Fire Hydrants	7,917	7,782	7,655	8,476	7,500
Storage Capacity in Gallons	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Sewer					
Sanitary Sewers (Miles)	567	569	560	520	406
Storm Sewers (Miles)	558	558	557	557	557
Parking Facilities					
Lots	9	9	9	11	10
Decks	2	2	2	2	2

Source of Information: Various City Offices.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
2	2	2	2	2
1	1	1	1	1
334	334	339	329	334
9	9	9	9	9
60	60	60	57	60
510	510	510	507	510
31	31	31	27	27
123	123	119	118	118
38	38	38	38	38
117	137	138	144	142
93	93	95	93	92
437	437	436	435	430
7,500	6,850	6,822	6,800	6,608
16,500,000	16,500,000	16,500,000	14,750,000	14,750,000
406	406	405	402	400
557	557	557	555	549
10	10	9	7	7
2	2	2	2	2

# CITY OF JOLIET, ILLINOIS

## Miscellaneous Statistics

December 31, 2016

<b>Date of Organization:</b>	January 19, 1852
<b>Form of Government:</b>	City Manager
<b>Governing Body:</b>	City Council
<b>Land Area:</b>	Approximately 63.3 square miles
<b>Number of Housing Units:</b>	46,992 - 2014 data
<b>Number of Registered Voters:</b>	45,717
<b>Number of Townships:</b>	8
<b>Number of School Districts:</b>	8
<b>Number of Community College Districts:</b>	1

Source of Information: City of Joliet Website, Will County Clerk's Office and CMAP