

CITY OF JOLIET, ILLINOIS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

PREPARED BY THE FINANCE DEPARTMENT

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INTRODUCTORY SECTION

Table of Contents

	Page
INTRODUCTORY SECTION:	
Table of Contents	i-iv
Letter of Transmittal from Finance Director	v-viii
Mayor and City Council Members	ix
Organizational Chart	x
Certificate of Achievement for Excellence in Financial Reporting	xi
FINANCIAL SECTION:	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-15
Basic Financial Statements	
Statement of Net Position	16-17
Statement of Activities	18-19
Balance Sheet - Governmental Funds	20
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	23
Statement of Net Position – Proprietary Funds	24-25
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27-28
Statement of Fiduciary Net Position – Fiduciary Funds	29
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	30
Combining Statement of Net Position - Component Units	31-32
Combining Statement of Activities - Component Units	33-34
Notes to Basic Financial Statements	35-84
Required Supplementary Information:	
Schedules of Changes in the Net Pension Liability (Asset) and Related Ratios – Illinois Municipal Retirement Fund	85-86

Table of Contents, Continued

	Page
FINANCIAL SECTION, Continued:	
Schedules of Changes in the Net Pension Liability and Related Ratios – Police and Firefighters’ Pension Plans	87-88
Schedules of Employer Contributions – Illinois Municipal Retirement Fund	89-90
– Police and Firefighters’ Pension Plans	91-92
Schedules of Investment Returns – Police and Firefighters’ Pension Plans	93
Schedule of Funding Progress – Retiree Healthcare and Life Insurance Benefit Programs	94
Major Funds – Budgetary Comparison Information:	
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund	95-96
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual – Evergreen Terrace II Fund	97
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual – Motor Fuel Tax Fund	98
Notes to Required Supplementary Information	99
Other Supplementary Information:	
Detailed Schedule of Expenditures – Budget and Actual - General Fund	100-108
Combining Balance Sheet – All Nonmajor Governmental Funds	109-110
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances – All Nonmajor Governmental Funds	111-112
Nonmajor Special Revenue Funds:	
Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Block Grant Fund	113
Grants and Special Revenue Fund	114
Special Revenue Revolving Fund	115
Foreign Fire Tax Fund	116
Special Service Area Fund	117
Business District Tax Allocation Fund	118

Table of Contents, Continued

	Page
FINANCIAL SECTION, Continued:	
Tax Incremental Financing Fund #2	119
Tax Incremental Financing Fund #3	120
Nonmajor Debt Service Fund:	
Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual: General Debt Service Fund	121
Nonmajor Capital Projects Funds:	
Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Capital Improvement Fund	122
Performance Bonds Fund	123
Pension Trust Funds:	
Combining Statement of Net Position	124
Combining Statement of Changes in Net Position	125
Agency Fund:	
Schedule of Changes in Assets and Liabilities	126
Other Schedules:	
General Obligation Bonds - Schedule of Debt Service Requirements	127-128
Water and Sewer Fund Revenue Bonds - Schedule of Debt Service Requirements	129-130
STATISTICAL SECTION – (UNAUDITED)	
Financial Trends:	
Net Position by Component - Last Ten Fiscal Years	131-132
Changes in Net Position - Last Ten Fiscal Years	133-136
Fund Balances, Governmental Funds - Last Ten Fiscal Years	137-138
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	139-140

Table of Contents, Continued

	Page
STATISTICAL SECTION – (UNAUDITED), Continued:	
Revenue Capacity:	
Gaming Tax Collections - Last Ten Fiscal Years	141
Principal Gaming Taxpayers in the City – Taxes Collected Last Ten Fiscal Years	142
Equalized Assessed Valuation and Estimated Actual Valuation - Last Ten Tax Years	143-144
Direct and Overlapping Property Tax Rates - Last Ten Tax Years	145
Principal Property Taxpayers in the City - Most Current Year Available and Nine Years Prior	146
Property Tax Rates - Levies and Collections - Last Ten Tax Years	147-148
Debt Capacity:	
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	149
Computation of Direct and Overlapping Bonded Debt	150
Legal Debt Margin Information	151
Pledged Revenue Coverage - Last Ten Fiscal Years	152
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Ten Years	153
Principal Employers in the City - Current Year and Nine Years Prior	154
Operating Information:	
City Employment Statistics - Last Ten Fiscal Years	155
Operating Indicators by Function - Last Ten Fiscal Years	156-157
Capital Asset Statistics by Function - Last Ten Fiscal Years	158-159
Miscellaneous Statistics	160

FINANCE DEPARTMENT

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

July 23, 2018

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, 2017 is hereby submitted. This report provides a broad view of the City's financial activities and its financial position as of December 31st, 2017. 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 State of 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), Riverwalk Homes, 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 presents a recommended budget to the City Council, a series of public hearings are held, and final adoption of the budget occurs before December 31st 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 third 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 complete. The multimodal transportation center began operation in April, 2018.

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 2017, the City reported several additions in the commercial sector, including: Amazon 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 \$6.544 million. The total principal outstanding on the Water & Sewer Revenue bonds is \$16.945 million. In 2017, the City secured additional low interest loans from the Illinois Environmental Protection Agency (IEPA) totaling approximately \$72 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 \$80.6 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, 2016. This was the eighteenth 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
Jan Hallums-Quillman

COUNCILMAN AT LARGE
Michael F. Turk

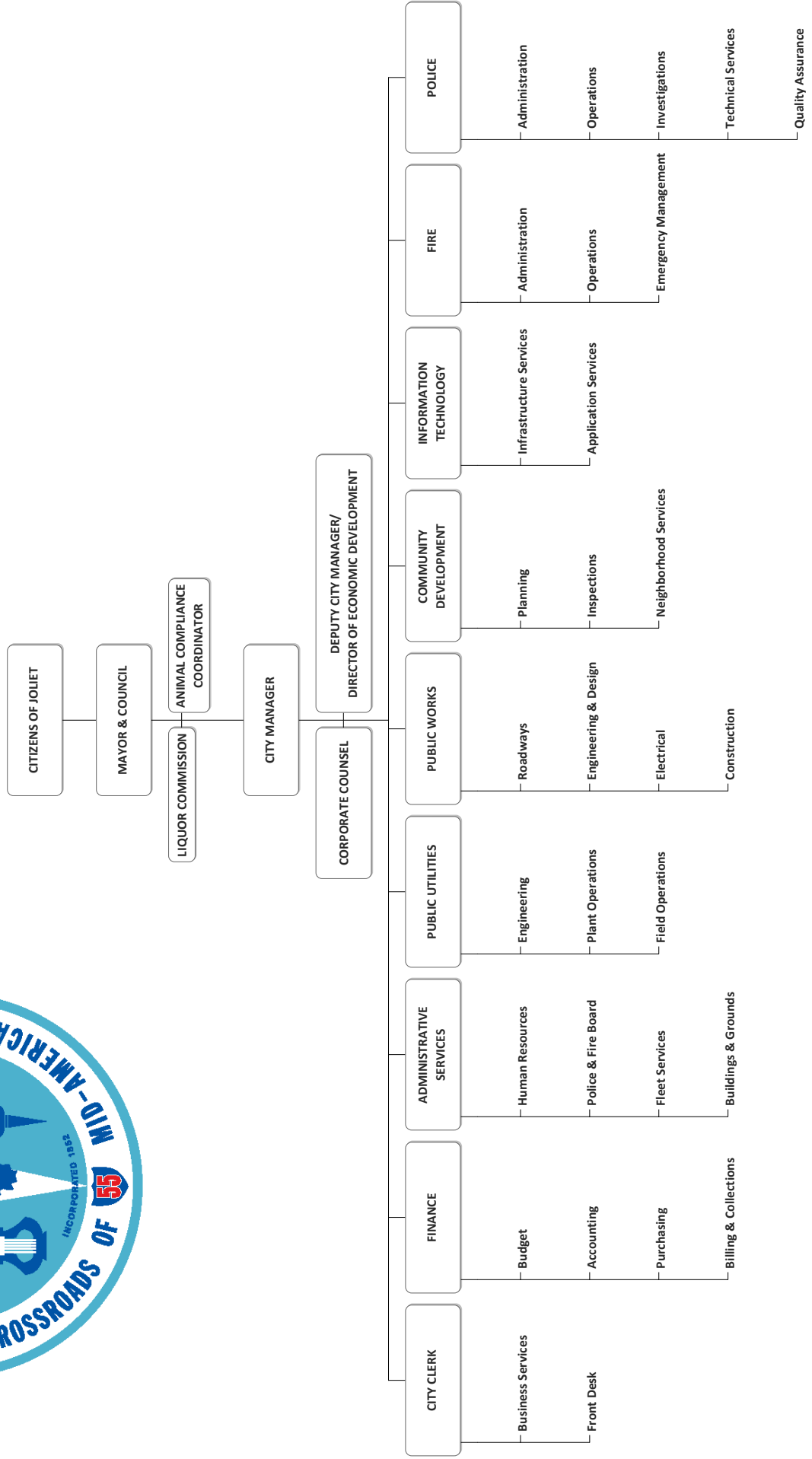
COUNCILMAN AT LARGE
Don "Duck" Dickinson

CITY MANAGER
David Hales

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, 2016

Christopher P. Morill

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, 2017, 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, 2017, which represent 48%, 59%, and 42%, 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, 2017, which represent 2%, 2%, and 9%, 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, Riverwalk Homes, LLC, 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, 2017, 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, 85 through 88, 89 through 92, 93, 94, 95 through 98, and 99, 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 July 23, 2018, 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.

Wermer, Rogers, Doran & Ruyon, LLC

July 23, 2018

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

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, 2017. 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 \$210.6 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 (\$460.9) million, restricted net position accounted for \$23.5 million and the net investment in capital assets totaled \$648.0 million. Total net position for Governmental activities was (\$45.4) million and Business-type activities totaled \$256.0 million.
- The total primary government-wide expenses for the year ended December 31, 2017 were \$261.3 million and total primary government-wide taxes and other revenues for City functions were \$245.1 million, resulting in a decrease of in net position of \$16.2 million.
- Revenues of the governmental activities increased \$9.6 million or 5.2% from the prior year, while expenses increased \$2.5 million or 1.2%.
- Business-type activities generated \$50.6 million in revenues, up \$1.9 million or 3.9% from the prior year and expenses totaled \$46.2 million, a \$3.2 million increase or 7.4%.
- The combined fund balances for the City's governmental funds at year-end totaled \$70.6 million, a decrease of \$1.8 million or 2.5% in comparison to the prior year.
- Total General Fund revenues for the year were \$168.0 million, while total expenditures before transfers were \$167.7 million.
- At year-end, the unassigned fund balance in the General Fund was \$44.5 million, or 26.6% 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, 2017

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, Riverwalk Homes, LLC, 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, 2017

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, the 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 109–123).

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 85 of this report.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

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, 2017.

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	
	2017	2016	2017	2016	2017	2016
Assets						
Current and Other	\$ 133.7	\$ 128.3	\$ 38.0	\$ 29.4	\$ 171.7	\$ 157.7
Capital Assets	<u>394.8</u>	<u>391.7</u>	<u>357.6</u>	<u>336.6</u>	<u>752.4</u>	<u>728.3</u>
Total Assets	<u>528.5</u>	<u>520.0</u>	<u>395.6</u>	<u>366.0</u>	<u>924.1</u>	<u>886.0</u>
Deferred Outflows of Resources						
	<u>41.9</u>	<u>22.1</u>	<u>3.4</u>	<u>4.5</u>	<u>45.3</u>	<u>26.6</u>
Liabilities						
Current and Other	15.5	13.8	11.5	7.2	27.0	21.0
Long-Term	<u>518.3</u>	<u>503.9</u>	<u>124.2</u>	<u>108.2</u>	<u>642.5</u>	<u>612.1</u>
Total Liabilities	<u>533.8</u>	<u>517.7</u>	<u>135.7</u>	<u>115.4</u>	<u>669.5</u>	<u>633.1</u>
Deferred Inflows of Resources						
	<u>82.0</u>	<u>51.4</u>	<u>7.3</u>	<u>1.3</u>	<u>89.3</u>	<u>52.7</u>
Net Position						
Net Investment in Capital Assets	388.1	383.5	259.9	260.5	648.0	644.0
Restricted	17.8	17.4	5.7	5.2	23.5	22.6
Unrestricted	(<u>451.3</u>)	(<u>427.9</u>)	(<u>9.6</u>)	(<u>11.9</u>)	(<u>460.9</u>)	(<u>439.8</u>)
Total Net Position	<u>(\$ 45.4)</u>	<u>(\$ 27.0)</u>	<u>\$ 256.0</u>	<u>\$ 253.8</u>	<u>\$ 210.6</u>	<u>\$ 226.8</u>

The City's combined net position decreased \$16.2 million from \$226.8 million to \$210.6 million from 2016 to 2017. The reduction in net position was due to an additional \$16.5 million recognition of other postemployment benefits along with \$16.5 million of additional pension related deferred amounts offset by a reduction in the net pension liability of \$7.7 million.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

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 \$38.1 million primarily due to the current year borrowing of \$29.2 million in Illinois Environmental Protection Agency loans – the loans are being used to improve the City's wastewater system. Total liabilities increased \$36.4 million. Changes in liabilities included a \$7.7 million reduction in the total net pension liability; a \$17.5 million increase in other postemployment benefits; and a \$19.9 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, 2017, the City's total assets and deferred outflows exceeded total liabilities and deferred inflows. However, a significant portion of the total net position (\$648.0 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, 2017

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

	Governmental Activities		Business Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services	\$ 28.3	\$ 29.3	\$ 49.2	\$ 47.0	\$ 77.5	\$ 76.3
Operating Grants and Contributions	10.3	3.4	0.6	0.2	10.9	3.6
Capital Grants and Contributions	14.3	11.9	-	-	14.3	11.9
General Revenues:						
Property Taxes	35.8	35.7	-	-	35.8	35.7
Intergovernmental Revenues						
Gaming Taxes	18.5	18.4	-	-	18.5	18.4
State Sales Taxes	21.7	21.1	-	-	21.7	21.1
State Income Taxes	13.6	14.2	-	-	13.6	14.2
Other Intergovernmental	6.9	6.3	-	-	6.9	6.3
Home Rule Sales Taxes	25.0	24.8	-	-	25.0	24.8
Utility Taxes	9.4	9.8	-	-	9.4	9.8
Other Taxes	8.9	8.8	-	-	8.9	8.8
Interest and Investment Earnings	0.3	0.1	0.1	0.1	0.4	0.2
Other	1.5	1.1	0.7	1.4	2.2	2.5
Total Revenues	<u>194.5</u>	<u>184.9</u>	<u>50.6</u>	<u>48.7</u>	<u>245.1</u>	<u>233.6</u>
Program Expenses						
General Government	26.9	27.5	-	-	26.9	27.5
Public Safety	131.2	133.7	-	-	131.2	133.7
Public Works	31.1	29.3	-	-	31.1	29.3
Refuse Disposal	13.5	12.9	-	-	13.5	12.9
Culture and Recreation	0.6	0.6	-	-	0.6	0.6
Community Development	11.6	8.4	-	-	11.6	8.4
Interest on Long-Term Debt	0.2	0.2	-	-	0.2	0.2
Water and Sewer	-	-	44.8	41.7	44.8	41.7
Parking Facilities	-	-	1.4	1.3	1.4	1.3
Total Expenses	<u>215.1</u>	<u>212.6</u>	<u>46.2</u>	<u>43.0</u>	<u>261.3</u>	<u>255.6</u>
Excess (Deficiency) of Revenues						
Over Expenses Before Transfers	(20.6)	(27.7)	4.4	5.7	(16.2)	(22.0)
Transfers	<u>2.2</u>	<u>2.2</u>	(2.2)	(2.2)	-	-
Change in Net Position	(18.4)	(25.5)	2.2	3.5	(16.2)	(22.0)
Net Position, Beginning	(27.0)	(1.5)	253.8	250.3	226.8	248.8
Net Position, Ending	<u>(\$ 45.4)</u>	<u>(\$ 27.0)</u>	<u>\$ 256.0</u>	<u>\$ 253.8</u>	<u>\$ 210.6</u>	<u>\$ 226.8</u>

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

Primary Government Activities

The preceding table shows the City's activity from year to year. Primary government revenues increased by \$11.5 million or 4.9% and primary government expenses increased by \$5.7 million or 2.2%.

A closer look shows a \$1.2 million or a 1.6% increase in charges for services – water and sewer revenues were higher by \$1.6 million due to a 7% increase in water rates. Building permits were down \$0.1 million. Operating grants and contributions were up \$7.3 million along with a \$2.4 million increase in capital grants and contributions – due in part to \$3.6 million of funding received for prior year Housing and Urban Development grants that had been frozen pending the outcome of the Evergreen Terrace lawsuit and the multi-modal construction project. Gaming taxes increased slightly, \$0.1 million, the first increase in ten years.

Total primary government expenses increased \$5.7 million from \$255.6 million to \$261.3 million. Governmental activities' expenses increased \$2.5 million, mainly due to other postemployment benefits expenses.

Business-type activities' expenses increased \$3.2 million, due mainly to the other postemployment benefits and net pension deferrals. When expenses are coupled with transfers out of \$2.2 million for 2017, total outflows of business-type activities increased a modest \$3.2 million.

Governmental Activities

Table 3a
Governmental Activities
(In Millions)

	Total Cost of Services		Net Cost of (Surplus from) Services	
	2017	2016	2017	2016
General Government	\$ 26.9	\$ 27.5	\$ 22.3	\$ 22.5
Public Safety	131.2	133.7	123.2	125.6
Public Works	31.1	29.3	23.9	23.6
Refuse Disposal	13.5	12.9	(0.1)	(0.6)
Culture and Recreation	0.6	0.6	0.6	0.5
Community Development	11.6	8.4	(7.8)	(3.8)
All Others	0.2	0.2	0.2	0.2
Total	\$ 215.1	\$ 212.6	\$ 162.3	\$ 168.0

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
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

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 \$1.9 million or 3.9% while expenses were higher by \$3.2 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 11.9% (from \$1.03 million to \$0.92 million), while expenses increased 9.7% (from \$1.34 million to \$1.47 million). The decrease in revenues was due to a decrease in parking collections, and the increase in expenses was mostly attributable to increased benefits as the current year increase in other post employment benefits and deferred amounts related to pensions exceeded the decrease in the net pension liability.

Water and wastewater utility total revenues increased by \$1.6 million or 3.2% (from \$47.5 million to \$49.1 million), primarily due to increased water usage and a 7% rate increase that went into effect in November 2016 and again in November 2017.

As shown in Table 3b, the overall net cost of providing water and wastewater services is a positive \$4.10 million, after transfers out and miscellaneous revenues, the increase in net position is \$2.92 million; with the year over year increase coming from greater usage and higher rates combined to offset the current year increase in other post employment benefits and deferred amounts related to pensions.

Table 3b
Business-Type Activities
(In Millions)

	Total Cost of Services		Net Cost of (Surplus from) Services	
	2017	2016	2017	2016
Water and Sewer	\$ 44.79	\$ 41.70	\$ (4.10)	\$ (4.56)
Parking Facilities	1.47	1.34	0.55	0.31
Total	\$ 46.26	\$ 43.04	\$ (3.55)	\$ (4.25)

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, 2017

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 \$70.6 million; \$1.8 million lower than last year's balance of \$72.4 million. Unassigned fund balance was \$38.0 million and is available for spending at the City's discretion. The remaining \$32.6 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 \$55.8 million, an increase of \$1.2 million as compared to last year's total of \$54.6 million. Revenues over expenses for the year showed a positive \$0.3 million, which was coupled with net transfers in from other funds of \$0.9 million. Overall General Fund revenues decreased \$60 thousand from 2016, as many revenue sources mirrored the prior year. The state sales tax revenues increased \$0.3 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 transaction was finalized in 2017. The year-end fund balance for the Evergreen Terrace II Fund is a deficit \$6.3 million a \$3.4 million decline from 2016.

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 \$4.1 million in revenues during 2017 and spent \$3.2 million on city-wide roadway improvements. Revenues were down about \$0.5 million in 2017 due to a decline in state and federal grants received in 2017. The year-end fund balance for the Motor Fuel Tax Fund is \$9.5 million a \$1.0 million increase from the prior year.

Other governmental funds are 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
December 31, 2017

As shown in Table 4 below, actual General Fund revenues of \$168.0 million were less than budgeted revenues by \$5.4 million or 3.1%; while actual expenditures were below budget by \$7.4 million or 4.2%. 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	\$ 167.1	\$ 173.4	\$ 168.0	\$ (5.4)
Expenditures	176.4	175.1	167.7	7.4
Excess of Revenues Over Expenditures	(9.3)	(1.7)	0.3	2.0
Other Financing Sources and Uses:				
Transfers from Other Funds	4.7	4.7	5.6	0.9
Transfers to Other Funds	(3.1)	(4.7)	(4.7)	-
Net Change in Fund Balance	<u>\$ (7.7)</u>	<u>\$ (1.7)</u>	<u>\$ 1.2</u>	<u>\$ 2.9</u>

Capital Assets and Debt Administration

Capital Assets

At the end of 2017, the City had \$752.4 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 \$24.1 million or 3.3% from last year.

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

	Governmental Activities		Business Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land and Land Improvements	\$ 23.1	\$ 22.1	\$ 4.7	\$ 4.6	\$ 27.8	\$ 26.7
Buildings	39.6	41.1	-	-	39.6	41.1
Waterworks and Sewerage System	-	-	271.9	246.6	271.9	246.6
Parking Facilities	-	-	2.1	2.3	2.1	2.3
Equipment	15.2	16.3	15.6	16.1	30.8	32.4
Infrastructure	279.3	283.7	-	-	279.3	283.7
Construction in Progress	37.6	28.5	63.3	67.0	100.9	95.5
Totals	<u>\$ 394.8</u>	<u>\$ 391.7</u>	<u>\$ 357.6</u>	<u>\$ 336.6</u>	<u>\$ 752.4</u>	<u>\$ 728.3</u>

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

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

- \$10.6 million for various phases of the Multi-Modal Transportation Center;
- \$26.1 million for construction in progress for water/sewer system improvements;
- \$0.9 million to purchase public safety equipment;
- \$0.9 million for computer and software purchases; and
- \$6.2 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 \$104.4 million in bonds and loans outstanding versus \$84.5 million last year – an increase of 23.6% – as shown in Table 6.

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

	Governmental Activities		Business Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds (Backed by the City)	\$ 6.7	\$ 8.2	\$ -	\$ -	\$ 6.7	\$ 8.2
Revenue Bonds (Backed by Specific Fee Revenues)	-	-	17.1	22.6	17.1	22.6
IEPA Loan	-	-	80.6	53.7	80.6	53.7
Totals	<u>\$ 6.7</u>	<u>\$ 8.2</u>	<u>\$ 97.7</u>	<u>\$ 76.3</u>	<u>\$ 104.4</u>	<u>\$ 84.5</u>

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, 2017, 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 2018 budget. The 2018 budgeted expenses (including transfers) of \$280.3 million represent a decrease of \$1.9 million or 0.7% as compared to the 2017 budget of \$282.2 million. The budget decrease is primarily due to decreased planned grant and road projects offset partially with increases in the Water and Sewer Fund for capital outlays.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

The 2018 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 2018 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 \$2.6 million in the Motor Fuel Tax Fund for roadway resurfacing projects. The City Council budgeted \$500,000 of funding for the Rialto Square Theatre. The Downtown Development Plan indicated that a vibrant theatre is necessary for the continued improvement of the downtown area.

The City took possession of Evergreen Terrace, a Housing and Urban Development (HUD) sponsored housing project in 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 2018.

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 2018 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.

Riverwalk Homes, LLC

Separate financial statements may be obtained at the LLC's administrative office, 1020 W. Montrose Ave., Chicago, Illinois 60613.

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, 2017

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current Assets:				
Cash	\$ 10,098,565	\$ 4,459,094	\$ 14,557,659	\$ 8,453,631
Escrow Deposits	521,362	6,094,607	6,615,969	-
Investments	44,339,408	17,367,633	61,707,041	807,621
Receivables				
Property Taxes, Net of Allowance for Uncollectible Amounts	37,914,167	-	37,914,167	5,964,567
Intergovernmental	20,365,958	3,287,627	23,653,585	1,188,740
Accrued Interest	7,912	472	8,384	4
Customer Accounts, Net	3,873,926	2,976,600	6,850,526	581,296
Estimated Unbilled Usage	825,953	4,451,064	5,277,017	-
Other	-	-	-	6,150
Inventory	20,000	-	20,000	80,282
Prepaid Expenses	-	30,150	30,150	176,678
Grant Advance	-	-	-	9,456
Internal Balances	713,919	(713,919)	-	-
Total Current Assets	<u>118,681,170</u>	<u>37,953,328</u>	<u>156,634,498</u>	<u>17,268,425</u>
Noncurrent Assets:				
Equity Interest in Component Unit	3,604,798	-	3,604,798	-
Due from Component Unit	11,472,658	-	11,472,658	-
Other Receivables	-	-	-	1,500
Capital Assets (Net)				
Land	18,879,736	4,663,623	23,543,359	-
Construction in Progress	37,612,784	63,251,478	100,864,262	16,365
Infrastructure	279,261,041	-	279,261,041	-
Land Improvements	4,237,302	-	4,237,302	-
Buildings	39,631,274	-	39,631,274	-
Waterworks and Sewerage System	-	271,890,504	271,890,504	-
Parking Decks and Lots	-	2,139,436	2,139,436	-
Equipment	15,146,736	15,635,548	30,782,284	-
Furniture and Fixtures	140	-	140	-
Library	-	-	-	13,183,779
Riverwalk Homes, LLC	-	-	-	12,670,404
W.C.M.E.A.A.	-	-	-	7,114,502
Historical Museum	-	-	-	614,481
Intangible Assets (Net)	-	-	-	102,750
Total Noncurrent Assets	<u>409,846,469</u>	<u>357,580,589</u>	<u>767,427,058</u>	<u>33,703,781</u>
Total Assets	<u>528,527,639</u>	<u>395,533,917</u>	<u>924,061,556</u>	<u>50,972,206</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding of Debt	-	87,361	87,361	-
Deferred Outflows of Resources				
Related to Pensions	41,876,131	3,337,127	45,213,258	1,001,678
Total Deferred Outflows of Resources	<u>41,876,131</u>	<u>3,424,488</u>	<u>45,300,619</u>	<u>1,001,678</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 570,403,770</u>	<u>\$ 398,958,405</u>	<u>\$ 969,362,175</u>	<u>\$ 51,973,884</u>

See Accompanying Notes to Basic Financial Statements.

LIABILITIES	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Current Liabilities:				
Vouchers Payable	\$ 8,700,027	\$ 9,932,419	\$ 18,632,446	\$ 586,022
Accrued Payroll	2,374,535	368,272	2,742,807	95,992
Accrued Compensated Absences - Current	10,999,221	964,958	11,964,179	110,770
Health Claims Payable	1,202,200	-	1,202,200	-
Accrued Interest	42,273	393,133	435,406	62,713
Accrued Real Estate Taxes	-	-	-	505,800
Loans Payable - Current Portion	-	2,767,822	2,767,822	68,341
Bonds Payable - Current Portion	1,445,000	5,575,000	7,020,000	-
Customer Deposits and Credits	2,043,336	718,066	2,761,402	-
Estimated Liability for Self-Insured Losses - Current	3,644,989	-	3,644,989	-
Unearned Revenue	1,136,121	21,373	1,157,494	859,546
Due to Primary Government	-	-	-	655,353
Due to Volunteers	-	-	-	86,368
Other	-	-	-	123,493
Total Current Liabilities	31,587,702	20,741,043	52,328,745	3,154,398
Noncurrent Liabilities:				
Accrued Compensated Absences	10,999,220	964,959	11,964,179	143,986
Net Pension Liability	342,868,323	10,087,368	352,955,691	2,978,298
Estimated Liability for Self-Insured Losses	4,638,000	-	4,638,000	-
Other Postemployment Benefits	138,413,660	14,447,252	152,860,912	-
General Obligation Bonds	5,258,443	-	5,258,443	-
Revenue Bonds	-	11,578,971	11,578,971	-
Due to Primary Government	-	-	-	11,472,658
Loans Payable	-	77,825,811	77,825,811	2,289,196
Total Noncurrent Liabilities	502,177,646	114,904,361	617,082,007	16,884,138
Total Liabilities	533,765,348	135,645,404	669,410,752	20,038,536
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	37,914,167	-	37,914,167	5,964,567
Deferred Inflows of Resources Related to Pensions	44,119,579	7,310,957	51,430,536	2,310,765
Total Deferred Inflows of Resources	82,033,746	7,310,957	89,344,703	8,275,332
NET POSITION				
Net Investment in Capital Assets	388,065,570	259,920,346	647,985,916	19,769,336
Restricted for:				
Expendable Purposes:				
Temporary Funds	-	-	-	246,108
Debt Service	471,186	5,701,474	6,172,660	-
Road/Capital Projects	14,707,828	-	14,707,828	-
Multi-Modal Transportation Center	710,685	-	710,685	-
Public Safety	1,604,919	-	1,604,919	-
Tax Incremental Financing Projects	183,676	-	183,676	-
Community Development Projects	185,402	-	185,402	-
Nonexpendable Purposes:				
Permanent Funds	-	-	-	1,155,667
Unrestricted	(451,324,590)	(9,619,776)	(460,944,366)	2,488,905
Total Net Position	(45,395,324)	256,002,044	210,606,720	23,660,016
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 570,403,770	\$ 398,958,405	\$ 969,362,175	\$ 51,973,884

CITY OF JOLIET, ILLINOIS

Statement of Activities For the Year Ended December 31, 2017

Functions / Programs	Expenses	Indirect Expense Allocation	Program Charges for Services
Primary Government:			
Governmental Activities:			
General Government	\$ 46,466,843	(\$ 19,556,210)	\$ 4,556,714
Public Safety	114,846,965	16,367,044	7,259,085
Public Works	28,994,880	2,106,053	152,124
Refuse Disposal	13,521,614	-	13,651,588
Culture and Recreation	522,052	120,346	10,688
Community Development	10,670,499	962,767	2,712,330
Interest on Long-Term Debt	165,993	-	-
Total Governmental Activities	<u>215,188,846</u>	<u>-</u>	<u>28,342,529</u>
Business-Type Activities:			
Water and Sewer	44,796,958	-	48,317,206
Parking Facilities	1,466,392	-	921,365
Total Business-Type Activities	<u>46,263,350</u>	<u>-</u>	<u>49,238,571</u>
Total Primary Government	<u>\$ 261,452,196</u>	<u>\$ -</u>	<u>\$ 77,581,100</u>
Component Units:			
Public Library	\$ 6,749,525	\$ -	\$ 136,501
Riverwalk Homes, LLC	939,972	-	100,221
W.C.M.E.A.A.	2,904,199	-	1,838,228
The Joliet Area Historical Museum	1,414,245	-	94,345
Total Component Units	<u>\$ 12,007,941</u>	<u>\$ -</u>	<u>\$ 2,169,295</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	
\$ 40,075	\$ -	(\$ 22,313,844)	\$ -	(\$ 22,313,844)	\$ -
743,216	-	(123,211,708)	-	(123,211,708)	-
2,989,322	4,023,903	(23,935,584)	-	(23,935,584)	-
-	-	129,974	-	129,974	-
-	-	(631,710)	-	(631,710)	-
6,497,818	10,232,877	7,809,759	-	7,809,759	-
-	-	(165,993)	-	(165,993)	-
<u>10,270,431</u>	<u>14,256,780</u>	<u>(162,319,106)</u>	<u>-</u>	<u>(162,319,106)</u>	<u>-</u>
578,851	-	-	4,099,099	4,099,099	-
-	-	-	(545,027)	(545,027)	-
<u>578,851</u>	<u>-</u>	<u>-</u>	<u>3,554,072</u>	<u>3,554,072</u>	<u>-</u>
<u>\$ 10,849,282</u>	<u>\$ 14,256,780</u>	<u>(162,319,106)</u>	<u>3,554,072</u>	<u>(158,765,034)</u>	<u>-</u>
\$ 264,908	\$ -	-	-	-	(6,348,116)
4,703,714	-	-	-	-	3,863,963
883,383	-	-	-	-	(182,588)
<u>1,260,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,245)</u>
<u>\$ 7,112,660</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,725,986)</u>
General Revenues:					
Property Taxes		35,837,009	-	35,837,009	6,005,752
Intergovernmental Revenues					
Gaming Taxes		18,493,435	-	18,493,435	-
State Sales Taxes		21,682,218	-	21,682,218	-
State Income Taxes		13,552,231	-	13,552,231	-
Other Intergovernmental		6,879,855	-	6,879,855	-
Home Rule Sales Taxes		25,043,481	-	25,043,481	-
Utility Taxes		9,432,443	-	9,432,443	-
Other Taxes		8,934,694	-	8,934,694	-
Interest and Investment Earnings		267,632	147,548	415,180	168,834
Contributions to Permanent Funds		-	-	-	6,298
Other General Revenues		1,545,937	729,337	2,275,274	37,006
Transfers		<u>2,257,909</u>	<u>(2,257,909)</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers		<u>143,926,844</u>	<u>(1,381,024)</u>	<u>142,545,820</u>	<u>6,217,890</u>
Change in Net Position		(18,392,262)	2,173,048	(16,219,214)	3,491,904
Net Position - Beginning		(27,003,062)	253,828,996	226,825,934	20,168,112
Net Position - Ending		<u>(\$ 45,395,324)</u>	<u>\$ 256,002,044</u>	<u>\$ 210,606,720</u>	<u>\$ 23,660,016</u>

CITY OF JOLIET, ILLINOIS

Governmental Funds Balance Sheet December 31, 2017

	General Fund	Evergreen Terrace II Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 6,254,059	\$ -	\$ 514,508	\$ 3,329,998	\$ 10,098,565
Escrow Deposits	-	-	-	521,362	521,362
Investments	24,017,916	-	8,389,452	11,932,040	44,339,408
Receivables					
Property Taxes, Net of Allowance for Uncollectible Amounts	34,984,787	-	-	2,929,380	37,914,167
Intergovernmental	18,108,014	-	774,515	1,483,429	20,365,958
Accrued Interest	-	-	3,155	4,757	7,912
Customer Accounts, Net	3,856,189	-	-	17,737	3,873,926
Estimated Unbilled Usage	825,953	-	-	-	825,953
Inventory	-	-	-	20,000	20,000
Internal Receivables	18,546,749	-	-	-	18,546,749
Due from Component Unit	-	11,472,658	-	-	11,472,658
Total Assets	\$ 106,593,667	\$ 11,472,658	\$ 9,681,630	\$ 20,238,703	\$ 147,986,658
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Vouchers Payable	\$ 4,303,374	\$ 530	\$ 201,681	\$ 4,194,442	\$ 8,700,027
Customer Deposits and Credits	568,439	-	-	1,474,897	2,043,336
Health Claims Payable	1,202,200	-	-	-	1,202,200
Unearned Revenue	1,101,444	-	-	34,677	1,136,121
Internal Payables	-	17,777,580	-	55,250	17,832,830
Accrued Payroll and Other	2,374,535	-	-	-	2,374,535
Total Liabilities	9,549,992	17,778,110	201,681	5,759,266	33,289,049
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	34,984,787	-	-	2,929,380	37,914,167
Deferred Other Income	6,195,580	-	-	10,572	6,206,152
Total Deferred Inflows of Resources	41,180,367	-	-	2,939,952	44,120,319
FUND BALANCES					
Nonspendable	-	-	-	20,000	20,000
Restricted	-	-	9,479,949	8,426,020	17,905,969
Assigned	11,334,278	-	-	3,336,173	14,670,451
Unassigned	44,529,030	(6,305,452)	-	(242,708)	37,980,870
Total Fund Balances	55,863,308	(6,305,452)	9,479,949	11,539,485	70,577,290
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 106,593,667	\$ 11,472,658	\$ 9,681,630	\$ 20,238,703	\$ 147,986,658

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position December 31, 2017

Total fund balances - governmental funds \$ 70,577,290

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

Capital assets net of accumulated depreciation of \$272,119,955 used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. 394,769,013

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:

Equity interest in component unit	3,604,798
Deferred outflows of resources related to pensions	41,876,131
Accrued interest payable on debt	(42,273)
Accrued compensated absences	(21,998,441)
Net pension liability	(342,868,323)
Estimated liability for self-insured losses	(8,282,989)
Other postemployment benefits	(138,413,660)
General obligation bonds	(6,540,000)
Unamortized premium on bonds	(163,443)
Deferred inflows of resources related to pensions	(44,119,579)
Deferred revenues collected after sixty days	<u>6,206,152</u>

Net position of governmental activities (\$ 45,395,324)

CITY OF JOLIET, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2017

	General Fund	Evergreen Terrace II Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenue					
Property Taxes	\$ 34,010,809	\$ -	\$ -	\$ 2,347,258	\$ 36,358,067
Other Taxes	43,229,989	-	-	-	43,229,989
Intergovernmental State Shared Revenue Federal, State and Private Grants	60,273,628	-	4,023,903	261,781	64,559,312
and Allotments	794,405	-	60,568	18,570,162	19,425,135
Charges for Services	9,274,672	-	-	-	9,274,672
Interest Earnings	144,374	-	46,311	76,947	267,632
Licenses, Permits, Rentals, and Fees	17,121,739	-	-	81,427	17,203,166
Fines and Forfeitures	1,620,932	-	-	242,494	1,863,426
Special Assessments	-	-	-	122,159	122,159
Other	1,570,929	-	-	23,669	1,594,598
Total Revenue	168,041,477	-	4,130,782	21,725,897	193,898,156
Expenditures					
Current:					
General Government	17,353,025	83,886	-	-	17,436,911
Public Safety	63,821,097	-	-	782,581	64,603,678
Public Works	12,499,059	-	17,100	-	12,516,159
Refuse Disposal	13,521,614	-	-	-	13,521,614
Culture and Recreation	337,262	-	-	-	337,262
Employee Benefits and Pension Plans	55,887,290	-	-	-	55,887,290
Community Development	4,264,061	35,592	-	2,446,036	6,745,689
Capital Outlay	-	-	3,160,549	18,538,809	21,699,358
Debt Service - Principal	-	-	-	1,400,000	1,400,000
Debt Service - Interest and Fees	-	-	-	248,263	248,263
Total Expenditures	167,683,408	119,478	3,177,649	23,415,689	194,396,224
Revenue Over (Under) Expenditures	358,069	(119,478)	953,133	(1,689,792)	(498,068)
Other Financing Sources (Uses)					
Sale of Capital Assets	250	-	-	-	250
Transfers In	5,569,830	3,633,351	-	4,700,000	13,903,181
Transfers Out	(4,700,000)	(3,311,921)	-	(3,633,351)	(11,645,272)
Total Other Financing Sources (Uses)	870,080	321,430	-	1,066,649	2,258,159
Special Item					
Purchase of Evergreen Terrace Property	-	(3,604,798)	-	-	(3,604,798)
Net Change in Fund Balance	1,228,149	(3,402,846)	953,133	(623,143)	(1,844,707)
Fund Balances, (Deficit) Beginning of Year	54,635,159	(2,902,606)	8,526,816	12,162,628	72,421,997
Fund Balances, (Deficit) End of Year	\$ 55,863,308	(\$ 6,305,452)	\$ 9,479,949	\$ 11,539,485	\$ 70,577,290

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, 2017

Net change in fund balances - governmental funds (\$ 1,844,707)

*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 2017 to 2018 consists of:

Sales, income and use taxes received from the state of Illinois	362,205
State reimbursements received from the state of Illinois	325,368
Utility and auto rental taxes received from the state of Illinois	(47,304)

Total change in unavailable revenues 640,269

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.

20,534,960

This is the amount of depreciation recorded in the current period.

(17,485,904)

3,049,056

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

1,400,000

Loss on purchase of Evergreen Terrace is a special item in the governmental funds, but the purchase created a noncurrent asset in the Statement of Net Position.

3,604,798

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	7,094
Decrease in compensated absences	723,433
Increase in claims liabilities	(1,595,580)
Increase in net pension liability/(asset) and related deferred amounts	(7,972,077)
Increase in other postemployment benefits	(16,479,724)

The City amortized bond premiums in the Statement of Net Position.

75,176

Change in net position of governmental activities

(\$ 18,392,262)

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Statement of Net Position Proprietary Funds December 31, 2017

	Business-Type Activities		
	Water and Sewer Fund	(Nonmajor) Parking Fund	Total
ASSETS			
Current Assets			
Unrestricted Assets			
Cash	\$ 4,253,337	\$ 644	\$ 4,253,981
Investments	16,933,527	434,106	17,367,633
Receivables			
Accrued Interest	472	-	472
Customer Accounts, Net of \$1,305,415			
Allowance for Uncollectible Amounts	2,974,100	2,500	2,976,600
Estimated Unbilled Usage	4,451,064	-	4,451,064
Prepaid Expenses	30,150	-	30,150
Total Unrestricted Assets	28,642,650	437,250	29,079,900
Restricted Assets (Water Debt Accounts)			
Cash	205,113	-	205,113
Escrow Deposits	6,094,607	-	6,094,607
Intergovernmental Receivable	3,287,627	-	3,287,627
Total Restricted Assets	9,587,347	-	9,587,347
Total Current Assets	38,229,997	437,250	38,667,247
Noncurrent Assets			
Capital Assets			
Land and Land Improvements	2,431,444	2,232,179	4,663,623
Waterworks and Sewerage System	271,890,504	-	271,890,504
Parking Decks and Lots	-	2,139,436	2,139,436
Equipment	15,450,024	185,524	15,635,548
Construction in Progress	63,250,589	889	63,251,478
Total Noncurrent Assets	353,022,561	4,558,028	357,580,589
Total Assets	391,252,558	4,995,278	396,247,836
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	87,361	-	87,361
Deferred Outflows of Resources Related to Pensions	3,149,077	188,050	3,337,127
Total Deferred Outflows of Resources	3,236,438	188,050	3,424,488
Total Assets and Deferred Outflows of Resources	\$ 394,488,996	\$ 5,183,328	\$ 399,672,324

See Accompanying Notes to Basic Financial Statements.

	Business-Type Activities		
	Water and Sewer Fund	(Nonmajor) Parking Fund	Total
LIABILITIES			
Current Liabilities			
Payable from Unrestricted Assets			
Vouchers Payable	\$ 1,992,649	\$ 78,923	\$ 2,071,572
Accrued Payroll	353,921	14,351	368,272
Accrued Compensated Absences - Current	914,083	50,875	964,958
Bonds Payable - Current Portion	5,575,000	-	5,575,000
Loans Payable - Current Portion	2,767,822	-	2,767,822
Customer Deposits and Credits	716,535	1,531	718,066
Internal Payables	-	713,919	713,919
Unearned Revenue	18,873	2,500	21,373
Payable from Restricted Assets			
Vouchers Payable	7,860,847	-	7,860,847
Accrued Interest Payable	393,133	-	393,133
Total Current Liabilities	<u>20,592,863</u>	<u>862,099</u>	<u>21,454,962</u>
Noncurrent Liabilities			
Long Term Debt			
Accrued Compensated Absences	914,084	50,875	964,959
Net Pension Liability	9,520,361	567,007	10,087,368
Other Postemployment Benefits	13,885,026	562,226	14,447,252
Revenue Bonds Payable	11,578,971	-	11,578,971
Loans Payable	<u>77,825,811</u>	<u>-</u>	<u>77,825,811</u>
Total Noncurrent Liabilities	<u>113,724,253</u>	<u>1,180,108</u>	<u>114,904,361</u>
Total Liabilities	<u>134,317,116</u>	<u>2,042,207</u>	<u>136,359,323</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	<u>6,895,630</u>	<u>415,327</u>	<u>7,310,957</u>
Total Deferred Inflows of Resources	<u>6,895,630</u>	<u>415,327</u>	<u>7,310,957</u>
NET POSITION			
Net Investment in Capital Assets	255,362,318	4,558,028	259,920,346
Restricted for:			
Expendable Purposes:			
Debt Service	5,701,474	-	5,701,474
Unrestricted	<u>(7,787,542)</u>	<u>(1,832,234)</u>	<u>(9,619,776)</u>
Total Net Position	<u>253,276,250</u>	<u>2,725,794</u>	<u>256,002,044</u>
Total Liabilities and Net Position	<u>\$ 394,488,996</u>	<u>\$ 5,183,328</u>	<u>\$ 399,672,324</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, 2017

	Business-Type Activities		
	Water and Sewer Fund	(Nonmajor) Parking Fund	Total
Operating Revenue *			
Charges for Services - Water	\$ 18,771,128	\$ -	\$ 18,771,128
Charges for Services - Sewer	26,991,230	-	26,991,230
Charges for Services - Other	315,281	840,311	1,155,592
Tap on / Turn on Fees	2,236,174	-	2,236,174
Fines and Other	745,045	82,739	827,784
	<u>49,058,858</u>	<u>923,050</u>	<u>49,981,908</u>
Operating Expense			
Personnel Services	8,787,137	533,695	9,320,832
Personnel Benefits	6,485,059	335,543	6,820,602
Other Employee Costs	242,657	670	243,327
Professional Services	1,946,775	187,294	2,134,069
Property Services	3,510,847	167,465	3,678,312
Other Services	331,960	22,998	354,958
Supplies	6,399,304	55,532	6,454,836
Other Expenses	42,647	-	42,647
Property and Projects	3,037,875	-	3,037,875
Depreciation	12,486,493	163,195	12,649,688
	<u>43,270,754</u>	<u>1,466,392</u>	<u>44,737,146</u>
Operating Income (Loss)	<u>5,788,104</u>	<u>(543,342)</u>	<u>5,244,762</u>
Nonoperating Revenue (Expense)			
State Grants	564,851	-	564,851
Interest Earnings	147,113	435	147,548
Amortization of Bond Premiums and Deferrals	80,283	-	80,283
Interest Expense	(1,606,487)	-	(1,606,487)
Total Nonoperating Revenue (Expense)	<u>(814,240)</u>	<u>435</u>	<u>(813,805)</u>
Income (Loss) Before Transfers	4,973,864	(542,907)	4,430,957
Transfers Out	<u>(2,053,255)</u>	<u>(204,654)</u>	<u>(2,257,909)</u>
Change in Net Position	2,920,609	(747,561)	2,173,048
Total Net Position, Beginning of Year	<u>250,355,641</u>	<u>3,473,355</u>	<u>253,828,996</u>
Total Net Position, End of Year	<u>\$ 253,276,250</u>	<u>\$ 2,725,794</u>	<u>\$ 256,002,044</u>

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

CITY OF JOLIET, ILLINOIS

Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2017

	Business-Type Activities		
	Water and Sewer Fund	(Nonmajor) Parking Fund	Total
Cash Flows from Operating Activities			
Receipts from Customers	\$ 50,830,007	\$ 923,190	\$ 51,753,197
Payments to Suppliers	(21,990,372)	(684,761)	(22,675,133)
Payments to Employees	(8,973,149)	(539,656)	(9,512,805)
Net Cash Provided by (Used in) Operating Activities	<u>19,866,486</u>	<u>(301,227)</u>	<u>19,565,259</u>
Cash Flows from Noncapital Financing Activities			
Payments to Other Funds	(2,053,255)	(204,654)	(2,257,909)
Payments from Other Funds	-	713,919	713,919
Operating Grants Received	<u>564,851</u>	<u>-</u>	<u>564,851</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,488,404)</u>	<u>509,265</u>	<u>(979,139)</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	(27,600,607)	(165,151)	(27,765,758)
Payments to Bond Paying Agent	(5,215,000)	-	(5,215,000)
Payments on Loans	(2,322,763)	-	(2,322,763)
Loan Proceeds	26,209,861	-	26,209,861
Payment of Interest on Debt	<u>(1,628,369)</u>	<u>-</u>	<u>(1,628,369)</u>
Net Cash (Used in) Capital and Related Financing Activities	<u>(10,556,878)</u>	<u>(165,151)</u>	<u>(10,722,029)</u>
Cash Flows from Investing Activities			
Investment Purchases	(5,064,311)	(42,678)	(5,106,989)
Income Received on Investments	<u>147,901</u>	<u>435</u>	<u>148,336</u>
Net Cash (Used in) Investing Activities	<u>(4,916,410)</u>	<u>(42,243)</u>	<u>(4,958,653)</u>
Net Increase in Cash	2,904,794	644	2,905,438
Cash and Restricted Cash, Beginning of Year	<u>1,553,656</u>	<u>-</u>	<u>1,553,656</u>
Cash and Restricted Cash, End of Year	<u>\$ 4,458,450</u>	<u>\$ 644</u>	<u>\$ 4,459,094</u>

See Accompanying Notes to Basic Financial Statements.

	Business-Type Activities		
	Water and Sewer Fund	(Nonmajor) Parking Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ 5,788,104	(\$ 543,342)	\$ 5,244,762
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation Expense	12,486,493	163,195	12,649,688
Changes in Assets and Liabilities			
Receivables	1,677,327	-	1,677,327
Vouchers Payable	(1,717,869)	11,220 (	1,706,649)
Accrued Payroll	34,935	705	35,640
Accrued Compensated Absences	(220,947) (	6,666) (	227,613)
Unearned Revenue	17,124	-	17,124
Other Postemployment Benefits	1,027,470	31,474	1,058,944
Net Pension Liability and Related Deferred Amounts	697,151	42,047	739,198
Customer Deposits and Credits	76,698	140	76,838
Total Adjustments	<u>14,078,382</u>	<u>242,115</u>	<u>14,320,497</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 19,866,486</u>	<u>(\$ 301,227)</u>	<u>\$ 19,565,259</u>

CITY OF JOLIET, ILLINOIS

Statement of Fiduciary Net Position Fiduciary Funds December 31, 2017

	Pension Trust Funds	Agency Funds
ASSETS		
Cash	\$ 16,259	\$ 610,072
Investments, at Fair Value		
U.S. Government and Agency Securities	35,908,296	-
U.S. Government Sponsored Agency Securities	6,780,297	-
State and Local Government Securities	2,725,845	-
Insurance Company Contracts	10,451,593	-
Certificates of Deposit	2,038,786	-
Money Market Mutual Funds	24,873,225	-
Mutual Funds	167,543,344	-
Common Stock	67,681,285	-
Corporate Bonds	55,961,469	-
Total Investments	373,964,140	-
Accrued Interest Receivable	893,272	-
Prepaid Items	6,442	-
Total Assets	374,880,113	\$ 610,072
LIABILITIES		
Due to Other Governments	-	610,072
Accrued Investment Expenses	205,920	-
Total Liabilities	205,920	\$ 610,072
NET POSITION RESTRICTED FOR PENSIONS	\$ 374,674,193	

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, 2017

	Pension Trust Funds
Additions	
Contributions	
Employer Contributions	\$ 27,193,403
Plan Member Contributions	4,953,723
	<hr/>
Total Contributions	32,147,126
Investment Income	
Net Increase in Fair Value of Investments	32,024,943
Interest and Dividends	12,798,682
	<hr/>
	44,823,625
Less Investment Expenses	1,007,775
	<hr/>
Net Investment Income	43,815,850
Miscellaneous Income	1,213
	<hr/>
Total Additions	75,964,189
Deductions	
Benefit Payments (Including Refunds of Plan Member Contributions)	24,404,042
Administrative and Other Expenses	177,926
	<hr/>
Total Deductions	24,581,968
Net Increase In Net Position	51,382,221
Net Position Restricted for Pensions	
Beginning of Year	323,291,972
	<hr/>
End of Year	\$ 374,674,193

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Combining Statement of Net Position
Component Units
June 30, 2017 and December 31, 2017

ASSETS	December 31, 2017		June 30, 2017		Total
	Joliet Public Library	Riverwalk Homes, LLC	Will County Metropolitan Exposition and Auditorium Authority	The Joliet Area Historical Museum	
Current Assets:					
Cash	\$ 5,268,497	\$ 314,634	\$ 825,696	\$ 85,292	\$ 6,494,119
Investments	-	-	56,212	255,176	311,388
Receivables					
Property Taxes, Net of Allowance for Uncollectible Amounts	5,964,567	-	-	-	5,964,567
Accrued Interest	-	-	4	-	4
Customer Accounts, Net	239,247	136,241	205,808	-	581,296
Pledges Receivable	-	-	6,050	-	6,050
Subsidy Receivable - HUD	-	1,188,740	-	-	1,188,740
Other	-	100	-	-	100
Inventory	-	-	34,912	45,370	80,282
Prepaid Expenses	-	77,179	93,238	6,261	176,678
Grant Advance	-	-	9,456	-	9,456
Restricted Assets					
Cash	-	1,931,891	27,621	-	1,959,512
Investments	-	-	365,750	130,483	496,233
Total Current Assets	11,472,311	3,648,785	1,624,747	522,582	17,268,425
Noncurrent Assets:					
Pledges Receivable	-	-	1,500	-	1,500
Capital Assets (Net)					
Library	13,183,779	-	-	-	13,183,779
Riverwalk Homes, LLC	-	12,670,404	-	-	12,670,404
W.C.M.E.A.A.	-	-	7,114,502	-	7,114,502
Historical Museum	-	-	-	614,481	614,481
Construction in Progress	-	-	16,365	-	16,365
Intangible Assets (Net)	-	102,750	-	-	102,750
Total Noncurrent Assets	13,183,779	12,773,154	7,132,367	614,481	33,703,781
Total Assets	24,656,090	16,421,939	8,757,114	1,137,063	50,972,206
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources Related to Pensions	1,001,678	-	-	-	1,001,678
Total Deferred Outflows of Resources	1,001,678	-	-	-	1,001,678
Total Assets and Deferred Outflows of Resources	\$ 25,657,768	\$ 16,421,939	\$ 8,757,114	\$ 1,137,063	\$ 51,973,884

See Accompanying Notes to Basic Financial Statements.

LIABILITIES	December 31, 2017		June 30, 2017		Total
	Joliet Public Library	Riverwalk Homes, LLC	Will County Metropolitan Exposition and Auditorium Authority	The Joliet Area Historical Museum	
Current Liabilities:					
Vouchers Payable	\$ 58,094	\$ 304,443	\$ 212,058	\$ 11,427	\$ 586,022
Accrued Payroll	85,194	-	10,798	-	95,992
Accrued Compensated Absences	32,246	-	-	78,524	110,770
Accrued Interest	-	-	62,713	-	62,713
Accrued Real Estate Taxes	-	505,800	-	-	505,800
Loans and Leases Payable - Current Portion	-	-	68,341	-	68,341
Unearned Revenue - Advance Ticket Sales	-	-	617,639	15,168	632,807
Unearned Revenue	-	226,739	-	-	226,739
Due to Primary Government	-	-	-	655,353	655,353
Due to Volunteers	-	-	86,368	-	86,368
Other	19,606	47,576	56,311	-	123,493
Total Current Liabilities	195,140	1,084,558	1,114,228	760,472	3,154,398
Noncurrent Liabilities:					
Accrued Compensated Absences	143,986	-	-	-	143,986
Due to Primary Government	-	11,472,658	-	-	11,472,658
Loans and Leases Payable	-	-	2,289,196	-	2,289,196
Net Pension Liability	2,978,298	-	-	-	2,978,298
Total Noncurrent Liabilities	3,122,284	11,472,658	2,289,196	-	16,884,138
Total Liabilities	3,317,424	12,557,216	3,403,424	760,472	20,038,536
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	5,964,567	-	-	-	5,964,567
Deferred Inflows - Pensions	2,310,765	-	-	-	2,310,765
Total Deferred Inflows of Resources	8,275,332	-	-	-	8,275,332
NET POSITION					
Net Investment in Capital Assets	13,183,779	1,197,746	4,773,330	614,481	19,769,336
Restricted for:					
Expendable Purposes:					
Temporary Funds	-	-	-	246,108	246,108
Nonexpendable Purposes:					
Permanent Funds	10,000	-	1,015,184	130,483	1,155,667
Unrestricted	871,233	2,666,977	(434,824)	(614,481)	2,488,905
Total Net Position	14,065,012	3,864,723	5,353,690	376,591	23,660,016
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 25,657,768	\$ 16,421,939	\$ 8,757,114	\$ 1,137,063	\$ 51,973,884

CITY OF JOLIET, ILLINOIS

Combining Statement of Activities
Component Units
For the Year Ended June 30, 2017 and December 31, 2017

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Joliet Public Library			
Library Operations	\$ 6,749,525	\$ 136,501	\$ 264,908
Riverwalk Homes, LLC			
Public Housing	939,972	100,221	4,703,714
W.C.M.E.A.A.			
Culture and Recreation	65,383	-	326,341
Theatre and Rental Operations	2,838,816	1,838,228	557,042
The Joliet Area Historical Museum			
Culture and Recreation	1,414,245	94,345	1,260,655
Total Component Units	\$ 12,007,941	\$ 2,169,295	\$ 7,112,660

General Revenues:
Property Taxes
Interest and Investment Earnings
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 2017</u>		<u>June 30, 2017</u>		
<u>Joliet Public Library</u>	<u>Riverwalk Homes, LLC</u>	<u>Will County Metropolitan Exposition and Auditorium Authority</u>	<u>The Joliet Area Historical Museum</u>	<u>Total</u>
(\$ 6,348,116)	\$ -	\$ -	\$ -	(\$ 6,348,116)
-	3,863,963	-	-	3,863,963
-	-	260,958	-	260,958
-	-	(443,546)	-	(443,546)
-	-	-	(59,245)	(59,245)
(6,348,116)	3,863,963	(182,588)	(59,245)	(2,725,986)
6,005,752	-	-	-	6,005,752
46,844	760	69,294	51,936	168,834
-	-	6,298	-	6,298
37,006	-	-	-	37,006
6,089,602	760	75,592	51,936	6,217,890
(258,514)	3,864,723	(106,996)	(7,309)	3,491,904
14,323,526	-	5,460,686	383,900	20,168,112
<u>\$ 14,065,012</u>	<u>\$ 3,864,723</u>	<u>\$ 5,353,690</u>	<u>\$ 376,591</u>	<u>\$ 23,660,016</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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, 2017, 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, 2017

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.

Riverwalk Homes, LLC

Riverwalk Homes LLC (the "LLC") was formed on May 3, 2016 as the result of an agreement between the City and Holsten Real Estate Development Corporation (Holsten) to establish a limited liability company to own, manage and potentially redevelop the 356-unit multifamily rental developments know as Evergreen Terrace located within the Joliet city limits. The LLC began fiscal operations September 29, 2017. Evergreen Terrace provides rental housing for low-income residents; rents are charged at market rates subsidized by the U.S. Department of Housing and Urban Development (HUD). The LLC is includable as discretely presented component unit of the City of Joliet, as the LLC is fiscally dependent on the City and the LLC provides financial benefit and burden relationships to the City. Separate financial statements may be requested from the LLC's business office, 1020 W. Montrose Ave., Chicago, Illinois, 60613.

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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

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.

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:

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

- 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:

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; the purchase was completed in 2017.

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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

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.

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:

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

- 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.

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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

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.

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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

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.

Budgets and Budgetary Accounting

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

Prior to December 31st, the City Manager submits to the City Council a proposed annual budget for the fiscal year commencing January 1st. 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 31st, 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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

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.

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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

Investments

Investments of the City are carried at fair value (see note 4). 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.

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).

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

1. Summary of Significant Accounting Policies

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).

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, 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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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 2017 represent the taxes from the 2016 and prior year levies. The budget anticipates that the 2017 property tax levy will be used to finance the 2018 expenditures. The 2017 levy has been recognized as a receivable as of December 31, 2017 but recognition as revenue has been deferred to 2018 because the revenue is not considered available to finance 2017 expenditures.

Net property taxes receivable reflects the estimated collectible portion of the 2017 levies as of December 31, 2017. Property taxes receivable for prior years are immaterial and are not recorded.

Based on past experience, an allowance for estimated collection losses (1.5% 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 1st and are payable in two installments on or about June 1st and September 1st 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, 2017, 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, 2017. 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 \$482,549 during the year ended December 31, 2017, including \$179,248 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, 2017. The City also had four sales tax rebate agreements with non-auto dealers which involved rebates based on percentages of sales. Rebates paid under the sales tax programs totaled \$684,741 during the year ended December 31, 2017, including a total of \$467,497 paid to six auto dealers and \$133,816 paid to a communications equipment corporation, which represented 24% of the sales tax rebates. Additionally, the City rebated \$18,263 of food and beverage sales taxes to one entity based on a redevelopment agreement.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

3. Tax Abatements

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, 2017. 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 \$23,301 and \$36,300 to gas stations that also operated convenience stores for a total of \$59,601 during the year ended December 31, 2017.

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, 2017. 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 \$115,480 during the year ended December 31, 2017.

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, 2017. 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 \$49,851 during the year ended December 31, 2017.

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. The Police Pension Fund's total investments in equities (combined mutual funds and common stocks) exceeded the maximum allowable percentage of 65% of total investments at December 31, 2017.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

4. Cash and Investments

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	\$ 33,426,085	\$ 8,170,118	\$ 41,596,203	\$ 42,184,455
Police Pension Fund	15,043	1,839,605	1,854,648	1,854,648
Firefighters' Pension Fund	1,116	199,181	200,297	200,297
Total	<u>\$ 33,442,244</u>	<u>\$ 10,208,904</u>	<u>\$ 43,651,148</u>	<u>\$ 44,239,400</u>

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, 2017 was \$41,890,372. 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, 2017 is 54 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, 2017:

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

4. Cash and Investments

<i>Police Pension Fund</i>		Fair Value Measurements Using		
Investments by Fair Value Level	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities:				
U.S. Treasury Securities	\$ 19,257,117	\$ 19,257,117	\$ -	\$ -
U.S. Agency Securities	2,459,234	-	2,459,234	-
U.S. Agency Sponsored Securities	3,867,700	-	3,867,700	-
Corporate Bonds	36,212,915	-	36,212,915	-
State and Local Bonds	1,781,159	-	1,781,159	-
Total Debt Securities	<u>63,578,125</u>	<u>19,257,117</u>	<u>44,321,008</u>	<u>-</u>
Equity Securities:				
Mutual Funds	136,509,408	136,509,408	-	-
Total Equity Securities	<u>136,509,408</u>	<u>136,509,408</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>200,087,533</u>	<u>\$ 155,766,525</u>	<u>\$ 44,321,008</u>	<u>\$ -</u>
Investments Measured at the Net Asset Value				
Insurance Company Contracts	10,451,593			
Total Investments Measured at Fair Value	<u>\$ 210,539,126</u>			

<i>Firefighters' Pension Fund</i>		Fair Value Measurements Using		
Investments by Fair Value Level	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities:				
U.S. Treasury Securities	\$ 13,193,302	\$ 13,193,302	\$ -	\$ -
U.S. Agency Securities	998,643	-	998,643	-
U.S. Agency Sponsored Securities	2,912,597	-	2,912,597	-
Corporate Bonds	19,748,554	-	19,748,554	-
State and Local Bonds	944,686	-	944,686	-
Total Debt Securities	<u>37,797,782</u>	<u>13,193,302</u>	<u>24,604,480</u>	<u>-</u>
Equity Securities:				
Common Stock	31,033,936	31,033,936	-	-
Mutual Funds	67,681,285	67,681,285	-	-
Total Equity Securities	<u>98,715,221</u>	<u>98,715,221</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	<u>\$ 136,513,003</u>	<u>\$ 111,908,523</u>	<u>\$ 24,604,480</u>	<u>\$ -</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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

4. Cash and Investments

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, 2017. 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.

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 asset 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, 2017 are listed in the tables below:

<u>Police Pension Fund</u>			Allocation-Weighted
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
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%	6.23%	4.05%
Fixed Income Corporate Bonds	12.00%	0.30%	0.04%
Cash	5.00%	-3.00%	-0.15%
Total	100.00%		4.00%
Expected Inflation			2.50%
Total Return			6.50%

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

4. Cash and Investments

<u>Firefighters' Pension Fund</u>				Allocation-Weighted
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return	
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%	7.32%	4.03%	
Fixed Income Corporate Bonds	10.00%	0.30%	0.03%	
Cash	5.00%	-3.00%	-0.15%	
Total	100.00%		4.00%	
Expected Inflation			2.50%	
Total Return			6.50%	

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, 2017, 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 12/31/2017	Investment Maturities			
		Less Than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Notes	\$ 19,257,117	\$ 2,845,746	\$ 9,781,483	\$ 6,629,888	\$ -
SBA Loan Pools	2,094,586	-	-	1,310,896	783,690
GNMA	364,648	-	78,534	75,251	210,863
FFCB	199,140	199,140	-	-	-
FHLB	1,001,125	-	1,001,125	-	-
FHLMC	1,487,288	-	1,232,655	253,968	665
FNMA	1,180,147	-	-	1,059,497	120,650
Corporate Bonds	36,212,915	2,917,915	14,687,181	16,526,051	2,081,768
State and Local Bonds	1,781,159	25,000	623,403	498,910	633,846

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

4. Cash and Investments

Firefighters' Pension Fund

Investment Description	Total Fair Value 12/31/2017	Investment Maturities			
		Less Than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Notes	\$ 13,193,302	\$ 2,189,224	\$ 6,992,620	\$ 4,011,458	\$ -
SBA Loan Pools	768,365	-	-	412,666	355,699
GNMA	230,278	-	41,486	1,653	187,139
FFCB	99,570	99,570	-	-	-
FHLMC	1,613,307	507,280	804,307	166,704	135,016
FNMA	1,199,720	11,149	28,727	713,176	446,668
Corporate Bonds	19,748,554	1,630,031	7,805,299	9,416,005	897,219
State and Local Bonds	944,686	-	213,487	203,275	527,924

Credit ratings as described by Standard & Poor's rating agency were as follows for Corporate Bonds and State and Local Government Securities, totals appear in the table on the following page.

S&P Rating	Police Pension		Firefighters' Pension	
	Corporate Bonds	State and Local Govt. Securities	Corporate Bonds	State and Local Govt. Securities
AAA	\$ 1,075,012	\$ 635,287	\$ 502,067	\$ 263,065
AA+	671,089	296,130	451,602	294,090
AA	502,448	517,477	624,553	73,386
AA-	3,281,839	-	1,103,607	-
A+	3,367,558	-	948,713	-
A	7,060,450	-	3,813,976	-
A-	5,019,235	-	3,545,006	-
BBB+	6,261,605	-	3,494,405	-
BBB	2,367,850	-	1,597,506	-
BBB-	1,491,654	-	1,021,132	-
NR	5,114,175	332,265	2,645,987	314,145
Total	<u>\$ 36,212,915</u>	<u>\$ 1,781,159</u>	<u>\$ 19,748,554</u>	<u>\$ 944,686</u>

NR - not rated

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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, 2017, 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 12/31/2017	% of Total Investments	Total Fair Value 12/31/2017	% of Total Investments	
U.S. Government and Agency Securities					
U.S. Treasury Notes	\$ 19,257,117	8.73%	\$ 13,193,302	8.71%	N/A
Small Business Administration Loan Pools	2,094,586	0.95%	768,365	0.51%	N/A
Government National Mortgage Association	364,648	0.17%	230,278	0.15%	N/A
Subtotal	<u>21,716,351</u>	<u>9.85%</u>	<u>14,191,945</u>	<u>9.37%</u>	
U.S. Government Sponsored Agency Securities					
Federal Farm Credit Banks	199,140	0.09%	99,570	0.07%	AA+
Federal Home Loan Banks	1,001,125	0.45%	-	0.00%	AA+
Federal Home Loan Mortgage Corporation	1,487,288	0.67%	1,613,307	1.07%	AA+
Federal National Mortgage Association	1,180,147	0.54%	1,199,720	0.79%	AA+
Subtotal	<u>3,867,700</u>	<u>1.75%</u>	<u>2,912,597</u>	<u>1.93%</u>	
State and Local Government Securities	<u>1,781,159</u>	<u>0.81%</u>	<u>944,686</u>	<u>0.62%</u>	See page 52
Insurance Company Contracts	<u>10,451,593</u>	<u>4.74%</u>	<u>-</u>	<u>0.00%</u>	N/A
Money Market Mutual Funds					
First Midwest Bank	<u>9,934,534</u>	<u>4.50%</u>	<u>14,938,691</u>	<u>9.86%</u>	AAAm
Mutual Funds					
American Funds	<u>136,509,408</u>	<u>61.92%</u>	<u>31,033,936</u>	<u>20.49%</u>	N/A
Common Stock	<u>-</u>	<u>0.00%</u>	<u>67,681,285</u>	<u>44.69%</u>	N/A
Corporate Bonds	<u>36,212,915</u>	<u>16.43%</u>	<u>19,748,554</u>	<u>13.04%</u>	See page 52
Total Investments	<u>\$ 220,473,660</u>	<u>100.00%</u>	<u>\$ 151,451,694</u>	<u>100.00%</u>	

N/A - Rating not required.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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:

Cash and Investments (Note Above)

Cash - Carrying Amount of Deposits	43,651,148
Cash on Hand	4,266
Investments - City Investment in Illinois Funds	41,890,372
Investments - Police Pension Fund	220,473,660
Investments - Firefighters' Pension Fund	151,451,694
Total	\$ 457,471,140

Cash and Investments (Basic Financial Statements)

Primary Government Cash - Statement of Net Position	\$ 14,557,659
Primary Government Escrow Deposits - Statement of Net Position	6,615,969
Primary Government Investments - Statement of Net Position	61,707,041
Pension Trust Funds Cash - Statement of Fiduciary Net Position	16,259
Pension Trust Funds Investments - Statement of Fiduciary Net Position	373,964,140
Agency Fund Cash - Statement of Fiduciary Net Position	610,072
Total	\$ 457,471,140

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, 2017, the Library's cash consisted of demand deposits held at local financial institutions. The carrying amount of the Library's deposits was \$5,268,497 and the bank balance was \$5,269,395.

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, 2017, the Authority's cash consisted of \$9,400 of petty cash on hand and demand deposits held at local financial institutions. The carrying amount of the Authority's deposits was \$843,917 and the bank balance was \$976,567. The Authority had investments in money market mutual funds of \$30,523 which were rated AAAM by Standard & Poor's. The Authority also had investments of \$391,439 held by First Midwest Bank, comprised of equities of \$23,191, which were valued using Level 1 inputs and \$368,248 of mutual funds, which were valued using Level 2 inputs.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

4. Cash and Investments

Riverwalk Homes, LLC:

At December 31, 2017, the LLC's cash consisted of demand deposits held at local financial institutions. The LLC is a for profit 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, the carrying amount of the LLC's deposits was \$2,246,525 and the bank balance was \$2,278,915. Deposit and investment risk disclosures were not available.

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, 2017, the Museum maintained cash of \$85,292 and investments in money market mutual funds of \$385,659. 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 Foreign Fire Tax Fund by \$858,541 and \$37,554, respectively, during the year ended December 31, 2017.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

6. Interfund Balances and Transfers

Interfund transfers during the year ended December 31, 2017 were as follows:

<u>Fund</u>	Interfund	
	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Nonmajor Governmental Funds	\$ -	\$ 4,700,000
Evergreen Terrace II Fund	3,311,921	-
Water and Sewer Fund	2,053,255	-
Nonmajor Enterprise Fund	204,654	-
Total General Fund	<u>5,569,830</u>	<u>4,700,000</u>
 Evergreen Terrace II Fund:		
General Fund	-	3,311,921
Nonmajor Governmental Funds	3,633,351	-
Total Evergreen Terrace II Fund	<u>3,633,351</u>	<u>3,311,921</u>
 Nonmajor Governmental Funds:		
General Fund	4,700,000	-
Evergreen Terrace II Fund	-	3,633,351
Total Nonmajor Governmental Funds	<u>4,700,000</u>	<u>3,633,351</u>
 Water and Sewer Fund:		
General Fund	-	2,053,255
Total Water and Sewer Fund	<u>-</u>	<u>2,053,255</u>
 Nonmajor Enterprise Fund:		
General Fund	-	204,654
Total Nonmajor Enterprise Fund	<u>-</u>	<u>204,654</u>
Grand Total	<u>\$ 13,903,181</u>	<u>\$ 13,903,181</u>

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 \$4,700,000 to the Capital Improvement Fund (a nonmajor capital projects fund) as part of the annual funding of capital projects. The Block Grant Fund (a nonmajor special revenue fund) transferred \$3,633,351 to the Evergreen Terrace II Fund and the Evergreen Terrace II Fund subsequently transferred \$3,311,921 to the General Fund as part of the reimbursement for the purchase of the Evergreen Terrace property.

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, 2017 were as follows:

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

6. Interfund Balances and Transfers

Fund	Internal Balances	
	Receivable	Payable
General Fund:		
Evergreen Terrace II Fund	\$ 17,777,580	\$ -
Nonmajor Governmental Funds	55,250	-
Nonmajor Enterprise Funds	713,919	-
Total General Fund	18,546,749	-
 Evergreen Terrace II Fund:		
General Fund	-	17,777,580
Total Evergreen Terrace II Fund	-	17,777,580
 Nonmajor Governmental Funds:		
General Fund	-	55,250
Total Nonmajor Governmental Funds	-	55,250
 Nonmajor Enterprise Fund:		
General Fund	-	713,919
Total Nonmajor Enterprise Fund	-	713,919
Grand Total	\$ 18,546,749	\$ 18,546,749

Due to Primary Government – Due from Component Unit

The Museum's June 30, 2017 financial statements show a liability to the City for \$655,353. 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, 2017, 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.

The City recorded a transfer of \$11,472,658 to Riverwalk Homes, LLC as a loan to be used to effectively purchase the Evergreen Terrace property. Riverwalk Homes, LLC has recorded a noncurrent liability, Due to City of Joliet to represent the amount of the loan to be repaid to the City. As of December 31, 2017, a formal loan payment schedule had not been determined and the agreed interest rate was established at 0%. The loan is expected to be repaid through annual payments based on revenues earned by the LLC in excess of expenses incurred.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

7. Capital Assets

Capital asset activity for the year ended December 31, 2017 was as follows:

<u>Primary Government</u>	<u>Balance 12/31/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2017</u>
Governmental Activities:				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 18,567,294	\$ 312,442	\$ -	\$ 18,879,736
Construction in Progress	<u>28,525,022</u>	<u>15,413,265</u>	<u>6,325,503</u>	<u>37,612,784</u>
Subtotal	<u>47,092,316</u>	<u>15,725,707</u>	<u>6,325,503</u>	<u>56,492,520</u>
<i>Depreciable Capital Assets:</i>				
Infrastructure	462,829,308	7,308,138	-	470,137,446
Land Improvements	6,825,049	1,268,451	-	8,093,500
Buildings	71,403,661	287,698	-	71,691,359
Equipment	59,090,343	2,270,469	894,737	60,466,075
Furniture and Fixtures	8,068	-	-	8,068
Subtotal	<u>600,156,429</u>	<u>11,134,756</u>	<u>894,737</u>	<u>610,396,448</u>
Total at Historical Cost	<u>647,248,745</u>	<u>26,860,463</u>	<u>7,220,240</u>	<u>666,888,968</u>
 <i>Less Accumulated Depreciation for:</i>				
Infrastructure	179,188,830	11,687,575	-	190,876,405
Land Improvements	3,301,177	555,021	-	3,856,198
Buildings	30,281,386	1,778,699	-	32,060,085
Equipment	42,751,081	3,462,995	894,737	45,319,339
Furniture and Fixtures	6,314	1,614	-	7,928
Total Accumulated Depreciation	<u>255,528,788</u>	<u>17,485,904</u>	<u>894,737</u>	<u>272,119,955</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 391,719,957</u>	 <u>\$ 9,374,559</u>	 <u>\$ 6,325,503</u>	 <u>\$ 394,769,013</u>

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

General Government	\$ 1,324,254
Public Safety	2,344,636
Public Works	12,691,013
Culture and Recreation	32,133
Community Development	<u>1,093,868</u>
 Total Depreciation Expense	 <u>\$ 17,485,904</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

7. Capital Assets

<u>Primary Government</u>	<u>Balance 12/31/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2017</u>
Business-Type Activities:				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 4,594,111	\$ 69,512	\$ -	\$ 4,663,623
Construction in Progress	<u>67,055,182</u>	<u>26,177,815</u>	<u>29,981,519</u>	<u>63,251,478</u>
Subtotal	<u>71,649,293</u>	<u>26,247,327</u>	<u>29,981,519</u>	<u>67,915,101</u>
<i>Depreciable Capital Assets:</i>				
Waterworks and Sewerage System	422,051,032	35,793,969	-	457,845,001
Parking Decks and Lots	7,267,770	-	-	7,267,770
Equipment	<u>28,434,709</u>	<u>1,554,218</u>	<u>114,338</u>	<u>29,874,589</u>
Subtotal	<u>457,753,511</u>	<u>37,348,187</u>	<u>114,338</u>	<u>494,987,360</u>
Total at Historical Cost	<u>529,402,804</u>	<u>63,595,514</u>	<u>30,095,857</u>	<u>562,902,461</u>
 <i>Less Accumulated Depreciation for:</i>				
Waterworks and Sewerage System	175,447,191	10,507,306	-	185,954,497
Parking Decks and Lots	4,975,026	153,308	-	5,128,334
Equipment	<u>12,364,305</u>	<u>1,989,074</u>	<u>114,338</u>	<u>14,239,041</u>
Total Accumulated Depreciation	<u>192,786,522</u>	<u>12,649,688</u>	<u>114,338</u>	<u>205,321,872</u>
 Business-Type Capital Assets, Net	 <u>\$ 336,616,282</u>	 <u>\$ 50,945,826</u>	 <u>\$ 29,981,519</u>	 <u>\$ 357,580,589</u>

Depreciation expense of \$12,486,493 and \$163,195 was charged to the Water and Sewer and Parking Facilities functions, respectively.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

7. Capital Assets

<u>Component Units</u>	<u>Balance 12/31/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2017</u>
Joliet Public Library	\$ 26,523,103	\$ 1,662,965	\$ 582,779	\$ 27,603,289
Less Accumulated Depreciation	<u>13,818,069</u>	<u>1,155,082</u>	<u>553,641</u>	<u>14,419,510</u>
Joliet Public Library Capital Assets, Net	<u>\$ 12,705,034</u>	<u>\$ 507,883</u>	<u>\$ 29,138</u>	<u>\$ 13,183,779</u>
Riverwalk Homes LLC	\$ -	\$ 12,741,139	\$ -	\$ 12,741,139
Less Accumulated Depreciation	<u>-</u>	<u>70,735</u>	<u>-</u>	<u>70,735</u>
Riverwalk Homes, LLC Capital Assets, Net	<u>\$ -</u>	<u>\$ 12,670,404</u>	<u>\$ -</u>	<u>\$ 12,670,404</u>
	<u>Balance 6/30/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2017</u>
W.C.M.E.A.A.	\$ 24,466,606	\$ 61,643	\$ -	\$ 24,528,249
Construction in Progress	16,365	-	-	16,365
Less Accumulated Depreciation	<u>16,969,421</u>	<u>444,326</u>	<u>-</u>	<u>17,413,747</u>
W.C.M.E.A.A. Capital Assets, Net	<u>\$ 7,513,550</u>	<u>(\$ 382,683)</u>	<u>\$ -</u>	<u>\$ 7,130,867</u>
Joliet Area Historical Museum	\$ 838,234	\$ 102,144	\$ -	\$ 940,378
Less Accumulated Depreciation	<u>280,503</u>	<u>45,394</u>	<u>-</u>	<u>325,897</u>
Joliet Area Historical Museum Capital Assets, Net	<u>\$ 557,731</u>	<u>\$ 56,750</u>	<u>\$ -</u>	<u>\$ 614,481</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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 amounts presented in this note are the combined totals for the City and the discretely-presented component unit, the Library, as the employees of the Library are included in the City's IMRF Plan. IMRF does not calculate the Library's portion of the amounts presented in this note separate from the City. The Library's employees' total annual wages subject to IMRF comprise 9% of the total annual wages of the Plan. Therefore, the City has allocated 9% of the total net pension liability and deferred inflows and outflows to the Library. 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.

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, 2017

8. Pension and Retirement Fund Commitments

Employees Covered by Benefit Terms

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

	<u>Regular</u>
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	416
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	217
Active Plan Members	<u>464</u>
Total	<u><u>1,097</u></u>

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 2017 was 17.16%. For the fiscal year ended December 31, 2017, the City contributed \$6,082,556 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, 2017. 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, 2017:

- 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.
- 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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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:

Asset Class	Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37.00%	6.85%
International Equity	18.00%	6.75%
Fixed Income	28.00%	3.00%
Real Estate	9.00%	5.75%
Alternative Investments	7.00%	2.65-7.35%
Cash Equivalents	1.00%	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. 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 3.31%, and the resulting single discount rate was 7.50%.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

8. Pension and Retirement Fund Commitments

Changes in the Net Pension Liability

	<u>Regular Plan</u>
Total Pension Liability	
Service Cost	\$ 3,423,970
Interest	18,103,466
Differences Between Expected and Actual Experience	2,861,853
Changes of Assumptions	(7,842,025)
Benefit Payments, Including Refunds of Plan Member Contributions	(13,279,611)
Net Change in Total Pension Liability	3,267,653
Total Pension Liability - Beginning	<u>246,307,365</u>
Total Pension Liability - Ending	<u>249,575,018</u>
Plan Fiduciary Net Position	
Contributions from Employer	6,082,556
Contributions from Plan Members	1,566,625
Pension Plan Net Investment Income	34,343,478
Benefit Payments, Including Refunds of Plan Member Contributions	(13,279,611)
Other Changes	(3,435,778)
Net Change in Plan Fiduciary Net Position	25,277,270
Plan Fiduciary Net Position - Beginning	<u>191,205,563</u>
Plan Fiduciary Net Position - Ending	<u>216,482,833</u>
Net Pension Liability - Ending	<u>\$ 33,092,185</u>

The Library has been allocated \$2,978,298 of the ending net pension liability of \$33,092,185, with the remaining \$30,113,887 being reported by the City.

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 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:

<i>Regular Plan</i>	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's Net Pension Liability	\$ 64,899,727	\$ 33,092,185	\$ 6,813,188

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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, 2017, the City recognized pension expense of \$8,699,221, \$1,837, and \$2,110, for the Regular Plan, SLEP, and ECO, respectively. The pension expense for the SLEP and ECO Plans was recorded to eliminate the remaining prior year deferred outflows and inflows of resources. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Regular Plan	
Deferred Amounts Related to Pensions	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	\$ 3,473,908	\$ 2,122,439
Changes of Assumptions	1,503,616	7,278,289
Net Difference between Projected and Actual Earnings on Pension Plan Investments	6,152,231	16,274,435
Total Deferred Amounts Related to Pensions	\$ 11,129,755	\$ 25,675,163

The Library has been allocated \$1,001,678 and \$2,310,765 of the ending deferred outflows and deferred inflows of resources, respectively, with the remaining \$10,128,077 and \$23,364,398 of the ending deferred outflows and deferred inflows of resources, respectively being reported by the City.

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:

	Regular Plan	
Year Ending December 31,	Net Deferred Outflows of Resources	
2018	\$	894,961
2019		2,885,098
2020		5,892,289
2021		4,873,060
Total	\$	14,545,408

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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, 2017, the City's contributions were 51.98% and 53.12% 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 Lauterbach & Amen, LLP of Naperville, Illinois. Lauterbach & Amen, LLP bases the information that is included in the required supplementary information on actuarial calculations.

At January 1, 2017 (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	178	155
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2	1
Active Plan Members	<u>263</u>	<u>202</u>
Total	<u><u>443</u></u>	<u><u>358</u></u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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, 2017 were as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Total Pension Liability	\$398,506,080	\$299,009,984
Plan Fiduciary Net Position	<u>222,700,284</u>	<u>151,973,976</u>
Net Pension Liability	<u>\$ 175,805,796</u>	<u>\$ 147,036,008</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.88%	50.83%

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, 2017 based on information rolled forward from actuarial valuation reports as of January 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date: January 1, 2017 - 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, 2017

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 level percentage of pay (from January 1, 2016).

Remaining Amortization Period: 27 years.

Asset Valuation Method: 5 year smoothed market (fair) value.

Inflation: 2.50%.

Salary Increases: Police 4.00% - 36.18%; Firefighters' 4.00% - 30.96%.

Projected Increase in Total Payroll: Police 3.25%; Firefighters' 3.50%.

Investment Rate of Return: 6.50% as of the January 1, 2017 valuation.

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.

Mortality Table: L&A 2016 Illinois Police/Fire Mortality Rates.

Retirement Rates: L&A 2016 Illinois Police/Fire Rates Capped at age 65.

Disability and Termination Rates: L&A 2016 Illinois Police/Fire Rates.

Percent Married: 80.00%.

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 6.33% and 6.50% was used to measure the total pension liability for the Police Pension Plan and the Firefighters' Pension Plan, respectively. The single discount rates were based on the expected rate of return on pension plan investments of 6.50% and the municipal bond rate of 3.44%. 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.

The single discount rate is calculated the same way as the single discount rate is for IMRF mentioned earlier.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

8. Pension and Retirement Fund Commitments

Changes in the Net Pension Liability

	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Total Pension Liability		
Service Cost	\$ 9,386,524	\$ 8,014,727
Interest	23,283,519	17,123,847
Differences Between Expected and Actual Experience	5,686,038	15,731,411
Changes of Assumptions	8,623,625	216,603
Benefit Payments, Including Refunds of Plan Member Contributions	(13,363,228)	(11,040,814)
Net Change in Total Pension Liability	33,616,478	30,045,774
Total Pension Liability - Beginning	<u>364,889,602</u>	<u>268,964,210</u>
Total Pension Liability - Ending	<u>398,506,080</u>	<u>299,009,984</u>
 Plan Fiduciary Net Position		
Contributions from Employer	14,779,880	12,413,523
Contributions from Plan Members	2,868,155	2,085,635
Pension Plan Net Investment Income	26,522,448	17,294,618
Benefit Payments, Including Refunds of Plan Member Contributions	(13,363,228)	(11,040,814)
Pension Plan Administrative Expense	(89,316)	(88,613)
Net Change in Plan Fiduciary Net Position	30,717,939	20,664,349
Plan Fiduciary Net Position - Beginning	<u>191,982,345</u>	<u>131,309,627</u>
Plan Fiduciary Net Position - Ending	<u>222,700,284</u>	<u>151,973,976</u>
 Net Pension Liability - Ending	 <u>\$ 175,805,796</u>	 <u>\$ 147,036,008</u>

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 6.33% and 6.50% 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:

	<u>1% Decrease (5.33%)</u>	<u>Current Discount Rate (6.33%)</u>	<u>1% Increase (7.33%)</u>
Police Pension			
City's Net Pension Liability	\$ 229,778,174	\$ 175,805,796	\$ 118,514,568
 Firefighters' Pension			
City's Net Pension Liability	\$ 192,533,148	\$ 147,036,008	\$ 107,399,846

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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, 2017, the City recognized pension expense of \$18,287,640 and \$15,229,891 for the Police and Firefighters' Pension Plans, respectively. At December 31, 2017, 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	\$ 4,908,193	\$ 3,283,747	\$ 13,742,610	\$ 6,042,738
Changes of assumptions	7,443,922	-	189,219	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	5,221,329	11,397,062	3,579,908	7,342,591
Total Deferred Amounts Related to Pensions	\$ 17,573,444	\$ 14,680,809	\$ 17,511,737	\$ 13,385,329

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:

	Police Pension Plan	Firefighters' Pension Plan
Year Ending December 31,	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources
2018	\$ 1,013,679	\$ 732,981
2019	1,013,678	732,979
2020	(1,596,984)	(1,056,972)
2021	(1,506,559)	(916,099)
2022	1,511,082	1,005,583
Thereafter	2,457,739	3,627,936
Total	\$ 2,892,635	\$ 4,126,408

Investment Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 13.80% and 13.16% 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, 2017

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, 2017 are levied for the 2018 tax levy and will be collected during the fiscal year ending December 31, 2019.

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	\$ 33,092,185	\$ 11,129,755	\$ 25,675,163
Police Pension Plan	175,805,796	17,573,444	14,680,809
Firefighters' Pension Plan	147,036,008	17,511,737	13,385,329
Total	\$ 355,933,989	\$ 46,214,936	\$ 53,741,301
 <i>Amounts Reported in the Government-Wide Financial Statements</i>			
Governmental Activities	\$ 342,868,323	\$ 41,876,131	\$ 44,119,579
Business-Type Activities	10,087,368	3,337,127	7,310,957
Component Unit - Library	2,978,298	1,001,678	2,310,765
Total	\$ 355,933,989	\$ 46,214,936	\$ 53,741,301

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, 2017

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 2017, the City contributed \$8,314,537 to the plan, total retiree contributions were \$574,126.

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	\$ 24,947,137
Interest on Net OPEB Obligation	5,412,890
Adjustment to Annual Required Contribution	(4,506,822)
Annual OPEB Cost	25,853,205
Contributions Made	(8,314,537)
Increase in Net OPEB Obligation	17,538,668
Net OPEB Obligation - Beginning of Year	135,322,244
Net OPEB Obligation - End of Year	<u>\$ 152,860,912</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 2017, 2016, and 2015 was as follows:

	Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
RHLIP Plan:	12/31/2017	\$ 25,853,205	32.2%	\$152,860,912
	12/31/2016	24,571,372	32.3%	135,322,244
	12/31/2015	20,307,649	38.1%	118,694,122

The total net OPEB obligation of \$152,860,912 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, 2017

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, 2017

10. Commitments and Contingencies

Fund Commitments

The City has entered into contracts totaling approximately \$64.4 million for projects to be paid from the loan proceeds from the Water and Sewer Fund; as of December 31, 2017, about \$21.9 million had been paid leaving remaining commitments at \$42.5 million. Additionally, the City had entered into contracts totaling approximately \$10.9 million for the ongoing multi-modal project to be paid from the Grants and Special Revenue Fund; as of December 31, 2017, about \$10.4 million had been paid leaving remaining commitments at \$0.5 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, 2017 is as follows:

	Balance 12/31/2016	Additions	Reductions	Balance 12/31/2017	Amount Due Within One Year
Governmental Activities	\$ 22,721,874	\$ 10,637,504	\$ 11,360,937	\$ 21,998,441	\$ 10,999,221
Business-Type Activities:					
Water and Sewer Fund	2,049,114	803,610	1,024,557	1,828,167	914,083
Sewer Fund					
Parking Fund	108,416	47,542	54,208	101,750	50,875
Total Business-Type	<u>2,157,530</u>	<u>851,152</u>	<u>1,078,765</u>	<u>1,929,917</u>	<u>964,958</u>
Total Liability	<u>\$ 24,879,404</u>	<u>\$ 11,488,656</u>	<u>\$ 12,439,702</u>	<u>\$ 23,928,358</u>	<u>\$ 11,964,179</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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 (12,000,000 for auto liability) 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 \$240,000 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 \$8,282,989 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 \$3,644,989. The claims are typically paid by the General Fund.

The liability for health claims of \$1,202,200 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, 2017

12. Risk Management

Changes in the claims liability amounts in the fiscal years ended December 31, 2017 and 2016 were as follows:

	Workers'		
	Compensation, Unemployment, General Liability	Health Claims	Total
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	6,687,409	1,637,200	8,324,609
Incurred Claims	3,366,683	21,970,100	25,336,783
Change in Estimates	1,595,580	-	1,595,580
Claim Payments	(3,366,683)	(22,405,100)	(25,771,783)
Claims Liability, December 31, 2017	<u>\$ 8,282,989</u>	<u>\$ 1,202,200</u>	<u>\$ 9,485,189</u>

13. Long-Term Debt

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

	Balance December 31, 2016	Debt Issued	Debt Retired	Balance December 31, 2017	Amounts Due Within One Year
<u>Primary Government</u>					
Governmental Activities:					
General Obligation Bonds	\$ 7,940,000	\$ -	(\$ 1,400,000)	\$ 6,540,000	\$ 1,445,000
Premium on Bonds	238,619	-	(75,176)	163,443	-
Total Governmental Activities	<u>8,178,619</u>	<u>-</u>	<u>(1,475,176)</u>	<u>6,703,443</u>	<u>1,445,000</u>
Business-Type Activities:					
Waterworks and Sewerage					
Revenue Bonds	22,160,000	-	(5,215,000)	16,945,000	5,575,000
Premium on Bonds	408,403	-	(199,432)	208,971	-
Total Revenue Bonds	<u>22,568,403</u>	<u>-</u>	<u>(5,414,432)</u>	<u>17,153,971</u>	<u>5,575,000</u>
IEPA Loans Payable	<u>53,744,150</u>	<u>29,172,246</u>	<u>(2,322,763)</u>	<u>80,593,633</u>	<u>2,767,822</u>
Total Business-Type Activities	<u>76,312,553</u>	<u>29,172,246</u>	<u>(7,737,195)</u>	<u>97,747,604</u>	<u>8,342,822</u>
Total Primary Government	<u>\$ 84,491,172</u>	<u>\$ 29,172,246</u>	<u>(\$ 9,212,371)</u>	<u>\$ 104,451,047</u>	<u>\$ 9,787,822</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

13. Long-Term Debt

Annual debt service payments required to service outstanding bonds at December 31, 2017 are as follows:

Governmental Activities:

General Obligation Bonds:

Years Ending December 31,	Interest	Principal	Total
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>\$ 567,463</u>	<u>\$ 6,540,000</u>	<u>\$ 7,107,463</u>

Business-Type Activities:

Revenue Bonds:

Years Ending December 31,	Interest	Principal	Total
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	83,850	2,010,000	2,093,850
2023-2024	48,450	1,790,000	1,838,450
	<u>\$ 1,249,525</u>	<u>\$ 16,945,000</u>	<u>\$ 18,194,525</u>

General Obligation Bonds Payable

General obligation bonds outstanding at December 31, 2017 are summarized as follows:

	Series	Interest Rates	Dated	Principal
General Obligation Refunding Issue	2014C	3.00%	12/18/2014	\$ 1,445,000
Refunding Issue	2014D	2.00 - 3.00%	12/18/2014	1,060,000
Refunding Issue	2015A	2.00 - 4.00%	6/23/2015	4,035,000
				<u>\$ 6,540,000</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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, 2017 are summarized as follows:

	<u>Series</u>	<u>Interest Rates</u>	<u>Dated</u>	<u>Principal</u>
Revenue Bond	2010	2.00 - 5.00%	11/17/2010	\$ 2,375,000
Revenue Bond	2011	4.00%	12/20/2011	5,580,000
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
				<u>\$ 16,945,000</u>

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, 2017

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%.

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 the 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, 2017 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%	\$ 1,150,827	Repayment
L17-3148	1.250%	10,047,898	Repayment
L17-4705	1.995%	23,589,699	Repayment
L17-4750	1.995%	6,952,816	Repayment
L17-5070	1.995%	11,776,078	Repayment
L17-4706	1.750%	12,438,722	Drawdown
L17-5412	1.750%	5,683,981	Drawdown
L17-5403	1.750%	3,514,917	Drawdown
L17-5427	1.640%	5,438,695	Drawdown
		\$ 80,593,633	

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

13. Long-Term Debt

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.

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 in the amount of \$24,620,917 to provide funds to improve the wastewater system. The loan is dated September 30, 2014 and is due in semi-annual installments of \$765,573, which includes interest of 1.995%. The final payment is due June 23, 2036.

IEPA Loan - L17-4750, issued in the amount of \$7,090,832 to provide funds for the U.S. Route 6 sanitary sewer improvements project. The loan is dated September 30, 2014 and is due in semi-annual installments of \$220,732, which includes interest of 1.995%. The final payment is due July 7, 2036.

IEPA Loan - L17-5070, issued to in the amount of \$12,273,629 to provide funds to improve the East-side Wastewater Treatment Plant. The loan is dated September 30, 2014 and is due in semi-annual installments of \$382,177, which includes interest of 1.995%. The final payment is due June 23, 2036.

IEPA Loan - L17-4706, issued to provide funds for the wet weather pumping station improvements project. The loan is dated May 3, 2017. The loan is anticipated to total \$38,343,819 to be repaid by the City over a twenty-year period with interest at 1.75%. The City had drawn a total of \$12,438,722 through December 31, 2017. The final loan amount and repayment schedule were not available at the time of this report.

IEPA Loan - L17-5412, issued to provide funds for wastewater treatment plant improvements. The loan is dated May 3, 2017. The loan is anticipated to total \$19,315,055 to be repaid by the City over a twenty-year period with interest at 1.75%. The City had drawn a total of \$5,683,981 through December 31, 2017. The final loan amount and repayment schedule were not available at the time of this report.

IEPA Loan - L17-5403, issued to provide funds for the sewer main rehabilitation project. The loan is dated May 1, 2017. The loan is anticipated to total \$6,867,675 to be repaid by the City over a twenty-year period with interest at 1.75%. The City had drawn a total of \$3,514,917 through December 31, 2017. The final loan amount and repayment schedule were not available at the time of this report.

IEPA Loan - L17-5427, issued to provide funds for the watermain rehabilitation project. The loan is dated May 3, 2017. The loan is anticipated to total \$7,469,476 to be repaid by the City over a twenty-year period with interest at 1.64%. The City had drawn a total of \$5,438,695 through December 31, 2017. The final loan amount and repayment schedule were not available at the time of this report.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

13. Long-Term Debt

Annual debt service payments required to service the outstanding IEPA Loans with determined payment schedules (L17-4445, L17-3148, L17-4705, L17-4750, and L17-5070) at December 31, 2017 are as follows:

Business-Type Activities:

IEPA Loans:

Years Ending December 31,	Interest	Principal	Total
2018	\$ 972,731	\$ 2,566,351	\$ 3,539,082
2019	926,265	2,612,818	3,539,083
2020	878,930	2,660,152	3,539,082
2021	830,711	2,708,372	3,539,083
2022	781,587	2,757,495	3,539,082
2023-2027	3,138,267	14,557,148	17,695,415
2028-2032	1,764,438	15,887,461	17,651,899
2033-2036	390,129	9,767,521	10,157,650
	<u>\$ 9,683,058</u>	<u>\$ 53,517,318</u>	<u>\$ 63,200,376</u>

The City is scheduled to repay \$201,471 of principal in 2018 on the loans that are still in the drawdown phase; when combined with the 2018 principal amount in the schedule above, the total "current" portion of the loans payable has been reported as \$2,767,822.

Deferred Amount on Refunding

The City has reported a deferred amount on refunding of debt related to the debt defeasances of \$87,361 as deferred outflows of resources in the business-type activities in the Statement of Net Position.

14. Inter-Entity Transactions

The City's expenses for the year ended December 31, 2017 include a total of \$279,758 paid to the Joliet Area Historical Museum and \$500,000 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 \$687,708 from the Joliet Public Library during the year for reimbursement of Library employee pension costs.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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, 2017 are as follows:

	Combined Water and Sewer Usage Cubic Feet	Total Water and Sewer Revenues
Village of Shorewood	44,608,900	\$ 1,981,908
P Q Corporation	37,744,860	1,815,651
Ecolab, Inc.	22,222,923	1,537,672
Joliet Housing Authority	17,198,803	714,403
Village of Rockdale	8,912,793	626,687
St. Joseph Medical Center	7,745,448	307,464
Will County Government	5,819,928	458,155
Village of Channahon	4,472,983	159,041
Larkin Village Apartments	4,184,067	129,781
East Joliet Sanitary District	4,145,400	154,838
Total Ten Largest System Users	157,056,105	\$ 7,885,599
Total System Users	1,142,758,385	\$ 45,762,358
Ten Largest as a Percentage of Total System Users	13.74%	17.23%

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

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		
Fund Balances:					
<i>Nonspendable for:</i>					
Inventory	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
<i>Restricted for:</i>					
Road Projects	-	-	9,479,949	5,227,879	14,707,828
Multi-Modal Transportation Center	-	-	-	710,685	710,685
Public Safety	-	-	-	1,604,919	1,604,919
Tax Increment Financing Projects	-	-	-	183,676	183,676
Debt Service	-	-	-	513,459	513,459
Community Development Projects	-	-	-	185,402	185,402
Total Restricted	<u>-</u>	<u>-</u>	<u>9,479,949</u>	<u>8,426,020</u>	<u>17,905,969</u>
<i>Assigned to:</i>					
Budgetary Shortfall	5,028,826	-	-	-	5,028,826
Evergreen Terrace Deficit	6,305,452	-	-	-	6,305,452
Road Projects	-	-	-	222	222
Tax Increment Financing Projects	-	-	-	18,540	18,540
Capital Projects	-	-	-	3,317,411	3,317,411
Total Assigned	<u>11,334,278</u>	<u>-</u>	<u>-</u>	<u>3,336,173</u>	<u>14,670,451</u>
<i>Unassigned</i>	<u>44,529,030</u>	<u>(6,305,452)</u>	<u>-</u>	<u>(242,708)</u>	<u>37,980,870</u>
Total Fund Balances	<u>\$ 55,863,308</u>	<u>(\$ 6,305,452)</u>	<u>\$ 9,479,949</u>	<u>\$ 11,539,485</u>	<u>\$ 70,577,290</u>

As of December 31, 2017, the Evergreen Terrace II Fund and the Block Grant Fund had deficit fund balances of \$6,305,452 and \$242,708, 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 of Component Unit

Beginning net position of the Joliet Public Library was decreased by \$141,633 to correct an error in recognition of general capital assets.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2017

17. Recently Issued Accounting Standard Not Yet Adopted

A future area of focus for the City will be the implementation of the new Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75, which was issued in June 2015, will be effective for the City's financial statements for the fiscal year ending December 31, 2018. The primary objective of Statement 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

The effect on the City will be related to liabilities and disclosures for the City's OPEB Plan. Statement 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Actuarial valuations of the total OPEB liability are required to be performed at least every two years.

The following sections of the City's comprehensive annual financial report will be affected: management's discussion and analysis, the basic financial statements, notes to the basic financial statements, required supplementary information, and the statistical section.

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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 Four Calendar Years

	Regular Plan			
	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 3,423,970	\$ 3,687,773	\$ 3,462,247	\$ 3,752,266
Interest	18,103,466	17,731,524	16,879,641	15,727,556
Differences Between Expected and Actual Experience	2,861,853	(3,592,731)	3,010,012	284,326
Changes of Assumptions	(7,842,025)	(1,828,304)	305,128	7,693,624
Benefit Payments, Including Refunds of Plan Member Contributions	(13,279,611)	(12,347,896)	(11,682,532)	(10,884,098)
Net Change in Total Pension Liability	3,267,653	3,650,366	11,974,496	16,573,674
Total Pension Liability - Beginning	246,307,365	242,656,999	230,682,503	214,108,829
Total Pension Liability - Ending (A)	<u>\$ 249,575,018</u>	<u>\$ 246,307,365</u>	<u>\$ 242,656,999</u>	<u>\$ 230,682,503</u>
Plan Fiduciary Net Position				
Contributions from Employer	\$ 6,082,556	\$ 6,803,057	\$ 6,296,473	\$ 5,854,220
Contributions from Plan Members	1,566,625	1,511,711	1,554,476	1,474,346
Pension Plan Net Investment Income	34,343,478	12,526,627	889,033	10,499,423
Benefit Payments, Including Refunds of Plan Member Contributions	(13,279,611)	(12,347,896)	(11,682,532)	(10,884,098)
Other Changes	(3,435,778)	111,738	5,820,479	(1,120,954)
Net Change in Plan Fiduciary Net Position	25,277,270	8,605,237	2,877,929	5,822,937
Plan Fiduciary Net Position - Beginning	191,205,563	182,600,326	179,722,397	173,899,460
Plan Fiduciary Net Position - Ending (B)	<u>\$ 216,482,833</u>	<u>\$ 191,205,563</u>	<u>\$ 182,600,326</u>	<u>\$ 179,722,397</u>
Net Pension Liability(Asset) - Ending (A) - (B)	<u>\$ 33,092,185</u>	<u>\$ 55,101,802</u>	<u>\$ 60,056,673</u>	<u>\$ 50,960,106</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.74%	77.63%	75.25%	77.91%
Covered-Employee Payroll	33,339,400	32,634,810	33,256,589	30,754,363
Net Pension Liability as a Percentage of Covered-Employee Payroll	99.26%	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)			
2017	2016	2015	2014	2017	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
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,013</u>	<u>\$ 126,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,694</u>	<u>\$ 152,547</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	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
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,031</u>	<u>\$ 121,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,717</u>	<u>\$ 145,461</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 18)</u>	<u>\$ 5,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 23)</u>	<u>\$ 7,086</u>
N/A	N/A	100.02%	95.91%	N/A	N/A	100.02%	95.35%
-	-	-	-	-	-	-	-
N/A	N/A	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 Four Calendar Years

	Police Pension			
	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 9,386,524	\$ 8,813,638	\$ 8,669,493	\$ 8,494,903
Interest	23,283,519	23,486,380	22,362,935	21,353,658
Differences Between Expected and Actual Experience	5,686,038	(2,016,850)	(3,044,027)	-
Changes of Assumptions	8,623,625	-	-	-
Benefit Payments, Including Refunds of Plan Member Contributions	(13,363,228)	(12,876,051)	(12,167,696)	(11,424,994)
Net Change in Total Pension Liability	33,616,478	17,407,117	15,820,705	18,423,567
Total Pension Liability - Beginning	364,889,602	347,482,485	331,661,780	313,238,213
Total Pension Liability - Ending (A)	<u>\$ 398,506,080</u>	<u>\$ 364,889,602</u>	<u>\$ 347,482,485</u>	<u>\$ 331,661,780</u>
 Plan Fiduciary Net Position				
Contributions from Employer	\$ 14,779,880	\$ 14,559,331	\$ 13,884,298	\$ 13,610,557
Contributions from Plan Members	2,868,155	2,763,589	3,160,099	3,216,045
Pension Plan Net Investment Income	26,522,448	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	(13,363,228)	(12,876,051)	(12,167,696)	(11,424,994)
Pension Plan Administrative Expense	(89,316)	(61,794)	(79,676)	(97,033)
Net Change in Plan Fiduciary Net Position	30,717,939	16,839,295	3,494,274	12,506,917
Plan Fiduciary Net Position - Beginning	191,982,345	175,143,050	171,648,776	159,141,859
Plan Fiduciary Net Position - Ending (B)	<u>\$ 222,700,284</u>	<u>\$ 191,982,345</u>	<u>\$ 175,143,050</u>	<u>\$ 171,648,776</u>
 Net Pension Liability - Ending (A) - (B)	<u>\$ 175,805,796</u>	<u>\$ 172,907,257</u>	<u>\$ 172,339,435</u>	<u>\$ 160,013,004</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.88%	52.61%	50.40%	51.75%
 Covered-Employee Payroll	28,433,521	27,538,519	28,477,526	26,103,068
 Net Pension Liability as a Percentage of Covered-Employee Payroll	618.30%	627.87%	605.18%	613.00%

Notes to Schedule:

Changes of assumptions

The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed to 3.44% for the current year. The discount rate used in the determination of the Total Pension Liability was changed from 6.75% to 6.50%. The demographic assumptions were changed for Mortality Rates, Retirement Rates, Disability Rates, and Termination Rates.

The information is based on the actuarial valuation reports from Lauterbach & Amen, LLP.

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

2017	2016	2015	2014
\$ 8,014,727	\$ 7,525,565	\$ 7,425,956	\$ 7,331,123
17,123,847	17,333,665	16,604,938	16,055,080
15,731,411	(3,393,450)	(5,803,238)	-
216,603	-	-	-
(11,040,814)	(10,163,038)	(9,726,302)	(9,343,434)
30,045,774	11,302,742	8,501,354	14,042,769
268,964,210	257,661,468	249,160,114	235,117,345
<u>\$ 299,009,984</u>	<u>\$ 268,964,210</u>	<u>\$ 257,661,468</u>	<u>\$ 249,160,114</u>
\$ 12,413,523	\$ 12,332,156	\$ 12,021,687	\$ 12,098,687
2,085,635	2,170,300	2,215,794	2,067,693
17,294,618	8,825,529	(1,051,514)	4,515,726
-	13,623	725	-
(11,040,814)	(10,163,038)	(9,726,302)	(9,343,434)
(88,613)	(82,021)	(77,628)	(80,858)
20,664,349	13,096,549	3,382,762	9,257,814
131,309,627	118,213,078	114,830,316	105,572,502
<u>\$ 151,973,976</u>	<u>\$ 131,309,627</u>	<u>\$ 118,213,078</u>	<u>\$ 114,830,316</u>
<u>\$ 147,036,008</u>	<u>\$ 137,654,583</u>	<u>\$ 139,448,390</u>	<u>\$ 134,329,798</u>
50.83%	48.82%	45.88%	46.09%
23,367,482	22,631,944	23,496,032	21,699,631
629.23%	608.23%	593.50%	619.04%

CITY OF JOLIET, ILLINOIS

Required Supplementary Information

Schedules of Employer Contributions

Illinois Municipal Retirement Fund

Last Four 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
2017	\$ 5,721,041	\$ 6,082,556	(\$ 361,515)	\$ 33,339,400	18.24%
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
2017	\$ -	\$ -	\$ -	\$ -	N/A
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
2017	\$ -	\$ -	\$ -	\$ -	N/A
2016	-	-	-	-	N/A
2015	-	-	-	-	N/A
2014	-	-	-	-	N/A

Notes to Schedule:

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 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 2017 Contribution Rates:

Actuarial Cost Method: Aggregate Entry Age Normal.

Amortization Method: Level Percentage of Payroll, Closed.

Remaining Amortization Period: 26-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, 2015 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 Four 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
2017	\$ 15,484,796	\$ 14,779,880	\$ 704,916	\$ 28,433,521	51.98%
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
2017	\$ 13,475,544	\$ 12,413,523	\$ 1,062,021	\$ 23,367,482	53.12%
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, 2017.
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:	Level Percentage of Pay (from January 1, 2016).
Remaining Amortization Period:	27 Years.
Asset Valuation Method:	5-Year Smoothed Market (Fair) Value.
Inflation:	2.50%.
Salary Increases:	Police 4.00% - 36.18%; Firefighters' 4.00% - 30.96%
Projected Increase in Total Payroll:	Police 3.25%; Firefighters' 3.50%.
Investment Rate of Return:	6.50%.
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.
Mortality Table:	L&A 2016 Illinois Police/Firefighters Mortality Rates.
Retirement Rates:	L&A 2016 Illinois Police/Firefighters Rates Capped at age 65.
Disability and Termination Rates:	L&A 2016 Illinois Police/Firefighters Rates.
Percent Married:	80.00%.

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

The information is based on the actuarial valuation reports from Lauterbach & Amen, LLP.

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 Four 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>
2017	13.80%	13.16%
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, 2017

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenue				
Local Taxes:				
Property Taxes	\$ 33,678,450	\$ 33,865,500	\$ 34,010,809	\$ 145,309
Home Rule Sales Tax	24,860,000	23,900,000	24,815,548	915,548
Telecommunications Tax	3,540,000	3,310,000	3,189,163	(120,837)
Natural Gas Tax	780,000	950,000	967,641	17,641
Natural Gas Third Party Tax	430,000	430,000	425,604	(4,396)
Electricity Tax	2,935,000	2,910,000	2,840,559	(69,441)
Hotel/Motel Tax	2,500,000	2,600,000	2,462,156	(137,844)
Real Estate Transfer Tax	1,800,000	2,038,000	2,405,766	367,766
Titled/Registration Tax	150,000	160,000	152,133	(7,867)
Automobile Rental Tax	41,000	41,000	41,417	417
Food and Beverage Tax	2,970,000	3,000,000	3,077,891	77,891
Less Rebates	-	-	(18,263)	(18,263)
Food and Beverage Tax, Net	2,970,000	3,000,000	3,059,628	59,628
Gasoline Privilege Tax	600,000	680,000	672,389	(7,611)
Amusement Tax	110,000	105,000	115,480	10,480
Less Rebates	-	-	(115,480)	(115,480)
Amusement Tax, Net	110,000	105,000	-	(105,000)
Telephone Franchise Tax	82,000	82,000	75,062	(6,938)
Cable Franchise Tax	1,920,000	2,000,000	1,981,265	(18,735)
Payments in Lieu of Taxes	82,000	141,700	141,658	(42)
State Shared Revenues:				
State Sales Tax	21,850,000	21,850,000	22,238,236	388,236
Less Rebates	(650,000)	(924,000)	(684,741)	239,259
State Sales Tax, Net	21,200,000	20,926,000	21,553,495	627,495
Income Taxes	14,700,000	14,000,000	13,552,231	(447,769)
Replacement Taxes	2,500,000	2,663,038	2,703,253	40,215
Out of State Use Tax	3,500,000	3,650,000	3,859,344	209,344
Pari-Mutuel Tax	105,000	105,000	111,870	6,870
Gaming Wagering Tax	15,400,000	15,000,000	15,311,293	311,293
Gaming Admissions Tax	2,520,000	2,415,000	2,455,899	40,899
Video Gaming Tax	613,000	700,000	726,243	26,243
Federal Grants	140,220	3,546,421	242,096	(3,304,325)
State Grants	11,694	1,986,950	28,708	(1,958,242)
State Reimbursements	219,700	917,835	523,601	(394,234)
Charges for Services	9,170,000	9,348,000	9,274,672	(73,328)
Municipal Waste Fees	13,585,259	13,801,630	13,435,066	(366,564)
Licenses	463,000	450,100	556,369	106,269
Permits	1,800,000	2,430,000	2,496,012	66,012
Rentals	290,000	290,000	264,520	(25,480)
Fees	345,000	351,700	369,772	18,072
Fines	1,590,000	1,875,000	1,620,932	(254,068)

(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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Interest Earnings	\$ 20,000	\$ 75,000	\$ 144,374	\$ 69,374
Miscellaneous	<u>2,406,200</u>	<u>2,695,830</u>	<u>1,570,929</u>	<u>(1,124,901)</u>
 Total Revenue	 <u>167,057,523</u>	 <u>173,440,704</u>	 <u>168,041,477</u>	 <u>(5,399,227)</u>
Expenditures				
Personnel Services	79,892,223	78,324,897	78,397,342	(72,445)
Personnel Benefits	60,041,372	60,028,654	55,887,290	4,141,364
Other Employee Costs	462,393	475,223	416,962	58,261
Professional Services	4,792,321	5,282,384	4,627,810	654,574
Property Services	19,135,257	19,238,557	18,289,310	949,247
Other Services	1,297,605	1,345,123	1,126,521	218,602
Supplies	8,445,891	8,441,248	7,301,883	1,139,365
Other Expenditures	<u>2,361,050</u>	<u>1,946,675</u>	<u>1,636,290</u>	<u>310,385</u>
 Total Expenditures	 <u>176,428,112</u>	 <u>175,082,761</u>	 <u>167,683,408</u>	 <u>7,399,353</u>
 Revenue (Under) Expenditures	 (9,370,589)	 (1,642,057)	 358,069	 2,000,126
 Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	1,000	250	(750)
Transfers In	4,725,000	4,725,000	5,569,830	844,830
Transfers Out	<u>(3,051,980)</u>	<u>(4,700,000)</u>	<u>(4,700,000)</u>	<u>-</u>
 Total Other Financing Sources (Uses)	 <u>1,683,020</u>	 <u>26,000</u>	 <u>870,080</u>	 <u>844,080</u>
 Net Change in Fund Balance	 <u>(\$ 7,687,569)</u>	 <u>(\$ 1,616,057)</u>	 1,228,149	 <u>\$ 2,844,206</u>
 Fund Balance, Beginning of Year			 <u>54,635,159</u>	
 Fund Balance, End of Year			 <u>\$ 55,863,308</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, 2017

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
General Government				
Professional Services	90,000	150,000	118,653	31,347
Property Services	-	-	825	(825)
Total Expenditures	90,000	150,000	119,478	30,522
Revenue Over (Under) Expenditures	(90,000)	(150,000)	(119,478)	30,522
Other Financing Sources (Uses)				
Transfers In	90,000	3,633,351	3,633,351	-
Transfers Out	-	(3,311,921)	(3,311,921)	-
Total Other Financing Sources (Uses)	90,000	321,430	321,430	-
Special Item				
Purchase of Evergreen Terrace Property	-	-	(3,604,798)	3,604,798
Net Change in Fund Balance	\$ -	\$ 171,430	(3,402,846)	(\$ 3,574,276)
Fund Balance (Deficit), Beginning of Year			(2,902,606)	
Fund Balance (Deficit), End of Year			(\$ 6,305,452)	

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, 2017

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
State Shared Revenue Allotments	\$ 3,700,000	\$ 3,700,000	\$ 4,023,903	\$ 323,903
Federal Grants	-	55,000	60,568	5,568
Interest	10,000	30,000	46,311	16,311
Total Revenue	3,710,000	3,785,000	4,130,782	345,782
Expenditures				
Public Works				
Property and Projects	7,006,338	4,143,816	3,177,649	966,167
Total Expenditures	7,006,338	4,143,816	3,177,649	966,167
Net Change in Fund Balance	(\$ 3,296,338)	(\$ 358,816)	953,133	\$ 1,311,949
Fund Balance, Beginning of Year			8,526,816	
Fund Balance, End of Year			\$ 9,479,949	

CITY OF JOLIET, ILLINOIS

Notes to Required Supplementary Information
December 31, 2017

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, 2017, the Evergreen Terrace II Fund had deficit fund balance of \$6,305,452. 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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Mayor and Council Department				
Mayor's Office				
Personnel Services	\$ 106,230	\$ 102,986	\$ 99,495	\$ 3,491
Personnel Benefits	15,655	22,400	22,359	41
Other Employee Costs	20,720	7,575	7,346	229
Other Services	2,000	2,900	2,409	491
Supplies	1,800	1,800	903	897
Other Expenditures	750	2,000	1,491	509
Total	<u>147,155</u>	<u>139,661</u>	<u>134,003</u>	<u>5,658</u>
City Council				
Personnel Services	152,000	167,600	150,449	17,151
Personnel Benefits	18,086	18,086	16,584	1,502
Other Employee Costs	450	450	700 (	250)
Other Services	10,500	10,500	5,330	5,170
Supplies	700	900	289	611
Total	<u>181,736</u>	<u>197,536</u>	<u>173,352</u>	<u>24,184</u>
Liquor Commission				
Personnel Services	45,153	62,200	63,375 (	1,175)
Personnel Benefits	5,580	5,600	7,223 (	1,623)
Other Employee Costs	300	300	-	300
Professional Services	1,350	1,350	500	850
Other Services	1,150	1,150	1,391 (	241)
Supplies	400	400	-	400
Total	<u>53,933</u>	<u>71,000</u>	<u>72,489 (</u>	<u>1,489)</u>
Total Mayor and Council Department	<u>382,824</u>	<u>408,197</u>	<u>379,844</u>	<u>28,353</u>
Department of the City Manager				
City Manager's Office				
Personnel Services	405,429	286,000	302,492 (	16,492)
Personnel Benefits	69,571	53,000	58,848 (	5,848)
Other Employee Costs	60,500	99,500	99,660 (	160)
Professional Services	165,000	195,000	165,292	29,708
Property Services	1,000	1,000	-	1,000
Other Services	112,800	111,900	135,683 (	23,783)
Supplies	7,090	7,090	28,134 (	21,044)
Other Expenditures	230,000	230,000	168,492	61,508
Total	<u>1,051,390</u>	<u>983,490</u>	<u>958,601</u>	<u>24,889</u>
Total Department of the City Manager	<u>1,051,390</u>	<u>983,490</u>	<u>958,601</u>	<u>24,889</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Department of the City Clerk				
City Clerk				
Personnel Services	\$ 352,255	\$ 396,958	\$ 387,192	\$ 9,766
Personnel Benefits	57,852	57,852	69,316	(11,464)
Other Employee Costs	6,700	6,700	1,978	4,722
Professional Services	61,000	61,000	37,103	23,897
Property Services	15,500	15,500	5,906	9,594
Other Services	7,750	8,950	8,378	572
Supplies	34,500	24,500	24,676	(176)
Total	<u>535,557</u>	<u>571,460</u>	<u>534,549</u>	<u>36,911</u>
Front Desk				
Personnel Services	101,031	119,956	122,146	(2,190)
Personnel Benefits	17,337	17,337	21,616	(4,279)
Other Employee Costs	1,100	1,100	-	1,100
Professional Services	15,000	15,010	284	14,726
Property Services	-	4,000	1,785	2,215
Other Services	1,400	1,400	-	1,400
Supplies	7,500	7,500	837	6,663
Total	<u>143,368</u>	<u>166,303</u>	<u>146,668</u>	<u>19,635</u>
Total Department of the City Clerk	<u>678,925</u>	<u>737,763</u>	<u>681,217</u>	<u>56,546</u>
Department of Administrative Services				
Human Resources				
Personnel Services	2,086,000	1,901,000	1,899,399	1,601
Personnel Benefits	26,223,195	26,281,875	22,486,020	3,795,855
Other Employee Costs	8,400	5,400	3,020	2,380
Professional Services	365,000	400,000	356,958	43,042
Property Services	2,300	2,300	1,722	578
Other Services	532,360	533,660	454,294	79,366
Supplies	3,100	3,100	2,317	783
Total	<u>29,220,355</u>	<u>29,127,335</u>	<u>25,203,730</u>	<u>3,923,605</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Buildings and Grounds				
Personnel Services	\$ 677,918	\$ 677,918	\$ 671,055	\$ 6,863
Personnel Benefits	116,330	116,330	115,552	778
Other Employee Costs	50	50	30	20
Professional Services	170,000	170,000	143,753	26,247
Property Services	361,000	368,000	314,225	53,775
Other Services	1,900	1,900	767	1,133
Supplies	109,000	109,500	94,173	15,327
Other Expenditures	-	-	15,898	(15,898)
Total	1,436,198	1,443,698	1,355,453	88,245
Fleet Services				
Personnel Services	2,159,385	2,157,385	2,072,760	84,625
Personnel Benefits	370,550	370,550	362,599	7,951
Other Employee Costs	20,850	20,204	16,507	3,697
Professional Services	10,000	11,000	11,393	(393)
Property Services	1,490,000	1,510,000	1,512,493	(2,493)
Other Services	12,225	10,125	7,297	2,828
Supplies	1,655,450	1,663,150	1,502,409	160,741
Total	5,718,460	5,742,414	5,485,458	256,956
 Total Department of Administrative Services	 36,375,013	 36,313,447	 32,044,641	 4,268,806
 Department of Community and Economic Development				
Administration				
Personnel Services	198,151	199,955	200,665	(710)
Personnel Benefits	34,002	34,002	34,440	(438)
Other Employee Costs	22,500	22,644	38,166	(15,522)
Professional Services	58,000	58,000	356	57,644
Other Services	2,200	2,200	2,981	(781)
Supplies	-	500	-	500
Other Expenditures	1,246,200	1,120,500	994,355	126,145
Total	1,561,053	1,437,801	1,270,963	166,838

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Planning				
Personnel Services	\$ 391,645	\$ 392,476	\$ 351,866	\$ 40,610
Personnel Benefits	61,852	38,032	58,698	(20,666)
Other Employee Costs	10,900	10,900	3,795	7,105
Professional Services	175,000	175,000	64,783	110,217
Property Services	115,000	115,000	102,473	12,527
Other Services	25,500	25,500	10,678	14,822
Supplies	2,200	2,200	1,143	1,057
Other Expenditures	6,500	6,500	3,091	3,409
Total	<u>788,597</u>	<u>765,608</u>	<u>596,527</u>	<u>169,081</u>
Neighborhood Services				
Personnel Services	1,230,743	1,230,743	1,216,997	13,746
Personnel Benefits	211,194	211,194	220,651	(9,457)
Other Employee Costs	4,775	4,775	1,605	3,170
Professional Services	299,000	299,000	223,685	75,315
Property Services	151,280	151,280	112,718	38,562
Other Services	35,000	35,408	21,591	13,817
Supplies	13,323	13,860	3,184	10,676
Total	<u>1,945,315</u>	<u>1,946,260</u>	<u>1,800,431</u>	<u>145,829</u>
Inspections				
Personnel Services	842,489	842,723	838,154	4,569
Personnel Benefits	144,570	144,570	154,762	(10,192)
Other Employee Costs	3,000	3,000	2,412	588
Professional Services	76,600	76,600	49,608	26,992
Other Services	13,290	13,290	11,365	1,925
Supplies	6,000	6,000	8,390	(2,390)
Total	<u>1,085,949</u>	<u>1,086,183</u>	<u>1,064,691</u>	<u>21,492</u>
Total Department of Community and Economic Development	<u>5,380,914</u>	<u>5,235,852</u>	<u>4,732,612</u>	<u>503,240</u>
Department of Finance				
Administration				
Personnel Services	198,221	193,030	202,632	(9,602)
Personnel Benefits	1,491,014	1,293,000	865,084	427,916
Other Employee Costs	1,600	1,900	1,672	228
Professional Services	120,000	105,000	98,552	6,448
Other Services	2,420	2,520	2,616	(96)
Supplies	400	400	42	358
Other Expenditures	315,000	325,350	324,972	378
Total	<u>2,128,655</u>	<u>1,921,200</u>	<u>1,495,570</u>	<u>425,630</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Customer Service				
Personnel Services	\$ 68,778	\$ 73,844	\$ 63,642	\$ 10,202
Other Employee Costs	850	400	66	334
Professional Services	4,500	8,750	8,951	(201)
Property Services	660	600	-	600
Other Services	2,920	2,920	3,121	(201)
Supplies	4,000	7,000	9,497	(2,497)
Total	<u>81,708</u>	<u>93,514</u>	<u>85,277</u>	<u>8,237</u>
Accounting				
Personnel Services	290,668	290,020	289,958	62
Personnel Benefits	49,878	50,900	49,819	1,081
Other Employee Costs	11,500	11,200	6,672	4,528
Professional Services	495,000	519,000	400,408	118,592
Property Services	325,000	300,000	272,130	27,870
Other Services	10,950	10,950	7,554	3,396
Supplies	6,900	6,900	1,442	5,458
Total	<u>1,189,896</u>	<u>1,188,970</u>	<u>1,027,983</u>	<u>160,987</u>
Purchasing				
Personnel Services	238,046	238,046	225,215	12,831
Personnel Benefits	40,848	40,848	39,104	1,744
Other Employee Costs	1,770	1,770	1,390	380
Professional Services	3,750	3,820	4,520	(700)
Property Services	13,486,859	13,508,164	13,522,183	(14,019)
Other Services	1,025	1,175	1,937	(762)
Supplies	1,100	1,100	933	167
Total	<u>13,773,398</u>	<u>13,794,923</u>	<u>13,795,282</u>	<u>(359)</u>
Total Department of Finance	<u>17,173,657</u>	<u>16,998,607</u>	<u>16,404,112</u>	<u>594,495</u>
Technology Department				
Administration				
Personnel Services	147,658	147,658	145,190	2,468
Personnel Benefits	94,847	27,000	19,968	7,032
Other Employee Costs	19,500	19,500	12,946	6,554
Professional Services	45,300	610,300	641,588	(31,288)
Other Services	3,200	66,120	49,385	16,735
Supplies	8,000	8,000	6,611	1,389
Total	<u>318,505</u>	<u>878,578</u>	<u>875,688</u>	<u>2,890</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Applications				
Personnel Services	\$ 174,591	\$ 350,171	\$ 350,522	(\$ 351)
Personnel Benefits	-	60,000	60,225	(225)
Professional Services	250,000	5,475	255,526	(250,051)
Property Services	173,980	210,000	208,897	1,103
Supplies	293,600	300,600	31,095	269,505
Total	<u>892,171</u>	<u>926,246</u>	<u>906,265</u>	<u>19,981</u>
Infrastructure				
Personnel Services	230,480	95,792	95,150	642
Personnel Benefits	-	18,000	17,913	87
Professional Services	694,100	129,100	77,271	51,829
Property Services	385,200	385,200	291,620	93,580
Other Services	111,725	112,850	96,871	15,979
Supplies	94,000	94,000	54,430	39,570
Total	<u>1,515,505</u>	<u>834,942</u>	<u>633,255</u>	<u>201,687</u>
Total Technology Department	<u>2,726,181</u>	<u>2,639,766</u>	<u>2,415,208</u>	<u>224,558</u>
Legal Department				
Personnel Services	398,065	429,514	423,599	5,915
Personnel Benefits	68,308	74,125	73,207	918
Other Employee Costs	2,750	2,750	1,430	1,320
Professional Services	750,000	1,710,000	1,532,420	177,580
Property Services	-	70,000	77,646	(7,646)
Other Services	4,270	4,970	5,544	(574)
Supplies	26,000	36,000	45,500	(9,500)
Other Expenditures	550,000	250,000	117,107	132,893
Total Legal Department	<u>1,799,393</u>	<u>2,577,359</u>	<u>2,276,453</u>	<u>300,906</u>
Police Department				
Police Pension				
Personnel Benefits	-	-	14,779,881	(14,779,881)
Total	<u>-</u>	<u>-</u>	<u>14,779,881</u>	<u>(14,779,881)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2017

	<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	\$ 37,370,848	\$ 36,067,000	\$ 36,077,908	(\$ 10,908)
Personnel Benefits	16,466,436	16,383,739	1,663,606	14,720,133
Other Employee Costs	193,378	192,298	170,369	21,929
Professional Services	283,521	283,465	248,346	35,119
Property Services	399,978	371,865	316,698	55,167
Other Services	204,295	152,010	146,316	5,694
Supplies	591,628	571,900	457,014	114,886
Other Expenditures	6,500	6,000	10,659	(4,659)
Total	<u>55,516,584</u>	<u>54,028,277</u>	<u>39,090,916</u>	<u>14,937,361</u>
Technical Services				
Professional Services	-	-	672	(672)
School Crossing Guards				
Personnel Services	319,320	270,000	263,092	6,908
Personnel Benefits	24,436	20,900	20,127	773
Total	<u>343,756</u>	<u>290,900</u>	<u>283,219</u>	<u>7,681</u>
Total Police Department	<u>55,860,340</u>	<u>54,319,177</u>	<u>54,154,688</u>	<u>164,489</u>
Fire Department				
Fire Pension				
Personnel Benefits	-	-	12,413,523	(12,413,523)
Administration				
Personnel Services	24,890,279	24,890,279	25,120,080	(229,801)
Personnel Benefits	12,791,565	12,806,565	427,017	12,379,548
Other Employee Costs	45,300	43,802	38,384	5,418
Professional Services	14,000	25,500	27,770	(2,270)
Property Services	178,500	178,500	131,837	46,663
Other Services	86,000	119,500	90,223	29,277
Supplies	357,700	355,200	344,463	10,737
Other Expenditures	-	225	225	-
Total	<u>38,363,344</u>	<u>38,419,571</u>	<u>26,179,999</u>	<u>12,239,572</u>
Operations				
Personnel Services	-	-	584	(584)
Professional Services	90,600	90,600	51,746	38,854
Other Services	40,000	40,000	-	40,000
Supplies	7,750	7,750	6,870	880
Total	<u>138,350</u>	<u>138,350</u>	<u>59,200</u>	<u>79,150</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2017

	<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	\$ 28,981	\$ 25,661	\$ 24,460	\$ 1,201
Personnel Benefits	2,217	5,759	6,070	(311)
Other Employee Costs	2,000	1,135	500	635
Property Services	16,500	14,298	14,298	-
Other Services	6,200	6,200	7,465	(1,265)
Supplies	4,200	2,500	-	2,500
Total	<u>60,098</u>	<u>55,553</u>	<u>52,793</u>	<u>2,760</u>
Paramedic Services				
Other Employee Costs	4,700	2,000	962	1,038
Professional Services	14,000	25,714	36,621	(10,907)
Property Services	298,000	298,000	233,535	64,465
Total	<u>316,700</u>	<u>325,714</u>	<u>271,118</u>	<u>54,596</u>
Total Fire Department	<u>38,878,492</u>	<u>38,939,188</u>	<u>38,976,633</u>	<u>(37,445)</u>
Public Works Department				
Public Works				
Property Services	-	-	51,274	(51,274)
Administration				
Personnel Services	258,968	258,968	262,765	(3,797)
Personnel Benefits	541,585	710,400	694,897	15,503
Other Employee Costs	1,300	1,300	507	793
Professional Services	200	200	-	200
Other Services	1,100	1,600	1,534	66
Supplies	400	4,000	-	4,000
Total	<u>803,553</u>	<u>976,468</u>	<u>959,703</u>	<u>16,765</u>
Engineering and Construction				
Personnel Services	1,407,103	1,366,000	1,355,628	10,372
Personnel Benefits	241,458	225,000	219,321	5,679
Other Employee Costs	5,750	4,750	2,141	2,609
Professional Services	532,900	205,000	129,550	75,450
Property Services	352,000	352,000	357,950	(5,950)
Other Services	20,100	20,100	19,316	784
Supplies	78,200	78,200	65,676	12,524
Other Expenditures	6,000	6,000	-	6,000
Total	<u>2,643,511</u>	<u>2,257,050</u>	<u>2,149,582</u>	<u>107,468</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule of Expenditures - Budget and Actual For the Year Ended December 31, 2017

	<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	\$ 345,225	\$ 340,014	\$ 338,286	\$ 1,728
Personnel Benefits	59,240	59,240	63,539	(4,299)
Other Employee Costs	5,300	3,300	626	2,674
Professional Services	35,000	35,000	29,704	5,296
Property Services	1,500	1,850	1,887	(37)
Other Services	6,075	6,075	6,048	27
Supplies	3,799,250	3,799,298	3,927,610	(128,312)
Total	<u>4,251,590</u>	<u>4,244,777</u>	<u>4,367,700</u>	<u>(122,923)</u>
Roadways				
Personnel Services	4,547,293	4,545,000	4,577,913	(32,913)
Personnel Benefits	766,589	825,000	789,819	35,181
Other Employee Costs	6,450	6,520	4,078	2,442
Professional Services	63,500	63,500	30,450	33,050
Property Services	1,286,000	1,286,000	679,662	606,338
Other Services	30,900	30,900	19,424	11,476
Supplies	1,271,100	1,276,300	637,030	639,270
Total	<u>7,971,832</u>	<u>8,033,220</u>	<u>6,738,376</u>	<u>1,294,844</u>
Bicentennial Park				
Personnel Services	229,270	206,000	204,673	1,327
Personnel Benefits	57,177	57,350	55,502	1,848
Property Services	95,000	95,000	78,371	16,629
Other Services	8,350	8,350	7,003	1,347
Supplies	60,600	51,600	47,215	4,385
Other Expenditures	100	100	-	100
Total	<u>450,497</u>	<u>418,400</u>	<u>392,764</u>	<u>25,636</u>
Total Public Works Department	<u>16,120,983</u>	<u>15,929,915</u>	<u>14,659,399</u>	<u>1,270,516</u>
Total General Fund	<u>\$ 176,428,112</u>	<u>\$ 175,082,761</u>	<u>\$ 167,683,408</u>	<u>\$ 7,399,353</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, 2017

	Special Revenue 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
ASSETS						
Cash	\$ -	\$ -	\$ 1,179,300	\$ 427,839	\$ 1,275,557	\$ -
Escrow Deposits	-	-	-	-	-	-
Investments	-	3,531,973	-	-	-	179,719
Receivables						
Property Taxes, Net of Allowance for Uncollectible Amounts	-	-	-	-	631,917	-
Intergovernmental	-	1,451,171	-	-	-	32,258
Accrued Interest	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	17,737	-
Inventory	-	20,000	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 5,003,144</u>	<u>\$ 1,179,300</u>	<u>\$ 427,839</u>	<u>\$ 1,925,211</u>	<u>\$ 211,977</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Vouchers Payable	\$ 195,361	\$ 3,160,073	\$ 2,220	\$ -	\$ 308,010	\$ 16,003
Customer Deposits and Credits	-	711,500	-	-	-	-
Unearned Revenue	-	34,677	-	-	-	-
Internal Payables	47,347	-	-	-	-	-
Total Liabilities	<u>242,708</u>	<u>3,906,250</u>	<u>2,220</u>	<u>-</u>	<u>308,010</u>	<u>16,003</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	-	-	-	-	631,917	-
Deferred Other Income	-	-	-	-	-	10,572
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,917</u>	<u>10,572</u>
FUND BALANCES						
Nonspendable	-	20,000	-	-	-	-
Restricted	-	1,076,894	1,177,080	427,839	985,062	185,402
Assigned	-	-	-	-	222	-
Unassigned	(242,708)	-	-	-	-	-
Total Fund Balances	<u>(242,708)</u>	<u>1,096,894</u>	<u>1,177,080</u>	<u>427,839</u>	<u>985,284</u>	<u>185,402</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 5,003,144</u>	<u>\$ 1,179,300</u>	<u>\$ 427,839</u>	<u>\$ 1,925,211</u>	<u>\$ 211,977</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	
\$ -	\$ 89,055	\$ 2,971,751	\$ -	\$ -	\$ 358,247	\$ 358,247	\$ 3,329,998
-	-	-	521,362	-	-	-	521,362
131,496	-	3,843,188	-	3,844,148	4,244,704	8,088,852	11,932,040
591,000	68,950	1,291,867	1,637,513	-	-	-	2,929,380
-	-	1,483,429	-	-	-	-	1,483,429
-	-	-	-	4,757	-	4,757	4,757
-	-	17,737	-	-	-	-	17,737
-	-	20,000	-	-	-	-	20,000
<u>\$ 722,496</u>	<u>\$ 158,005</u>	<u>\$ 9,627,972</u>	<u>\$ 2,158,875</u>	<u>\$ 3,848,905</u>	<u>\$ 4,602,951</u>	<u>\$ 8,451,856</u>	<u>\$ 20,238,703</u>
\$ 18,335	\$ -	\$ 3,700,002	\$ -	\$ 494,440	\$ -	\$ 494,440	\$ 4,194,442
-	-	711,500	-	150,000	613,397	763,397	1,474,897
-	-	34,677	-	-	-	-	34,677
-	-	47,347	7,903	-	-	-	55,250
<u>18,335</u>	<u>-</u>	<u>4,493,526</u>	<u>7,903</u>	<u>644,440</u>	<u>613,397</u>	<u>1,257,837</u>	<u>5,759,266</u>
591,000	68,950	1,291,867	1,637,513	-	-	-	2,929,380
-	-	10,572	-	-	-	-	10,572
<u>591,000</u>	<u>68,950</u>	<u>1,302,439</u>	<u>1,637,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,939,952</u>
-	-	20,000	-	-	-	-	20,000
94,621	89,055	4,035,953	513,459	-	3,876,608	3,876,608	8,426,020
18,540	-	18,762	-	3,204,465	112,946	3,317,411	3,336,173
-	-	(242,708)	-	-	-	-	(242,708)
<u>113,161</u>	<u>89,055</u>	<u>3,832,007</u>	<u>513,459</u>	<u>3,204,465</u>	<u>3,989,554</u>	<u>7,194,019</u>	<u>11,539,485</u>
<u>\$ 722,496</u>	<u>\$ 158,005</u>	<u>\$ 9,627,972</u>	<u>\$ 2,158,875</u>	<u>\$ 3,848,905</u>	<u>\$ 4,602,951</u>	<u>\$ 8,451,856</u>	<u>\$ 20,238,703</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, 2017

	Special Revenue Funds					
	Block Grant Fund	Grants and Special Revenue Fund	Special Revenue Revolving Fund	Foreign Fire Tax Fund	Special Service Area Fund	
Revenue						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 521,058	\$ -
Intergovernmental State Shared Revenue Federal, State and Private	-	-	-	200,633	-	61,148
Grants and Allotments	3,864,323	14,705,839	-	-	-	-
Interest Earnings	-	5,390	7,714	137	93	1,844
Rentals and Fees	300	-	81,127	-	-	-
Fines and Forfeitures	-	-	242,494	-	-	-
Special Assessments	-	-	-	-	122,159	-
Other	261	-	23,398	-	-	-
Total Revenue	3,864,884	14,711,229	354,733	200,770	643,310	62,992
Expenditures						
Current:						
Public Safety	-	247,642	296,752	238,187	-	-
Community Development	153,063	2,013,329	-	-	115,708	-
Capital Outlay	244,116	12,642,150	108,539	-	5,215	-
Debt Service - Principal	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-
Total Expenditures	397,179	14,903,121	405,291	238,187	120,923	-
Revenue Over (Under) Expenditures	3,467,705	(191,892)	(50,558)	(37,417)	522,387	62,992
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	(3,633,351)	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,633,351)	-	-	-	-	-
Net Change in Fund Balance	(165,646)	(191,892)	(50,558)	(37,417)	522,387	62,992
Fund Balances (Deficits), Beginning of Year	(77,062)	1,288,786	1,227,638	465,256	462,897	122,410
Fund Balances (Deficits), End of Year	(\$ 242,708)	\$ 1,096,894	\$ 1,177,080	\$ 427,839	\$ 985,284	\$ 185,402

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	
\$ 150,720	\$ 29,844	\$ 701,622	\$ 1,645,636	\$ -	\$ -	\$ -	\$ 2,347,258
-	-	261,781	-	-	-	-	261,781
-	-	18,570,162	-	-	-	-	18,570,162
178	15	15,371	251	24,940	36,385	61,325	76,947
-	-	81,427	-	-	-	-	81,427
-	-	242,494	-	-	-	-	242,494
-	-	122,159	-	-	-	-	122,159
-	-	23,659	-	-	10	10	23,669
<u>150,898</u>	<u>29,859</u>	<u>20,018,675</u>	<u>1,645,887</u>	<u>24,940</u>	<u>36,395</u>	<u>61,335</u>	<u>21,725,897</u>
-	-	782,581	-	-	-	-	782,581
161,681	2,255	2,446,036	-	-	-	-	2,446,036
655,690	-	13,655,710	-	4,621,136	261,963	4,883,099	18,538,809
-	-	-	1,400,000	-	-	-	1,400,000
-	-	-	248,263	-	-	-	248,263
<u>817,371</u>	<u>2,255</u>	<u>16,884,327</u>	<u>1,648,263</u>	<u>4,621,136</u>	<u>261,963</u>	<u>4,883,099</u>	<u>23,415,689</u>
(666,473)	27,604	3,134,348	(2,376)	(4,596,196)	(225,568)	(4,821,764)	(1,689,792)
-	-	-	-	4,700,000	-	4,700,000	4,700,000
-	-	(3,633,351)	-	-	-	-	(3,633,351)
-	-	(3,633,351)	-	4,700,000	-	4,700,000	1,066,649
(666,473)	27,604	(499,003)	(2,376)	103,804	(225,568)	(121,764)	(623,143)
<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>\$ 113,161</u>	<u>\$ 89,055</u>	<u>\$ 3,832,007</u>	<u>\$ 513,459</u>	<u>\$ 3,204,465</u>	<u>\$ 3,989,554</u>	<u>\$ 7,194,019</u>	<u>\$11,539,485</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, 2017

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Federal Grants	\$ 1,076,146	\$ 4,228,182	\$ 3,864,323	(\$ 363,859)
Fees	-	-	300	300
Miscellaneous Revenue	-	-	261	261
Total Revenue	1,076,146	4,228,182	3,864,884	(363,298)
Expenditures				
Community Development				
Other Employee Costs	4,500	4,500	1,523	2,977
Professional Services	354,630	200,000	149,701	50,299
Property Services	398,716	199,769	-	199,769
Other Services	3,300	3,500	1,839	1,661
Property and Projects	225,000	3,101,115	244,116	2,856,999
Total Expenditures	986,146	3,508,884	397,179	3,111,705
Revenue Over Expenditures	90,000	719,298	3,467,705	2,748,407
Other Financing (Uses)				
Transfers Out	(90,000)	(3,633,351)	(3,633,351)	-
Total Other Financing (Uses)	(90,000)	(3,633,351)	(3,633,351)	-
Net Change in Fund Balance	\$ -	(\$ 2,914,053)	(165,646)	\$ 2,748,407
Fund Balance (Deficit), Beginning of Year			(77,062)	
Fund Balance (Deficit), End of Year			(\$ 242,708)	

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, 2017

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Federal Grants	\$ 19,691,437	\$ 3,853,860	\$ 2,010,056	(\$ 1,843,804)
State Grants	70,000	11,111,342	10,586,643	(524,699)
State Reimbursements	-	179,378	2,109,140	1,929,762
Interest	-	5,000	5,390	390
	<u>19,761,437</u>	<u>15,149,580</u>	<u>14,711,229</u>	<u>(438,351)</u>
Expenditures				
Public Safety				
Supplies	-	101,742	246,247	(144,505)
Other Expenditures	-	1,500	1,395	105
Property and Projects	-	221,238	64,071	157,167
Public Works				
Property and Projects	-	1,000,000	393,696	606,304
Community Development				
Other Employee Costs	-	-	175	(175)
Professional Services	100,000	1,701,100	1,859,674	(158,574)
Other Services	-	7,500	6,861	639
Supplies	-	11,500	6,619	4,881
Other Expenditures	217,178	-	140,000	(140,000)
Property and Projects	19,444,259	11,000,000	12,184,383	(1,184,383)
	<u>19,761,437</u>	<u>14,044,580</u>	<u>14,903,121</u>	<u>(858,541)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 1,105,000</u>	<u>(191,892)</u>	<u>(\$ 1,296,892)</u>
Fund Balance, Beginning of Year			<u>1,288,786</u>	
Fund Balance, End of Year			<u>\$ 1,096,894</u>	

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, 2017

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Fees	\$ -	\$ -	\$ 81,127	\$ 81,127
Forfeitures	130,974	78,500	120,894	42,394
Fines	106,196	165,000	121,600	(43,400)
Interest	20	50	7,714	7,664
Miscellaneous Revenue	1,392	63,100	23,398	(39,702)
Total Revenue	238,582	306,650	354,733	48,083
Expenditures				
Public Safety				
Other Employee Costs	23,804	43,700	27,942	15,758
Professional Services	9,898	64,500	49,747	14,753
Property Services	-	1,000	160	840
Other Services	4,820	5,000	5,059	(59)
Supplies	40,046	208,000	185,644	22,356
Other Expenditures	-	42,000	28,200	13,800
Property and Projects	31,592	110,000	108,539	1,461
Total Expenditures	110,160	474,200	405,291	68,909
Net Change in Fund Balance	\$ 128,422	(\$ 167,550)	(50,558)	\$ 116,992
Fund Balance, Beginning of Year			1,227,638	
Fund Balance, End of Year			\$ 1,177,080	

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenue				
State Shared Revenue	\$ 180,112	\$ 200,633	\$ 200,633	\$ -
Interest	400	-	137	137
Total Revenue	<u>180,512</u>	<u>200,633</u>	<u>200,770</u>	<u>137</u>
Expenditures				
Public Safety				
Professional Services	-	-	6,829	(6,829)
Supplies	-	-	226,614	(226,614)
Other Expenditures	<u>200,000</u>	<u>200,633</u>	<u>4,744</u>	<u>195,889</u>
Total Expenditures	<u>200,000</u>	<u>200,633</u>	<u>238,187</u>	<u>(37,554)</u>
Net Change in Fund Balance	<u>(\$ 19,488)</u>	<u>\$ -</u>	<u>(37,417)</u>	<u>(\$ 37,417)</u>
Fund Balance, Beginning of Year			<u>465,256</u>	
Fund Balance, End of Year			<u>\$ 427,839</u>	

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, 2017

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Property Taxes	\$ 691,390	\$ 691,390	\$ 570,909	(\$ 120,481)
Less Rebates	-	-	(49,851)	(49,851)
Property Taxes, Net	691,390	691,390	521,058	(170,332)
Special Assessments	-	-	122,159	122,159
Interest	-	-	93	93
Total Revenue	691,390	691,390	643,310	(48,080)
Expenditures				
Community Development				
Professional Services	635,000	635,000	-	635,000
Property Services	16,540	16,540	6,986	9,554
Other Expenditures	49,850	49,850	108,722	(58,872)
Property and Projects	-	1,606,033	5,215	1,600,818
Total Expenditures	701,390	2,307,423	120,923	2,186,500
Net Change in Fund Balance	(\$ 10,000)	(\$ 1,616,033)	522,387	\$ 2,138,420
Fund Balance, Beginning of Year			462,897	
Fund Balance, End of Year			\$ 985,284	

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, 2017

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
State Shared Revenue	\$ 115,000	\$ 115,000	\$ 120,749	\$ 5,749
Less Rebates	-	-	(59,601)	(59,601)
State Shared Revenue, Net	115,000	115,000	61,148	(53,852)
Interest	500	1,500	1,844	344
 Total Revenue	 115,500	 116,500	 62,992	 (53,508)
Expenditures				
Community Development				
Other Expenditures	115,000	115,000	-	115,000
 Total Expenditures	 115,000	 115,000	 -	 115,000
 Net Change in Fund Balance	 \$ 500	 \$ 1,500	 62,992	 \$ 61,492
 Fund Balance, Beginning of Year			 122,410	
 Fund Balance, End of Year			 \$ 185,402	

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenue				
Property Taxes	\$ 600,000	\$ 585,000	\$ 574,729	(\$ 10,271)
Less Rebates	(600,000)	(500,000)	(424,009)	75,991
Property Taxes, Net	-	85,000	150,720	65,720
Interest	250	200	178	(22)
Total Revenue	<u>250</u>	<u>85,200</u>	<u>150,898</u>	<u>65,698</u>
Expenditures				
Community Development				
Professional Services	25,000	110,000	111,681	(1,681)
Other Expenditures	-	-	50,000	(50,000)
Property and Projects	-	1,752,000	655,690	1,096,310
Total Expenditures	<u>25,000</u>	<u>1,862,000</u>	<u>817,371</u>	<u>1,044,629</u>
Net Change in Fund Balance	<u>(\$ 24,750)</u>	<u>(\$ 1,776,800)</u>	<u>(666,473)</u>	<u>\$ 1,110,327</u>
Fund Balance, Beginning of Year			<u>779,634</u>	
Fund Balance, End of Year			<u>\$ 113,161</u>	

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenue				
Property Taxes	\$ 70,000	\$ 70,000	\$ 88,384	\$ 18,384
Less Rebates	(67,500)	(58,540)	(58,540)	-
Property Taxes, Net	2,500	11,460	29,844	18,384
Interest	-	-	15	15
 Total Revenue	 <u>2,500</u>	 <u>11,460</u>	 <u>29,859</u>	 <u>18,399</u>
Expenditures				
Community Development				
Professional Services	<u>2,500</u>	<u>2,500</u>	<u>2,255</u>	<u>245</u>
 Total Expenditures	 <u>2,500</u>	 <u>2,500</u>	 <u>2,255</u>	 <u>245</u>
 Net Change in Fund Balance	 <u>\$ -</u>	 <u>\$ 8,960</u>	 27,604	 <u>\$ 18,644</u>
 Fund Balance, Beginning of Year			 <u>61,451</u>	
 Fund Balance, End of Year			 <u>\$ 89,055</u>	

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenue				
Property Taxes	\$ 1,652,000	\$ 1,652,000	\$ 1,645,636	(\$ 6,364)
Interest	-	-	251	251
	<u>1,652,000</u>	<u>1,652,000</u>	<u>1,645,887</u>	<u>(6,113)</u>
Total Revenue				
	<u>1,652,000</u>	<u>1,652,000</u>	<u>1,645,887</u>	<u>(6,113)</u>
Expenditures				
Debt Principal	1,410,000	1,410,000	1,400,000	10,000
Debt Interest	242,825	242,825	248,263	(5,438)
	<u>1,652,825</u>	<u>1,652,825</u>	<u>1,648,263</u>	<u>4,562</u>
Total Expenditures				
	<u>1,652,825</u>	<u>1,652,825</u>	<u>1,648,263</u>	<u>4,562</u>
Net Change in Fund Balance	<u>(\$ 825)</u>	<u>(\$ 825)</u>	<u>(2,376)</u>	<u>(\$ 1,551)</u>
Fund Balance, Beginning of Year			<u>515,835</u>	
Fund Balance, End of Year			<u>\$ 513,459</u>	

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, 2017

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Interest	\$ -	\$ 20,000	\$ 24,940	\$ 4,940
Total Revenue	-	20,000	24,940	4,940
Expenditures				
General Government				
Property and Projects	1,973,905	1,959,397	1,051,298	908,099
Public Safety				
Property and Projects	272,075	729,139	726,559	2,580
Public Works				
Property and Projects	676,000	3,881,075	2,376,713	1,504,362
Community Development				
Property and Projects	130,000	406,778	466,566	(59,788)
Total Expenditures	3,051,980	6,976,389	4,621,136	2,355,253
Revenue Over (Under) Expenditures	(3,051,980)	(6,956,389)	(4,596,196)	2,360,193
Other Financing Sources				
Transfers In	3,051,980	4,700,000	4,700,000	-
Total Other Financing Sources	3,051,980	4,700,000	4,700,000	-
Net Change in Fund Balance	\$ -	(\$ 2,256,389)	103,804	\$ 2,360,193
Fund Balance, Beginning of Year			3,100,661	
Fund Balance, End of Year			\$ 3,204,465	

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, 2017

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Interest	\$ -	\$ 30,000	\$ 36,385	\$ 6,385
Miscellaneous Revenue	1,000,000	10	10	-
Total Revenue	1,000,000	30,010	36,395	6,385
Expenditures				
Public Works				
Property and Projects	5,000,000	500,000	261,963	238,037
Total Expenditures	5,000,000	500,000	261,963	238,037
Net Change in Fund Balance	(\$ 4,000,000)	(\$ 469,990)	(225,568)	\$ 244,422
Fund Balance, Beginning of Year			4,215,122	
Fund Balance, End of Year			\$ 3,989,554	

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, 2017

	Joliet Police Pension Fund	Joliet Firefighters' Pension Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 15,043	\$ 1,216	\$ 16,259
Investments, at Fair Value			
U.S. Government and Agency Securities	21,716,351	14,191,945	35,908,296
U.S. Government Sponsored Agency Securities	3,867,700	2,912,597	6,780,297
State and Local Government Securities	1,781,159	944,686	2,725,845
Insurance Company Contracts	10,451,593	-	10,451,593
Certificates of Deposit	1,839,605	199,181	2,038,786
Money Market Mutual Funds	9,934,534	14,938,691	24,873,225
Mutual Funds	136,509,408	31,033,936	167,543,344
Common Stock	-	67,681,285	67,681,285
Corporate Bonds	36,212,915	19,748,554	55,961,469
Total Investments	<u>222,313,265</u>	<u>151,650,875</u>	<u>373,964,140</u>
Accrued Interest Receivable	451,488	441,784	893,272
Prepaid Items	6,442	-	6,442
Total Assets	<u>222,786,238</u>	<u>152,093,875</u>	<u>374,880,113</u>
LIABILITIES			
Accrued Investment Expenses	86,021	119,899	205,920
Total Liabilities	<u>86,021</u>	<u>119,899</u>	<u>205,920</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 222,700,217</u>	<u>\$ 151,973,976</u>	<u>\$ 374,674,193</u>

CITY OF JOLIET, ILLINOIS

Pension Trust Funds Combining Statement of Changes in Net Position For the Year Ended December 31, 2017

	Joliet Police Pension Fund	Joliet Firefighters' Pension Fund	Total
Additions			
Contributions			
Employer Contributions	\$ 14,779,880	\$ 12,413,523	\$ 27,193,403
Plan Member Contributions	2,868,088	2,085,635	4,953,723
Total Contributions	<u>17,647,968</u>	<u>14,499,158</u>	<u>32,147,126</u>
Investment Income			
Net Increase in Fair Value of Investments	17,601,326	14,423,617	32,024,943
Interest and Dividends	9,216,682	3,582,000	12,798,682
	<u>26,818,008</u>	<u>18,005,617</u>	<u>44,823,625</u>
Less Investment Expenses	<u>295,713</u>	<u>712,062</u>	<u>1,007,775</u>
Net Investment Income	<u>26,522,295</u>	<u>17,293,555</u>	<u>43,815,850</u>
Miscellaneous Income	<u>150</u>	<u>1,063</u>	<u>1,213</u>
Total Additions	<u>44,170,413</u>	<u>31,793,776</u>	<u>75,964,189</u>
Deductions			
Benefit Payments (Including Refunds of Plan Member Contributions)	13,363,228	11,040,814	24,404,042
Administrative and Other Expenses	<u>89,313</u>	<u>88,613</u>	<u>177,926</u>
Total Deductions	<u>13,452,541</u>	<u>11,129,427</u>	<u>24,581,968</u>
Net Increase In Net Position	30,717,872	20,664,349	51,382,221
Net Position Restricted for Pensions			
Beginning of Year	<u>191,982,345</u>	<u>131,309,627</u>	<u>323,291,972</u>
End of Year	<u>\$ 222,700,217</u>	<u>\$ 151,973,976</u>	<u>\$ 374,674,193</u>

CITY OF JOLIET, ILLINOIS

Schedule of Changes in Assets and Liabilities Agency Fund For the Year Ended December 31, 2017

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
Assets				
Cash and Cash Equivalents	<u>\$ 599,031</u>	<u>\$ 318,295</u>	<u>\$ 307,254</u>	<u>\$ 610,072</u>
Total Assets	<u>\$ 599,031</u>	<u>\$ 318,295</u>	<u>\$ 307,254</u>	<u>\$ 610,072</u>
Liabilities				
Due to Other Governments	<u>\$ 599,031</u>	<u>\$ 318,295</u>	<u>\$ 307,254</u>	<u>\$ 610,072</u>
Total Liabilities	<u>\$ 599,031</u>	<u>\$ 318,295</u>	<u>\$ 307,254</u>	<u>\$ 610,072</u>

Other Schedules

CITY OF JOLIET, ILLINOIS

General Obligation Bonds
Schedule of Debt Service Requirements
December 31, 2017

<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>
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	7,125	475,000	-	-	-	-
	<u>\$ 152,775</u>	<u>\$ 1,445,000</u>	<u>\$ 34,188</u>	<u>\$ 1,060,000</u>	<u>\$ 380,500</u>	<u>\$ 4,035,000</u>

Total G. O. Bonds		
<u>Interest</u>	<u>Principal</u>	<u>Total</u>
\$ 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>\$ 567,463</u>	<u>\$ 6,540,000</u>	<u>\$ 7,107,463</u>

CITY OF JOLIET, ILLINOIS

Water and Sewer Fund Revenue Bonds
 Schedule of Debt Service Requirements
 December 31, 2017

<u>Due in Fiscal Year</u>	<u>Series 2010</u>		<u>Series 2011</u>		<u>Series 2014A</u>	
	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2018	\$ 81,625	\$ 1,485,000	\$ 141,400	\$ 4,090,000	\$ 88,150	\$ -
2019	22,250	890,000	29,800	1,490,000	83,900	340,000
2020	-	-	-	-	72,825	455,000
2021	-	-	-	-	62,850	210,000
2022	-	-	-	-	56,700	200,000
2023	-	-	-	-	37,650	1,070,000
2024	-	-	-	-	10,800	720,000
	<u>\$ 103,875</u>	<u>\$ 2,375,000</u>	<u>\$ 171,200</u>	<u>\$ 5,580,000</u>	<u>\$ 412,875</u>	<u>\$ 2,995,000</u>

Series 2014B		Total		Total
Interest	Principal	Interest	Principal	
\$ 167,650	\$ -	\$ 478,825	\$ 5,575,000	\$ 6,053,825
158,400	740,000	294,350	3,460,000	3,754,350
127,900	1,700,000	200,725	2,155,000	2,355,725
80,475	1,745,000	143,325	1,955,000	2,098,325
27,150	1,810,000	83,850	2,010,000	2,093,850
-	-	37,650	1,070,000	1,107,650
-	-	10,800	720,000	730,800
<u>\$ 561,575</u>	<u>\$ 5,995,000</u>	<u>\$ 1,249,525</u>	<u>\$ 16,945,000</u>	<u>\$ 18,194,525</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

	2017	2016	2015	2014
Governmental Activities				
Net Investment in Capital Assets	\$ 388,065,570	\$ 383,541,338	\$ 378,506,323	\$ 376,649,499
Restricted	17,863,696	17,361,426	18,655,939	19,541,759
Unrestricted	(451,324,590)	(427,905,826)	(398,698,215)	(73,536,818)
 Total Governmental Activities				
Net Position	<u>(\$ 45,395,324)</u>	<u>(\$ 27,003,062)</u>	<u>(\$ 1,535,953)</u>	<u>\$ 322,654,440</u>
 Business-Type Activities				
Net Investment in Capital Assets	\$ 259,920,346	\$ 260,510,239	\$ 250,648,934	\$ 235,856,362
Restricted	5,701,474	5,202,785	5,722,109	6,079,544
Unrestricted	(9,619,776)	(11,884,028)	(6,066,613)	22,132,491
 Total Business-Type Activities				
Net Position	<u>\$ 256,002,044</u>	<u>\$ 253,828,996</u>	<u>\$ 250,304,430</u>	<u>\$ 264,068,397</u>
 Primary Government				
Net Investment in Capital Assets	\$ 647,985,916	\$ 644,051,577	\$ 629,155,257	\$ 612,505,861
Restricted	23,565,170	22,564,211	24,378,048	25,621,303
Unrestricted	(460,944,366)	(439,789,854)	(404,764,828)	(51,404,327)
 Total Primary Government				
Net Position	<u>\$ 210,606,720</u>	<u>\$ 226,825,934</u>	<u>\$ 248,768,477</u>	<u>\$ 586,722,837</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 377,188,517	\$ 374,635,842	\$ 379,531,425	\$ 373,509,063	\$ 381,901,309	\$ 377,669,877
21,276,963	20,263,209	19,314,093	244,185	414,923	1,370,429
(65,588,191)	(58,751,206)	(53,366,863)	(14,349,723)	(9,890,018)	6,508,615
<u>\$ 332,877,289</u>	<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>
\$ 244,064,609	\$ 234,034,466	\$ 222,493,984	\$ 220,816,972	\$ 222,692,317	\$ 216,776,933
8,681,359	8,019,154	9,594,342	8,655,872	9,548,247	9,414,994
10,979,892	19,569,328	23,703,071	23,903,213	20,064,730	28,122,539
<u>\$ 263,725,860</u>	<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>
\$ 621,253,126	\$ 608,670,308	\$ 602,025,409	\$ 594,326,035	\$ 604,593,626	\$ 594,446,810
29,958,322	28,282,363	28,908,435	8,900,057	9,963,170	10,785,423
(54,608,299)	(39,181,878)	(29,663,792)	9,553,490	10,174,712	34,631,154
<u>\$ 596,603,149</u>	<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>

CITY OF JOLIET, ILLINOIS

Changes in Net Position Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses				
Governmental Activities:				
General Government	\$ 26,910,633	\$ 27,501,400	\$ 19,877,213	\$ 15,751,882
Public Safety	131,214,009	133,710,811	127,358,059	114,186,347
Public Works	31,100,933	29,383,814	27,987,446	36,393,134
Refuse Disposal	13,521,614	12,894,084	12,460,715	11,845,815
Culture and Recreation	642,398	553,556	447,329	1,714,220
Community Development	11,633,266	8,386,315	7,135,386	7,870,988
Interest on Long-Term Debt	165,993	186,888	374,713	468,967
Total Governmental Activities Expenses	<u>215,188,846</u>	<u>212,616,868</u>	<u>195,640,861</u>	<u>188,231,353</u>
Business-Type Activities:				
Water and Sewer	44,796,958	41,704,915	39,426,756	42,778,789
Parking Facilities	1,466,392	1,341,353	1,204,871	1,466,101
Total Business-Type Activities Expenses	<u>46,263,350</u>	<u>43,046,268</u>	<u>40,631,627</u>	<u>44,244,890</u>
Total Primary Government Expenses	<u>\$ 261,452,196</u>	<u>\$ 255,663,136</u>	<u>\$ 236,272,488</u>	<u>\$ 232,476,243</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 4,556,714	\$ 4,976,975	\$ 8,632,591	\$ 3,340,855
Public Safety	7,259,085	7,334,790	2,014,236	7,284,876
Public Works	152,124	246,966	274,524	1,382,069
Refuse Disposal	13,651,588	13,559,162	12,541,922	12,383,990
Culture and Recreation	10,688	10,550	13,645	153,326
Community Development	2,712,330	3,181,783	2,509,717	9,089
Operating Grants and Contributions	10,270,431	3,392,494	2,080,544	1,137,998
Capital Grants and Contributions	14,256,780	11,906,276	10,029,451	11,936,775
Total Governmental Activities Program Revenues	<u>52,869,740</u>	<u>44,608,996</u>	<u>38,096,630</u>	<u>37,628,978</u>
Business-Type Activities:				
Charges for Services				
Water and Sewer	48,317,206	46,056,230	44,337,491	43,332,748
Parking Facilities	921,365	1,028,288	1,193,106	1,302,072
Operating Grants and Contributions	578,851	212,227	184,299	98,419
Capital Grants and Contributions	-	-	-	-
Total Business-Type Activities Program Revenues	<u>49,817,422</u>	<u>47,296,745</u>	<u>45,714,896</u>	<u>44,733,239</u>
Total Primary Government Program Revenues	<u>\$ 102,687,162</u>	<u>\$ 91,905,741</u>	<u>\$ 83,811,526</u>	<u>\$ 82,362,217</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 14,552,182	\$ 17,298,465	\$ 22,061,979	\$ 17,545,676	\$ 23,144,672	\$ 27,069,722
112,863,777	116,695,006	108,979,553	105,344,768	105,967,623	98,063,825
35,550,897	27,907,922	31,889,815	34,953,065	30,827,138	51,196,479
11,407,720	10,978,538	10,546,940	10,588,260	10,222,673	9,852,028
2,166,555	2,788,463	3,249,607	3,697,898	3,491,107	4,481,841
7,141,386	9,663,232	4,708,194	7,841,765	8,325,682	8,775,716
514,305	561,864	439,371	469,555	498,314	522,772
<u>184,196,822</u>	<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>
43,034,733	37,202,721	37,821,535	35,704,270	33,661,521	36,651,247
1,504,329	1,639,633	1,422,352	1,588,954	1,393,857	1,423,655
<u>44,539,062</u>	<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>\$ 228,735,884</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>
\$ 2,512,469	\$ 2,880,989	\$ 2,495,764	\$ 2,703,606	\$ 2,168,967	\$ 2,682,279
8,686,164	7,164,844	6,023,522	6,983,331	8,240,120	6,437,350
1,381,998	926,339	906,232	1,175,970	836,177	1,550,996
12,188,081	12,240,215	12,162,774	12,112,871	10,518,900	9,072,301
146,768	476,079	171,270	135,430	306,679	304,173
20,729	24,569	6,623	5,335	22,860	140,922
1,601,715	824,300	6,670,230	7,613,958	10,794,819	3,983,962
<u>16,887,444</u>	<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>43,425,368</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>
44,374,858	42,480,156	41,929,836	38,851,226	30,192,054	27,975,227
1,433,678	1,405,190	1,448,573	1,514,746	1,124,409	1,135,680
820,000	-	-	-	-	-
<u>-</u>	<u>757,740</u>	<u>174,674</u>	<u>157,782</u>	<u>5,005,153</u>	<u>2,504,453</u>
<u>46,628,536</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>\$ 90,053,904</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>

(Continued)

CITY OF JOLIET, ILLINOIS

Changes in Net Position Last Ten Fiscal Years

	2017	2016	2015	2014
Net (Expense)/Revenue				
Governmental Activities	(\$ 162,319,106)	(\$ 168,007,872)	(\$ 157,544,231)	(\$ 150,602,375)
Business-Type Activities	3,554,072	4,250,477	5,083,269	488,349
Total Primary Government Net Expense	(\$ 158,765,034)	(\$ 163,757,395)	(\$ 152,460,962)	(\$ 150,114,026)
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	\$ 35,837,009	\$ 35,673,215	\$ 35,032,713	\$ 35,410,013
Intergovernmental Revenues				
Gaming Taxes	18,493,435	18,441,096	18,725,838	19,193,131
State Sales Taxes	21,682,218	21,102,355	20,748,216	20,889,677
State Income Taxes	13,552,231	14,164,006	15,941,799	13,962,209
Other Intergovernmental	6,879,855	6,320,214	5,939,035	5,871,823
Home Rule Sales Taxes	25,043,481	24,789,062	24,693,377	24,225,098
Utility Taxes	9,432,443	9,828,321	9,960,388	9,045,029
Other Taxes	8,934,694	8,816,247	7,978,752	9,592,338
Interest and Investment Earnings	267,632	99,754	51,268	41,295
Other General Revenues	1,545,937	1,077,583	1,373,583	1,994,967
Transfers	2,257,909	2,228,910	3,885,289	153,946
Total Governmental Activities General Revenues and Other	143,926,844	142,540,763	144,330,258	140,379,526
Business-Type Activities:				
Interest and Investment Earnings	147,548	57,047	14,874	8,134
Other General Revenues	729,337	1,445,952	102,621	-
Transfers	(2,257,909)	(2,228,910)	(3,885,289)	(153,946)
Total Business-Type Activities General Revenues and Other	(1,381,024)	(725,911)	(3,767,794)	(145,812)
Total Primary Government General Revenues and Other	\$ 142,545,820	\$ 141,814,852	\$ 140,562,464	\$ 140,233,714
 Change in Net Position				
Governmental Activities	(\$ 18,392,262)	(\$ 25,467,109)	(\$ 13,213,973)	(\$ 10,222,849)
Business-Type Activities	2,173,048	3,524,566	1,315,475	342,537
Total Primary Government	(\$ 16,219,214)	(\$ 21,942,543)	(\$ 11,898,498)	(\$ 9,880,312)
 Other Changes in Net Position				
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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
(\$ 140,771,454)	(\$ 141,849,624)	(\$ 144,093,790)	(\$ 142,088,897)	(\$ 134,672,365)	(\$ 156,941,030)
<u>2,089,474</u>	<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>(\$ 138,681,980)</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>
\$ 35,125,574	\$ 34,661,294	\$ 36,213,525	\$ 36,128,857	\$ 31,324,337	\$ 33,781,957
19,735,099	20,827,811	21,834,751	22,975,414	23,573,344	28,335,881
19,927,122	18,966,737	20,636,612	19,979,488	19,515,274	20,914,827
14,217,853	11,214,456	13,644,198	14,155,166	10,058,532	13,786,109
5,125,494	4,663,790	4,510,534	4,102,381	3,772,932	3,947,347
23,564,369	22,095,309	15,414,536	15,125,451	14,719,562	15,750,282
8,632,678	9,109,210	7,049,102	6,907,977	6,895,665	7,138,173
8,791,217	8,596,419	5,976,160	5,448,077	6,827,936	7,615,427
49,366	94,512	97,622	182,897	693,152	2,672,413
2,332,126	2,289,276	2,865,110	1,848,337	415,103	1,082,713
<u>-</u>	<u>-</u>	<u>1,926,770</u>	<u>2,212,163</u>	<u>3,753,822</u>	<u>3,830,533</u>
<u>137,500,898</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>
13,438	30,819	32,914	52,396	478,411	1,600,997
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(1,926,770)</u>	<u>(2,212,163)</u>	<u>(3,753,822)</u>	<u>(3,830,533)</u>
<u>13,438</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>\$ 137,514,336</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>
(\$ 3,270,556)	(\$ 9,330,810)	(\$ 13,924,870)	(\$ 13,022,689)	(\$ 13,122,706)	(\$ 18,085,368)
<u>2,102,912</u>	<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>(\$ 1,167,644)</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>\$ -</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>

CITY OF JOLIET, ILLINOIS

Fund Balances, Governmental Funds Last Ten Fiscal Years

	2017	2016	2015	2014
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	11,334,278	10,610,275	9,211,661	8,677,323
Unassigned	44,529,030	44,024,884	47,388,659	43,911,182
 Total General Fund	 \$ 55,863,308	 \$ 54,635,159	 \$ 56,600,320	 \$ 52,588,505
 All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:				
Special Revenue Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Nonspendable	20,000	160,000	60,500	185,000
Restricted	17,905,969	17,410,793	18,710,710	19,541,759
Assigned	3,336,173	3,195,713	1,683,637	4,633,318
Unassigned	(6,548,160)	(2,979,668)	(2,822,608)	(2,391,627)
 Total All Other Governmental Funds	 \$ 14,713,982	 \$ 17,786,838	 \$ 17,632,239	 \$ 21,968,450
 Total All Governmental Funds	 \$ 70,577,290	 \$ 72,421,997	 \$ 74,232,559	 \$ 74,556,955

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.

2013	2012	2011	2010	2009	2008
\$ -	\$ -	\$ -	\$ 4,765,478	\$ 3,639,311	\$ 3,451,512
-	-	-	36,723,856	35,931,604	42,415,343
-	-	856,382	-	-	-
-	-	8,662,751	-	-	-
1,304,614	733,274	5,223,867	-	-	-
<u>47,757,166</u>	<u>39,994,486</u>	<u>43,076,645</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 49,061,780</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>
\$ -	\$ -	\$ -	\$ 4,381,426	\$ 3,530,553	\$ 2,986,663
-	-	-	20,425,627	15,044,931	13,156,953
-	-	-	20	2,290	2,283
-	-	-	244,165	237,510	(1,201,339)
957,500	912,101	-	-	-	-
21,277,120	20,263,209	10,651,342	-	-	-
5,648,767	7,631,348	2,092,069	-	-	-
(1,982,508)	-	-	-	-	-
<u>\$ 25,900,879</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>\$ 74,962,659</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>

CITY OF JOLIET, ILLINOIS

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

	2017	2016	2015	2014
Revenues				
Property Taxes	\$ 36,358,067	\$ 36,024,156	\$ 35,414,233	\$ 35,410,013
Other Taxes	43,229,989	43,571,342	42,562,509	40,369,572
Intergovernmental State Shared Revenue	64,559,312	63,991,635	65,463,314	63,816,190
Federal, State and Private Grants and Allotments	19,425,135	8,001,048	8,065,503	8,588,222
Charges for Services	9,274,672	9,916,403	8,809,756	6,994,409
Interest Earnings	267,632	99,754	51,268	41,295
Licenses, Permits, Rentals and Fees	17,203,166	17,614,564	15,624,983	18,178,809
Fines	1,863,426	1,850,688	1,750,861	1,241,385
Special Assessments	122,159	44,300	29,505	76,876
Other	1,594,598	3,859,574	1,489,478	2,514,062
Total Revenues	193,898,156	184,973,464	179,261,410	177,230,833
Expenditures				
Current:				
General Government	17,436,911	17,547,309	16,947,843	9,636,620
Public Safety	64,603,678	63,817,375	64,768,510	62,600,079
Public Works	12,516,159	11,150,234	12,724,464	18,771,628
Refuse Disposal	13,521,614	12,894,084	12,460,715	11,845,815
Culture and Recreation	337,262	272,215	257,448	1,519,372
Employee Benefits and Pension Plans	55,887,290	55,823,484	53,285,862	51,708,771
Community Development	6,745,689	5,256,246	5,088,528	6,174,112
Capital Projects	21,699,358	20,613,519	17,185,910	13,588,883
Debt Service - Principal	1,400,000	1,370,000	910,000	1,480,893
Debt Service - Interest and Fees	248,263	276,950	301,569	524,307
Total Expenditures	194,396,224	189,021,416	183,930,849	177,850,480
Revenue Over (Under) Expenditures	(498,068)	(4,047,952)	(4,669,439)	(619,647)
Other Financing Sources (Uses)				
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	250	8,480	2,000	783
Transfer to Escrow Paying Agent	-	-	(6,925,701)	(3,501,846)
Transfers In	13,903,181	9,659,844	8,637,763	2,153,946
Transfers Out	(11,645,272)	(7,430,934)	(4,752,474)	(2,000,000)
Total Other Financing Sources (Uses)	2,258,159	2,237,390	4,003,809	213,943
Special Item				
Purchase of Evergreen Terrace Property	(3,604,798)	-	-	-
Net Change in Fund Balances	(\$ 1,844,707)	(\$ 1,810,562)	(\$ 665,630)	(\$ 405,704)
Other Change in Fund Balances				
Adjustments to Prior Year Balances	\$ -	\$ -	\$ 341,234	\$ -
Debt Service as a Percentage of Noncapital Expenditures				
	0.9%	1.0%	0.7%	1.2%
Expenditures Capitalized as Assets	\$ 20,534,960	\$ 20,613,837	\$ 17,185,910	\$ 13,588,883

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. 139

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 35,125,574	\$ 34,661,294	\$ 36,213,525	\$ 36,128,857	\$ 31,324,337	\$ 33,781,957
41,048,080	36,471,063	28,812,236	27,393,330	26,884,195	30,551,905
62,899,002	59,630,062	62,215,533	63,271,652	60,245,479	70,194,410
13,727,117	9,387,986	10,224,214	6,394,606	4,996,695	3,480,798
8,057,811	6,681,320	5,490,192	6,257,956	7,438,158	5,421,214
49,366	94,512	97,622	182,897	693,151	2,672,413
16,595,345	17,268,228	16,580,245	17,121,743	14,634,261	14,380,443
1,070,712	1,314,072	1,010,342	1,059,806	1,175,943	1,359,202
137,753	53,370	66,474	107,611	158,098	138,174
5,022,686	7,854,680	5,066,549	4,224,717	6,497,394	1,682,323
<u>183,733,446</u>	<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>
8,627,123	10,325,895	9,965,638	11,036,782	10,866,938	14,030,951
62,407,135	62,553,750	58,822,833	57,229,089	59,466,192	60,119,513
18,825,891	15,058,690	16,960,881	20,460,810	20,094,756	35,412,435
11,407,720	10,978,538	10,546,940	10,588,005	10,222,430	9,840,329
1,946,028	3,169,416	2,760,278	2,766,683	3,197,550	4,257,142
50,903,221	48,571,619	49,876,205	46,001,220	46,726,908	38,338,617
5,828,196	3,642,130	5,117,148	5,674,347	5,999,950	6,218,589
16,647,740	23,498,279	10,435,236	3,127,228	4,753,006	15,539,943
1,210,503	955,435	873,960	838,980	804,165	774,460
510,648	478,382	427,196	456,681	484,771	508,677
<u>178,314,205</u>	<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>
5,419,241	(5,815,547)	(9,383)	3,963,350	(8,568,955)	(21,377,817)
-	-	-	-	-	-
-	-	-	-	-	-
-	4,778,677	-	-	-	-
9,000	8,232	-	1,760	16,345	4,600
-	-	-	-	-	-
2,020,803	-	5,919,943	13,262,417	21,225,209	22,814,883
(2,020,803)	-	(1,888,076)	(9,073,154)	(15,097,814)	(16,892,688)
<u>9,000</u>	<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>\$ 5,428,241</u>	<u>(\$ 1,028,638)</u>	<u>\$ 4,022,484</u>	<u>\$ 8,154,373</u>	<u>(\$ 2,425,215)</u>	<u>(\$ 15,451,022)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.1%	0.9%	0.8%	0.8%	0.8%	0.7%
<u>\$ 16,647,740</u>	<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>

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
2017	\$ 15,311,293	\$ 2,455,899	\$ 726,243	\$ 18,493,435
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

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
2017	\$ 1,064,305	\$ 123,276,333	\$ 29,068,418	\$ 7,228,122
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

Harrah's Joliet Casino & Hotel

Start Date: May 4, 1993

Year	Admissions	Taxable AGR	Taxes Collected	
			State	City
2017	\$ 1,391,594	\$ 182,949,526	\$ 51,587,997	\$ 10,539,070
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

Total Two Casinos Combined

Year	Admissions	Taxable AGR	Taxes Collected	
			State	City
2017	\$ 2,455,899	\$ 306,225,859	\$ 80,656,415	\$ 17,767,192
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

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
2017	\$ 37,262,944	\$ 3,392,291	\$ 2,622,054,392	\$ 2,662,709,627	\$ -
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	-

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

Kendall County			Total Equalized Assessed Value Both Counties	City Direct Tax Rate	Total Estimated Actual Taxable Value	Equalized Assessed Value as a Percentage of Estimated Actual Taxable Value
Farm Property	Non-Farm Property	Total Equalized Assessed Value				
\$ 2,431,257	\$ 235,281,724	\$ 237,712,981	\$ 2,900,422,608	1.4298	\$ 8,701,267,824	33.33%
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%

CITY OF JOLIET, ILLINOIS

Direct and Overlapping Property Tax Rates Last Ten Tax Years

Tax Rates Per \$100 Assessed Valuation (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City of Joliet (2)	1.4298	1.4789	1.5517	1.5645	1.5224
Will County (Including Forest Preserve)	0.7881	0.8091	0.8295	0.8410	0.8186
Joliet Township	0.3775	0.3977	0.4139	0.4164	0.3867
School District #204	2.6513	2.8030	2.8675	2.8749	2.7030
School District #86	4.3298	4.4793	4.6426	4.6168	4.2949
Community College #525	0.2994	0.3099	0.3065	0.3085	0.2943
Joliet Park District	<u>0.4531</u>	<u>0.4700</u>	<u>0.4855</u>	<u>0.4893</u>	<u>0.3966</u>
Total (3)	<u>10.3290</u>	<u>10.7479</u>	<u>11.0972</u>	<u>11.1114</u>	<u>10.4165</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
City of Joliet (2)	1.4466	1.3291	1.2669	1.1969	1.0639
Will County (Including Forest Preserve)	0.7767	0.7244	0.6841	0.6543	0.6387
Joliet Township	0.3437	0.2994	0.2757	0.2523	0.2509
School District #204	2.4858	2.2280	2.0560	1.8972	1.8868
School District #86	3.7592	3.2405	2.8963	2.6112	2.5429
Community College #525	0.2724	0.2447	0.2271	0.2144	0.1896
Joliet Park District	<u>0.3657</u>	<u>0.3265</u>	<u>0.3008</u>	<u>0.2772</u>	<u>0.2782</u>
Total (3)	<u>9.4501</u>	<u>8.3926</u>	<u>7.7069</u>	<u>7.1035</u>	<u>6.8510</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	2017 Equalized Assessed Valuation	Percentage of Total 2017 Equalized Assessed Valuation	2017 Rank
Centerpoint Joliet Trml RR LLC	Intermodal Center	\$ 64,046,503	2.21%	1
Star-West Louis Joliet LLC	Westfield Louis Joliet Mall	23,716,445	0.82%	2
Harrahs Joliet Landco LLC	Harrah's/Gaming	20,404,134	0.70%	3
GLP Capital LP	Hollywood/Gaming	16,568,086	0.57%	4
Hart Illinois Industrials LLC	Chemicals	13,763,547	0.47%	5
Supervalu Holdings Inc	Central Grocers Distribution Cntr.	13,535,467	0.47%	6
Dollar Tree Distribution Inc.	Dollar Tree Distribution Center	13,441,574	0.46%	7
SPUS8 2700 Ellis LP	Northern Builders Warehousing	11,112,432	0.38%	8
HDPark Joliet Building 1 LLC	Real Estate	10,982,586	0.38%	9
Harvest A Laraway LLC	Real Estate	<u>9,958,695</u>	0.34%	10
		<u>\$ 197,529,469</u>	<u>6.80%</u>	
Total City Assessed Valuation		<u>\$ 2,900,422,608</u>		

Taxpayer	Type of Business Property	2008 Equalized Assessed Valuation	Percentage of Total 2008 Equalized Assessed Valuation	2008 Rank
Wal-Mart RE Business Trust	Retail Store	\$ 22,685,176	0.71%	1
Louis Joliet LLC	Westfield Louis Joliet Mall	21,818,109	0.68%	2
Dollar Tree Distribution Inc.	Dollar Tree Distribution Center	17,483,671	0.55%	3
Empress River Casino Co	Empress / Gaming	15,896,614	0.50%	4
Teachers Insurance & Annuity Assoc	Rock Run Industrial Park	14,936,913	0.47%	5
Joliet Joint Venture LLC	Laraway Crossings Industrial Park	11,457,650	0.36%	6
Unicom Investment Inc	Midwest Generation Plant	9,790,978	0.31%	7
Desplaines Development LP	Harrah's/Gaming	9,103,964	0.29%	8
Menard, Inc.	Home Improvement Retail	8,590,417	0.27%	9
Equity Ind. Limited Partnership IV	Toys R Us / Warehousing	<u>7,286,671</u>	0.23%	10
		<u>\$ 139,050,163</u>	<u>4.37%</u>	
Total City Assessed Valuation		<u>\$ 3,193,631,812</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

Rates Extended	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General	0.0004	0.0003	0.0076	0.0084
Police Protection	0.1070	0.1059	0.1113	0.1137
Fire Protection	0.0825	0.0861	0.0907	0.1047
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	0.0572	0.0608	0.0646	0.0690
Joliet Police Pension	0.5377	0.5459	0.5668	0.5561
Joliet Firemen Pension	0.4378	0.4585	0.4801	0.4815
Joliet Public Library	0.2072	0.2214	0.2306	0.2311
Total Rates Extended	<u>1.4298</u>	<u>1.4789</u>	<u>1.5517</u>	<u>1.5645</u>
Levies Extended				
General	\$ 11,388	\$ 8,154	\$ 195,655	\$ 210,483
Police Protection	3,103,999	2,878,515	2,865,478	2,850,213
Fire Protection	2,393,988	2,318,417	2,310,911	2,599,921
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	1,659,326	1,652,558	1,663,028	1,729,525
Joliet Police Pension	15,596,523	14,654,323	14,592,836	13,940,224
Joliet Firemen Pension	12,698,335	12,649,233	12,360,567	12,070,111
Joliet Public Library	6,008,273	6,018,276	5,936,927	5,793,107
Total Levies Extended	<u>\$ 41,471,832</u>	<u>\$ 40,179,476</u>	<u>\$ 39,925,402</u>	<u>\$ 39,193,584</u>
Current Year Collections	\$ -	\$ 40,032,874	\$ 39,831,418	\$ 39,045,552
Subsequent Collections	-	-	-	-
Total Collections	<u>\$ -</u>	<u>\$ 40,032,874</u>	<u>\$ 39,831,418</u>	<u>\$ 39,045,552</u>
Percentage of Extensions Collected				
Current Year Collections	0.00%	99.64%	99.76%	99.62%
Total Collections	<u>0.00%</u>	<u>99.64%</u>	<u>99.76%</u>	<u>99.62%</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.

2013	2012	2011	2010	2009	2008
0.0086	0.0108	0.0513	0.0605	0.0696	0.1087
0.1337	0.1495	0.1443	0.1363	0.1287	0.1479
0.1192	0.1203	0.1243	0.1200	0.1135	0.0957
-	-	-	-	0.0234	-
-	-	-	-	0.0064	0.0264
-	-	-	0.0035	0.0033	0.0036
-	-	-	-	0.0014	0.0006
-	-	-	-	0.0319	0.0172
-	-	-	-	0.0004	0.0026
0.0458	0.0434	0.0396	0.0376	0.0354	-
0.5230	0.4828	0.4077	0.3624	0.3131	0.2432
0.4666	0.4255	0.3649	0.3589	0.2949	0.2202
0.2255	0.2143	0.1970	0.1877	0.1749	0.1775
<u>1.5224</u>	<u>1.4466</u>	<u>1.3291</u>	<u>1.2669</u>	<u>1.1969</u>	<u>1.0436</u>
\$ 218,777	\$ 289,048	\$ 1,494,092	\$ 1,849,045	\$ 2,252,585	\$ 3,471,445
3,401,221	4,001,174	4,202,679	4,165,700	4,165,341	4,726,529
3,000,349	3,201,577	3,600,840	3,649,073	3,649,138	3,054,465
-	-	-	-	757,335	648,301
-	-	-	-	207,134	843,111
-	-	-	106,970	106,803	114,969
-	-	-	-	45,311	19,161
-	-	-	-	1,032,435	549,299
-	-	-	-	12,946	83,034
1,165,115	1,161,545	1,153,334	1,149,159	1,145,711	-
13,304,702	12,921,516	11,874,097	11,075,933	10,133,397	7,770,032
11,869,931	11,387,956	10,627,564	10,968,963	9,544,359	7,035,504
5,736,540	5,735,462	5,737,545	5,736,624	5,660,591	5,671,836
<u>\$ 38,696,635</u>	<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>
\$ 37,963,932	\$ 38,434,584	\$ 38,060,501	\$ 38,521,596	\$ 38,431,133	\$ 33,724,323
7,923	5,055	21,883	44,566	19,393	68,238
<u>\$ 37,971,855</u>	<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>
98.11%	99.32%	98.37%	99.54%	99.27%	99.23%
<u>98.13%</u>	<u>99.33%</u>	<u>98.43%</u>	<u>99.65%</u>	<u>99.32%</u>	<u>99.43%</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	
2017	\$ 6,703,443	(\$ 471,186)	\$ -	\$ 17,153,971	(\$ 5,701,474)	\$ 80,593,633	\$ 98,278,387
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

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
2017	2.64%	148,462	\$ 42	\$ 662	0.07%	\$ 230
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

Source of Information: Various City Offices

CITY OF JOLIET, ILLINOIS

Computation of Direct and Overlapping Bonded Debt December 31, 2017

	Total Debt	Applicable Percent (1)	Overlapping Debt
<u>Direct Debt</u>			
City of Joliet*	\$ 6,703,443	100.000%	\$ 6,703,443
<u>Overlapping Debt</u>			
Schools			
Elementary			
Troy Community Consolidated School District #30C	71,433,000	57.258%	40,901,107
Laraway Community Consolidated School District #70C	305,000	79.091%	241,228
Union School District #81	3,999,083	62.789%	2,510,984
Rockdale School District #84	1,500,000	27.768%	416,520
Joliet Public Schools District #86	42,107,856	87.743%	36,946,696
Manhattan School District #114	10,113,359	0.068%	6,877
New Lenox School District #122	140,372,448	6.835%	9,594,457
High Schools and College			
Minooka Community High School District #111	58,720,000	7.099%	4,168,533
Joliet Township High School District #204	95,420,000	61.330%	58,521,086
Lockport Township High School District #205	13,410,000	0.011%	1,475
Lincolnway Community High School District #210	246,524,161	1.300%	3,204,814
Unit School District #202U	238,215,000	25.993%	61,919,225
Community College District #525	205,245,000	16.052%	32,945,927
Total Schools			251,378,929
Other Than Schools			
Will County (2)	316,457,488	13.131%	41,554,033
Will County Forest Preserve District	134,715,516	13.131%	17,689,494
New Lenox Township	1,018,567	9.637%	98,159
Plainfield Township	1,275,000	43.124%	549,831
Channahon Park District	8,225,245	7.973%	655,799
Joliet Park District	22,685,000	88.242%	20,017,698
Lockport Park District	8,335,000	0.016%	1,334
New Lenox Park District	180,000	10.675%	19,215
Plainfield Park District	11,248,000	32.840%	3,693,843
Total Other Than Schools			84,279,406
Total Overlapping Debt			\$ 335,658,335
Total Direct and Overlapping Debt			\$ 342,361,778

Notes: (1) Overlapping debt percentages as of tax year 2017.
(2) Includes the Public Building Commission.

* Amount includes unamortized premium on bonds issued of \$163,443.

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	
2017	\$ 49,058,858	\$ 30,784,261	\$ 18,274,597	\$ 7,537,763	\$ 1,606,487	2.00
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

At December 31, 2017, there were four bond issues and nine 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
2017	148,462	\$ 25,089	\$ 3,724,763,118	6.4
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

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	2017 Number of Employees	2017 Rank	Percentage of 2017 Total Employment
Amazon	Fulfillment Center	3,500	1	5.02%
Presence St. Joseph Medical Center	Hospital	3,023	2	4.33%
Will County	County Government	2,200	3	3.15%
Joliet Junior College	Community College District	1,553	4	2.23%
Joliet Public Schools District 86	Elementary School District	1,256	5	1.80%
Joliet Township District #204	School District	916	6	1.31%
City of Joliet	City Government	894	7	1.28%
Harrah's Casino	Riverboat Casino	800	8	1.15%
Exxon Mobil	Refinery	680	9	0.97%
Hollywood Casino	Riverboat Casino	600	10	0.86%

Employer	Type of Business or Property	2008 Number of Employees	2008 Rank	Percentage of 2008 Total Employment
Provena St. Joseph Medical Center	Hospital	2,500	1	5.42%
Will County	County Government	2,300	2	4.39%
Silver Cross Hospital	Hospital	1,800	3	3.61%
Caterpillar Inc	Tractors and Earthmoving Equipment	1,500	4	3.61%
Joliet Public Schools District 86	Elementary School District	1,286	5	2.53%
Harrah's Casino	Riverboat Casino	1,200	6	2.53%
City of Joliet	City Government	1,052	7	1.68%
Joliet Junior College District #525	Community College District	885	8	1.63%
Argosy's Empress Casino	Riverboat Casino	875	9	1.17%
Mobil Oil Corporation	Refinery	600	10	0.99%

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	2017		2016		2015		2014		2013	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	95	18	55	25	41	12	61	25	58	20
Public Safety										
Police Department	337	35	326	37	327	40	319	33	320	33
Fire Department	207		205	1	211	1	210	1	204	1
Streets and Bridges	52	-	64	-	45	1	46	-	41	-
Culture and Recreation (2)	4	-	4	-	3	-	4	1	5	2
Community Development	32	2	29	1	22	-	23	1	26	4
Public Works	18	-	20	-	18	-	21	-	22	-
Water and Sewer (3)	78	2	77	2	94	5	91	1	79	4
Parking Facilities (4)	4	10	4	12	4	12	1	13	1	11
Subtotals	<u>827</u>	<u>67</u>	<u>784</u>	<u>78</u>	<u>765</u>	<u>71</u>	<u>776</u>	<u>75</u>	<u>756</u>	<u>75</u>
TOTAL STAFF		<u>894</u>		<u>862</u>		<u>836</u>		<u>851</u>		<u>831</u>

Function	2012		2011		2010		2009		2008	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	68	25	75	27	74	30	86	31	86	31
Public Safety										
Police Department	319	49	336	50	346	54	391	57	391	57
Fire Department	210	2	208	2	210	3	216	3	216	3
Streets and Bridges	42	-	51	-	54	-	54	-	54	-
Refuse Disposal (1)	-	-	-	-	-	-	-	1	-	1
Culture and Recreation (2)	5	-	4	1	4	1	6	1	6	1
Community Development	31	8	31	7	36	2	43	3	43	3
Public Works	20	-	22	-	23	15	28	15	28	15
Water and Sewer (3)	89	1	87	1	92	1	97	1	97	1
Parking Facilities (4)	3	12	3	10	3	15	4	15	4	15
Subtotals	<u>787</u>	<u>97</u>	<u>817</u>	<u>98</u>	<u>842</u>	<u>121</u>	<u>925</u>	<u>127</u>	<u>925</u>	<u>127</u>
TOTAL STAFF		<u>884</u>		<u>915</u>		<u>963</u>		<u>1,052</u>		<u>1,052</u>

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

(2) Includes Visitors' Service Division in 2008-2013, not in 2014-17.

(3) Includes Customer Services Division Employees.

(4) Includes One Clerk-Typist position from Collector's Office in 2007-09, not in 2010-17.

Source of Information: City of Joliet Annual Budgets.

CITY OF JOLIET, ILLINOIS

Operating Indicators by Function Last Ten Fiscal Years

Function	2017	2016	2015	2014	2013
General Government					
Fiscal					
Purchase Orders Processed	1,508	1,589	1,607	4,043	4,549
Nonpayroll Checks Issued	10,587	10,574	10,737	8,793	8,290
Maintenance					
Square Footage Maintained by Staff (City Hall)	62,007	62,007	62,007	62,007	62,007
Information Technology Services					
Wireless Network Locations	41	67	67	67	67
Point-to-point Networks Monitored	43	116	116	116	116
Public Safety					
Police					
Physical Arrests Made	4,392	4,539	4,812	5,158	5,005
Traffic Violations	11,331	13,829	18,621	17,135	17,347
Parking Violations	15,558	n/a	19,208	17,325	22,513
911 Emergency Calls Received	90,955	90,101	104,000	98,705	93,252
Fire					
Emergency Responses	21,672	20,569	19,993	19,706	27,131
Inspections	1,845	1,845	1,617	1,494	1,617
Calls For Service	21,672	20,569	19,993	19,706	19,263
Significant Fires Extinguished	45	43	40	76	71
Streets and Bridges					
Lane Miles of Road Resurfaced	9	18	19.70	9.34	10.00
Potholes Repaired	30,850	31,000	23,410	22,515	21,513
Culture and Recreation					
Programs Sponsored	4	1	1	4	3
Water and Sewer					
Water and Sewer Accounts	49,719	46,185	45,847	44,826	44,314
Water Only Accounts	448	329	275	268	261
Sewer Only Accounts	125	299	36	34	32
New Connections (Net)	12	183	1,030	512	(138)
Water Main Breaks	261	239	216	304	250
Average Daily Consumption in Gallons	11,241,288	10,999,623	10,572,418	10,380,387	10,467,059
Parking Facilities					
Parking Spaces	2,835	2,835	2,835	2,696	3,229

Source of Information: Various City Offices.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
5,391	5,411	5,659	5,863	6,539
8,061	8,584	8,788	9,391	12,888
62,007	62,007	62,007	62,007	62,007
65	65	37	55	49
114	114	93	93	92
5,435	6,575	7,563	7,454	8,583
17,141	19,051	18,974	27,724	32,136
19,410	27,464	19,258	31,487	36,380
99,625	93,517	101,836	112,369	116,491
26,701	26,469	26,422	26,236	26,055
1,504	953	953	953	953
18,958	18,793	18,873	18,740	18,611
65	56	49	58	59
13.00	13.00	15.50	8.60	15.57
21,315	15,724	16,000	16,180	15,922
3	3	7	10	19
44,452	44,350	44,840	44,790	44,770
260	262	244	233	226
35	38	36	40	39
102	(490)	50	20	1,543
232	258	225	169	200
14,431,978	13,462,570	10,615,500	11,339,279	12,059,926
2,801	2,801	2,801	2,983	2,859

CITY OF JOLIET, ILLINOIS

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Public Safety					
Police					
Stations	2	2	2	2	2
Substations	1	1	1	1	1
Patrol Units	321	334	341	350	335
Fire					
Active Stations	9	9	9	9	9
Vehicles	59	60	60	60	57
Streets and Bridges					
Miles of Streets	594	594	516	516	513
Bridges	40	40	40	35	31
Traffic Signals	122	122	123	123	123
Warning Flashers	38	38	38	38	38
Public Works					
Vehicles	151	135	139	136	110
Water and Sewer					
Vehicles	94	93	95	87	92
Water					
Water Mains (Miles)	626	619	609	620	550
Fire Hydrants	7,991	7,917	7,782	7,655	8,476
Storage Capacity in Gallons	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Sewer					
Sanitary Sewers (Miles)	569	567	569	560	520
Storm Sewers (Miles)	548	558	558	557	557
Parking Facilities					
Lots	9	9	9	9	11
Decks	2	2	2	2	2

Source of Information: Various City Offices.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
2	2	2	2	2
1	1	1	1	1
334	334	334	339	329
9	9	9	9	9
55	60	60	60	57
512	510	510	510	507
31	31	31	31	27
123	123	123	119	118
38	38	38	38	38
114	117	137	138	144
77	93	93	95	93
540	437	437	436	435
7,500	7,500	6,850	6,822	6,800
16,500,000	16,500,000	16,500,000	16,500,000	14,750,000
406	406	406	405	402
557	557	557	557	555
10	10	10	9	7
2	2	2	2	2

CITY OF JOLIET, ILLINOIS

Miscellaneous Statistics

December 31, 2017

Date of Organization:	January 19, 1852
Form of Government:	City Manager
Governing Body:	City Council
Land Area:	Approximately 63.3 square miles
Number of Housing Units:	46,895 - 2015 data
Number of Registered Voters:	43,721
Number of Townships:	8
Number of School Districts:	8
Number of Community College Districts:	1

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