

City of
JOLIET



COMPREHENSIVE
ANNUAL FINANCIAL REPORT
YEAR ENDING
DECEMBER 31, 2018

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CITY OF JOLIET, ILLINOIS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018**

PREPARED BY THE FINANCE DEPARTMENT

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INTRODUCTORY SECTION

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FINANCE DEPARTMENT

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

June 27, 2019

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, 2018 is hereby submitted. This report provides a broad view of the City's financial activities and its financial position as of December 31st, 2018. Illinois statues 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 unmodified 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 Route 66 Stadium, 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 continues to rebound from effects of the national economic recession. The estimated taxable value of property in 2017 was \$8.7 billion and increased for three years consecutive years. Although not as high as the value in 2009 (\$9.7 billion) 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 City, along with Centerpointe, have begun negotiations to construct a bridge that will give direct access from Interstate 80 to the Centerpointe intermodal park.

An award of a \$30 million grant in 2010 from the State of Illinois made possible the construction of a new multimodal transportation center in downtown. 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. 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 2018, the City reported several additions in the commercial sector, including; Saddle Creek Logistic Services, Mars Warehouse, Cadence Premier Logistics, and Joliet Bulk and Barge. 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. In 2018 the City began the process of developing a Comprehensive 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 \$5.095 million. The total principal outstanding on the Water & Sewer Revenue bonds is \$11.370 million. In 2018, 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 \$84.0 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, 2017. This was the nineteenth 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 (through May 5, 2019) Sherri Reardon (beginning May 6, 2019)

COUNCILWOMAN, DISTRICT #4
Bettye Gavin

COUNCILMAN, DISTRICT #5
Terry Morris

COUNCILWOMAN AT LARGE
Jan Hallums-Quillman

COUNCILMAN AT LARGE
Michael F. Turk

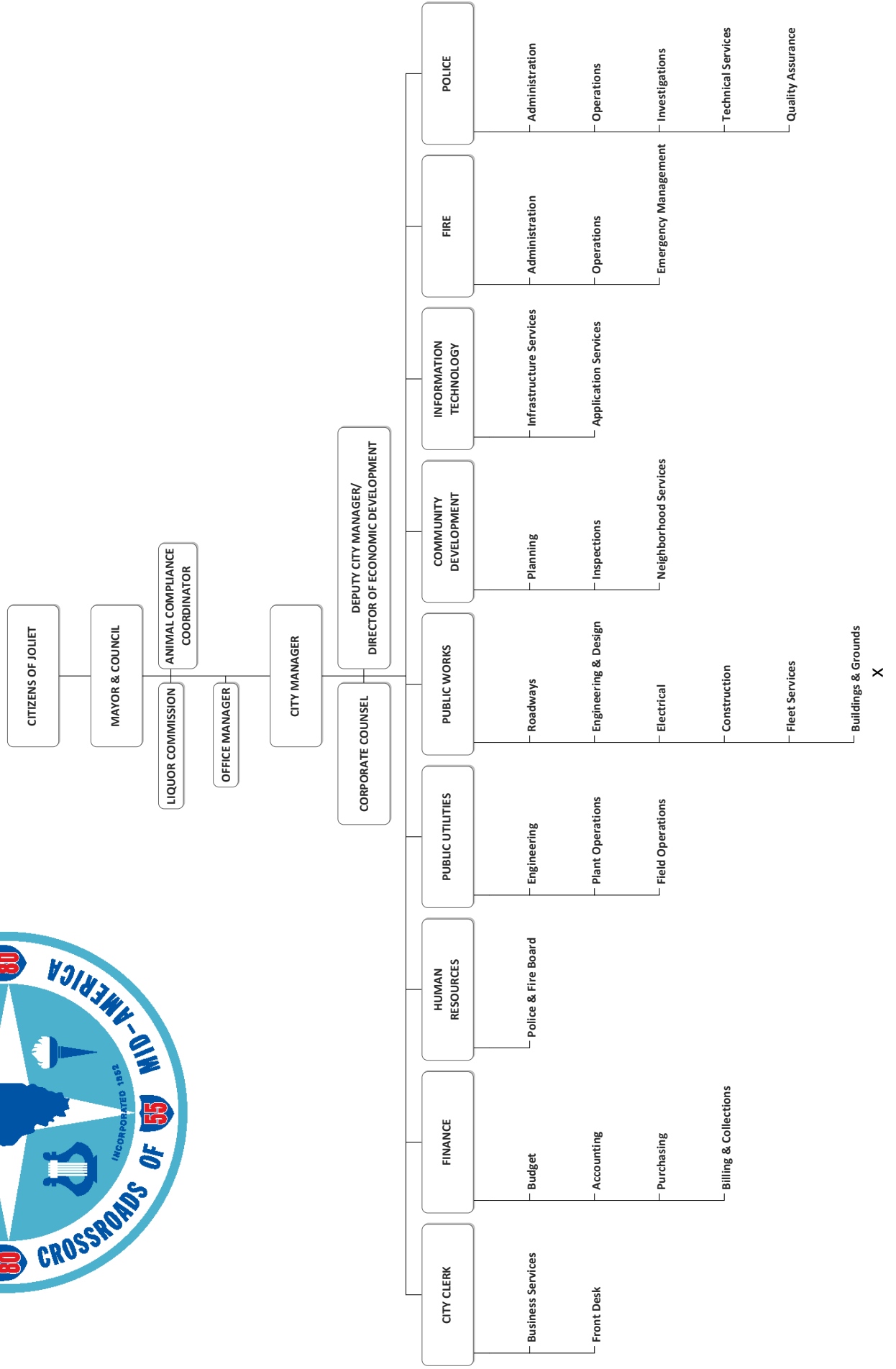
COUNCILMAN AT LARGE
Don "Duck" Dickinson

INTERIM CITY MANAGER
Martin Shanahan

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, 2017

Christopher P. Morrill

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2018, which represent 48%, 59%, and 39%, 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, 2018, which represent 2%, 2%, and 8%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Joliet Public Library, Will County Metropolitan Exposition and Auditorium Authority, Firefighters' Pension Fund of the City of Joliet, and Police Pension Fund of the City of Joliet were not audited in accordance with *Governmental Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2018, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, other postemployment benefits schedule, budgetary comparison information and notes to required supplementary information on pages 4 through 15, 88 through 97, 98, 99 through 102, and 103, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Werner, Rogers, Doran & Ruyon, LLC

June 27, 2019

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

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, 2018. 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 liabilities of the City exceeded the assets at year-end by \$96.5 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 (\$765.8) million, restricted net position accounted for \$21.2 million and the net investment in capital assets totaled \$648.1 million. Total net position for Governmental activities was (\$339.4) million and Business-type activities totaled \$242.9 million.
- The total primary government-wide expenses for the year ended December 31, 2018 were \$199.7 million and total primary government-wide taxes and other revenues for City functions were \$242.5 million, resulting in an increase of in net position of \$42.8 million.
- Revenues of the governmental activities decreased \$8.5 million or 4.4% from the prior year, while expenses decreased \$42.7 million or 19.9%.
- Business-type activities generated \$56.5 million in revenues, up \$5.9 million or 11.7% from the prior year and expenses totaled \$27.3 million, a \$18.9 million decrease or 40.9%.
- The combined fund balances for the City's governmental funds at year-end totaled \$66.6 million, a decrease of \$4.0 million or 5.6% in comparison to the prior year.
- Total General Fund revenues for the year were \$176.1 million, while total expenditures before transfers were \$178.1 million.
- At year-end, the unassigned fund balance in the General Fund was \$47.0 million, or 26.4% 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, 2018

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, 2018

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 seventeen 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, City Center Special Service Area Fund, Park Hill Special Service Area Fund, Miscellaneous Special Service Area Fund, Business District Tax Allocation Fund, Tax Increment Financing Fund #2, Tax Increment Financing Fund #3, Tax Increment Financing Fund #4, 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 113–130).

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, and budgetary comparison schedules for the City's funds. Also presented are the combining statements for the nonmajor governmental funds mentioned previously. This other information begins on page 88 of this report.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2018

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, 2018.

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	
	2018	2017	2018	2017	2018	2017
Assets						
Current and Other	\$ 131.1	\$ 133.7	\$ 53.4	\$ 38.0	\$ 184.5	\$ 171.7
Capital Assets	<u>388.8</u>	<u>394.8</u>	<u>397.0</u>	<u>357.6</u>	<u>785.8</u>	<u>752.4</u>
Total Assets	<u>519.9</u>	<u>528.5</u>	<u>450.4</u>	<u>395.6</u>	<u>970.3</u>	<u>924.1</u>
Deferred Outflows of Resources						
	<u>94.8</u>	<u>41.9</u>	<u>7.7</u>	<u>3.4</u>	<u>102.5</u>	<u>45.3</u>
Liabilities						
Current and Other	15.6	15.5	14.3	11.5	29.9	27.0
Long-Term	<u>844.4</u>	<u>518.3</u>	<u>194.4</u>	<u>124.2</u>	<u>1,038.8</u>	<u>642.5</u>
Total Liabilities	<u>860.0</u>	<u>533.8</u>	<u>208.7</u>	<u>135.7</u>	<u>1,068.7</u>	<u>669.5</u>
Deferred Inflows of Resources						
	<u>94.1</u>	<u>82.0</u>	<u>6.5</u>	<u>7.3</u>	<u>100.6</u>	<u>89.3</u>
Net Position						
Net Investment in Capital Assets	383.7	388.1	264.4	259.9	648.1	648.0
Restricted	17.9	17.8	3.3	5.7	21.2	23.5
Unrestricted	(<u>741.0</u>)	(<u>451.3</u>)	(<u>24.8</u>)	(<u>9.6</u>)	(<u>765.8</u>)	(<u>460.9</u>)
Total Net Position	<u>(\$ 339.4)</u>	<u>(\$ 45.4)</u>	<u>\$ 242.9</u>	<u>\$ 256.0</u>	<u>(\$ 96.5)</u>	<u>\$ 210.6</u>

The City's combined net position decreased \$307.1 million from \$210.6 million to (\$96.5) million from 2017 to 2018. The reduction in net position was due to an additional \$262.0 million recognition of other postemployment benefits along with \$46.1 million of related deferred inflows due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, along with net increase of \$15.9 million of net pension liability and related deferred amounts (\$109.7 of additional net pension liability less \$93.8 million of deferred amounts).

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 \$46.2 million primarily due to the current year borrowing of \$43.4 million in Illinois Environmental Protection Agency loans – the loans are being used to improve the City’s water and wastewater system. Total liabilities increased \$399.2 million. Changes in liabilities included a \$109.7 million increase in the total net pension liability; a \$262.0 million increase in other postemployment benefits primarily due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; and a \$33.4 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, 2018, the City’s total liabilities and deferred inflows exceeded total assets and deferred outflows. Additionally, a significant portion of the total net position (\$648.1 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, 2018

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

	Governmental Activities		Business Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services	\$ 29.4	\$ 28.3	\$ 55.3	\$ 49.2	\$ 84.7	\$ 77.5
Operating Grants and Contributions	3.5	10.3	0.1	0.6	3.6	10.9
Capital Grants and Contributions	5.2	14.3	-	-	5.2	14.3
General Revenues:						
Property Taxes	37.2	35.8	-	-	37.2	35.8
Intergovernmental Revenues						
Gaming Taxes	17.9	18.5	-	-	17.9	18.5
State Sales Taxes	22.6	21.7	-	-	22.6	21.7
State Income Taxes	14.4	13.6	-	-	14.4	13.6
Other Intergovernmental	7.0	6.9	-	-	7.0	6.9
Home Rule Sales Taxes	26.3	25.0	-	-	26.3	25.0
Utility Taxes	10.0	9.4	-	-	10.0	9.4
Other Taxes	10.1	8.9	-	-	10.1	8.9
Interest and Investment Earnings	0.8	0.3	0.4	0.1	1.2	0.4
Other	1.6	1.5	0.7	0.7	2.3	2.2
Total Revenues	<u>186.0</u>	<u>194.5</u>	<u>56.5</u>	<u>50.6</u>	<u>242.5</u>	<u>245.1</u>
Program Expenses						
General Government	25.1	26.9	-	-	25.1	26.9
Public Safety	102.2	131.2	-	-	102.2	131.2
Public Works	26.5	31.1	-	-	26.5	31.1
Refuse Disposal	11.9	13.5	-	-	11.9	13.5
Culture and Recreation	0.5	0.6	-	-	0.5	0.6
Community Development	6.1	11.6	-	-	6.1	11.6
Interest on Long-Term Debt	0.1	0.2	-	-	0.1	0.2
Water and Sewer	-	-	26.3	44.8	26.3	44.8
Parking Facilities	-	-	1.0	1.4	1.0	1.4
Total Expenses	<u>172.4</u>	<u>215.1</u>	<u>27.3</u>	<u>46.2</u>	<u>199.7</u>	<u>261.3</u>
Excess (Deficiency) of Revenues						
Over Expenses Before Transfers	13.6 (	20.6)	29.2	4.4	42.8 (	16.2)
Transfers	<u>2.2</u>	<u>2.2</u>	<u>(2.2)</u>	<u>(2.2)</u>	<u>-</u>	<u>-</u>
Change in Net Position	15.8 (	18.4)	27.0	2.2	42.8 (	16.2)
Net Position, Beginning	<u>(45.4)</u>	<u>(27.0)</u>	<u>256.0</u>	<u>253.8</u>	<u>210.6</u>	<u>226.8</u>
Beginning Net Position Adjustment	<u>(309.8)</u>	<u>-</u>	<u>(40.1)</u>	<u>-</u>	<u>(349.9)</u>	<u>-</u>
Net Position, Beginning, as Adjusted	<u>(355.2)</u>	<u>(27.0)</u>	<u>215.9</u>	<u>253.8</u>	<u>(139.3)</u>	<u>226.8</u>
Net Position, Ending	<u>(\$ 339.4)</u>	<u>(\$ 45.4)</u>	<u>\$ 242.9</u>	<u>\$ 256.0</u>	<u>(\$ 96.5)</u>	<u>\$ 210.6</u>

CITY OF JOLIET, ILLINOIS
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Primary Government Activities

The preceding table shows the City's activity from year to year. Primary government revenues decreased by \$2.6 million or 1.1% and primary government expenses decreased by \$61.6 million or 23.6%

A closer look shows a \$7.2 million or a 9.3% increase in charges for services – water and sewer revenues were higher by \$6.1 million due to an increase in water rates. Building permits were down \$0.6 million. Operating grants and contributions were down \$7.3 million along with a \$9.1 million decrease in capital grants and contributions – due in part to a \$9.1 million decrease in funds received for the multi-modal construction project due to the project's completion. Gaming taxes decreased slightly by \$0.6 million.

Total primary government expenses decreased \$61.6 million from \$261.3 million to \$199.7 million. Governmental activities' expenses decreased \$42.7 million, mainly due the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and its effect on other postemployment benefits – the difference in general government OPEB expense was a decrease of \$49.6 million from 2017 to 2018.

Business-type activities' expenses decreased \$18.9 million, due to the same reason as governmental activities' expenses mentioned above. When expenses are coupled with transfers out of \$2.2 million for 2018, total outflows of business-type activities decreased a similar \$18.9 million – the difference in business-type OPEB expense was a decrease of \$9.7 million from 2017 to 2018.

Governmental Activities

Table 3a
Governmental Activities
(In Millions - Rounded)

	Total Cost of Services		Net Cost of (Surplus from) Services	
	2018	2017	2018	2017
General Government	\$ 25.1	\$ 26.9	\$ 19.6	\$ 22.3
Public Safety	102.2	131.2	94.1	123.2
Public Works	26.5	31.1	21.7	23.9
Refuse Disposal	11.9	13.5	(2.7)	(0.1)
Culture and Recreation	0.5	0.6	0.5	0.6
Community Development	6.1	11.6	1.0	(7.8)
All Others	0.1	0.2	0.1	0.2
Total	\$ 172.4	\$ 215.1	\$ 134.3	\$ 162.3

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.

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

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) increased by \$5.9 million or 11.7% while expenses were lower by \$18.9 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 increased by 17.1% (from \$0.92 million to \$1.08 million), while expenses decreased 30.3% (from \$1.47 million to \$1.02 million). The increase in revenues was due to an increase in parking collections, and the decrease in expenses was mostly attributable to decreased benefits as the current year decrease in other post employment benefits due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Water and wastewater utility total revenues increased by \$6.0 million or 12.3% (from \$49.1 million to \$55.1 million), primarily due to increased water usage and a 7% rate increase that went into effect in November 2017 and again in November 2018.

As shown in Table 3b, the overall net cost of providing water and wastewater services is a positive \$28.1 million, after transfers out and miscellaneous revenues, the increase in net position is \$27.2 million; with the year over year increase coming from greater usage and higher rates combined with the current year decrease in other post employment benefits due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

	Total Cost of Services		Net Cost of (Surplus from) Services	
	2018	2017	2018	2017
Water and Sewer	\$ 26.3	\$ 44.8	\$ (28.1)	\$ (4.1)
Parking Facilities	1.0	1.4	-	0.6
Total	\$ 27.3	\$ 46.2	\$ (28.1)	\$ (3.5)

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
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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, unassigned 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 \$66.6 million; \$4.0 million lower than last year's balance of \$70.6 million. Unassigned fund balance was \$40.5 million and is available for spending at the City's discretion. The remaining \$26.1 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 \$53.3 million, a decrease of \$2.6 million as compared to last year's total of \$55.9 million. Revenues over expenses for the year showed a negative \$1.9 million, which was coupled with net transfers out to other funds of \$0.7 million. Overall General Fund revenues increased \$8.1 million from 2018. Many revenue sources mirrored the prior year; however, the state home rule sales tax revenues increased \$1.7 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, which is comparable to 2017.

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 \$4.3 million in revenues during 2018 and spent \$5.4 million on city-wide roadway improvements. Revenues were up about \$0.2 million in 2018 due to an increase in federal grants received in 2018. The year-end fund balance for the Motor Fuel Tax Fund is \$8.4 million a \$1.1 million decrease 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, City Center Special Service Area Fund, Park Hill Special Service Area Fund, Miscellaneous Special Service Area Fund, Business District Tax Allocation Fund, Tax Increment Financing Fund #2, Tax Increment Financing Fund #3, Tax Increment Financing Fund #4, 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
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As shown in Table 4 below, actual General Fund revenues of \$176.1 million were more than budgeted revenues by \$0.3 million or 0.2%; while actual expenditures were below budget by \$3.4 million or 1.9%. 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 - Rounded)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues	\$ 169.0	\$ 175.8	\$ 176.1	\$ 0.3
Expenditures	177.3	181.5	178.1	3.4
(Deficiency) of Revenues Over Expenditures	(8.3)	(5.7)	(2.0)	3.7
Other Financing Sources and Uses:				
Transfers from Other Funds	4.7	4.7	2.2	(2.5)
Transfers to Other Funds	(1.4)	(2.8)	(2.8)	-
Net Change in Fund Balance	<u>\$ (5.0)</u>	<u>\$ (3.8)</u>	<u>\$ (2.6)</u>	<u>\$ 1.2</u>

Capital Assets and Debt Administration

Capital Assets

At the end of 2018, the City had \$785.8 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 \$33.4 million or 4.4% from last year.

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

	Governmental Activities		Business Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land and Land Improvements	\$ 24.7	\$ 23.1	\$ 4.7	\$ 4.7	\$ 29.4	\$ 27.8
Buildings	43.3	39.6	-	-	43.3	39.6
Waterworks and Sewerage System	-	-	284.2	271.9	284.2	271.9
Parking Facilities	-	-	2.0	2.1	2.0	2.1
Equipment	14.0	15.2	14.6	15.6	28.6	30.8
Infrastructure	296.3	279.3	-	-	296.3	279.3
Construction in Progress	10.5	37.6	91.5	63.3	102.0	100.9
Totals	<u>\$ 388.8</u>	<u>\$ 394.8</u>	<u>\$ 397.0</u>	<u>\$ 357.6</u>	<u>\$ 785.8</u>	<u>\$ 752.4</u>

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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This year's major capital project additions included the following:

- \$1.1 million for the Multi-Modal Transportation Center;
- \$45.6 million for construction in progress for water/sewer system improvements;
- \$0.3 million to purchase public safety equipment.

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 \$137.8 million in bonds and loans outstanding versus \$104.4 million last year – an increase of 32.0% – as shown in Table 6.

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

	Governmental Activities		Business Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds (Backed by the City)	\$ 5.2	\$ 6.7	\$ -	\$ -	\$ 5.2	\$ 6.7
Revenue Bonds (Backed by Specific Fee Revenues)	-	-	11.4	17.1	11.4	17.1
IEPA Loan	-	-	121.2	80.6	121.2	80.6
Totals	\$ 5.2	\$ 6.7	\$ 132.6	\$ 97.7	\$ 137.8	\$ 104.4

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, 2018, 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 2019 budget. The 2019 budgeted expenses (including transfers) of \$281.0 million represent an increase of \$0.7 million or 0.2% as compared to the 2018 budget of \$280.3 million. The budget increase is primarily due to increases in the Water and Sewer Fund for capital outlays.

The 2019 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; adding new staff positions; providing a 2% increase in staff wages; allocation of funding for Phase 1 of a city-wide Comprehensive Plan, County/Courthouse parking lot and continued support of the Historical Museum, Will County Courthouse and Rialto; removal of 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.

CITY OF JOLIET, ILLINOIS
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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 City also has budgeted \$7.6 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. On September 4, 2018, the Joliet City Council approved a plan that calls for the non-renewal of 179 of the 356 separate 20-year Housing Assistance Payment contracts which would result in maintaining a total of 177 units going forward. The downsizing project may take several years to complete.

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 2019.

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 2019 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, 2018

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current Assets:				
Cash	\$ 5,345,035	\$ 11,597,192	\$ 16,942,227	\$ 10,109,735
Escrow Deposits	530,300	3,639,950	4,170,250	-
Investments	45,384,504	25,576,969	70,961,473	813,370
Receivables				
Property Taxes, Net of Allowance for Uncollectible Amounts	39,669,640	-	39,669,640	5,964,567
Intergovernmental	17,024,893	6,202,225	23,227,118	1,034,785
Accrued Interest	22,644	1,191	23,835	4
Customer Accounts, Net	6,220,650	2,815,511	9,036,161	334,160
Estimated Unbilled Usage	1,045,148	4,242,539	5,287,687	-
Other	-	-	-	1,050
Inventory	10,000	-	10,000	78,781
Prepaid Expenses	-	30,150	30,150	182,234
Grant Advance	-	-	-	9,456
Internal Balances	683,836	(683,836)	-	-
Total Current Assets	<u>115,936,650</u>	<u>53,421,891</u>	<u>169,358,541</u>	<u>18,528,142</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 Assets	-	-	-	110,585
Capital Assets (Net)				
Land	18,879,736	4,670,079	23,549,815	-
Construction in Progress	10,542,970	91,520,611	102,063,581	-
Infrastructure	296,263,735	-	296,263,735	-
Land Improvements	5,851,279	-	5,851,279	-
Buildings	43,320,789	-	43,320,789	-
Waterworks and Sewerage System	-	284,257,499	284,257,499	-
Parking Decks and Lots	-	1,993,477	1,993,477	-
Equipment	13,998,828	14,601,066	28,599,894	-
Library	-	-	-	12,779,802
Riverwalk Homes, LLC	-	-	-	12,596,199
W.C.M.E.A.A.	-	-	-	6,671,123
Historical Museum	-	-	-	564,782
Intangible Assets (Net)	-	-	-	95,784
Total Noncurrent Assets	<u>403,934,793</u>	<u>397,042,732</u>	<u>800,977,525</u>	<u>32,818,275</u>
Total Assets	<u>519,871,443</u>	<u>450,464,623</u>	<u>970,336,066</u>	<u>51,346,417</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding of Debt	-	36,999	36,999	-
Deferred Outflows Related to Pensions	94,792,648	7,623,878	102,416,526	2,371,447
Total Deferred Outflows of Resources	<u>94,792,648</u>	<u>7,660,877</u>	<u>102,453,525</u>	<u>2,371,447</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 614,664,091</u>	<u>\$ 458,125,500</u>	<u>\$ 1,072,789,591</u>	<u>\$ 53,717,864</u>

See Accompanying Notes to Basic Financial Statements.

LIABILITIES	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Current Liabilities:				
Vouchers Payable	\$ 8,008,962	\$ 12,823,765	\$ 20,832,727	\$ 750,700
Accrued Payroll	2,504,364	393,891	2,898,255	208,981
Accrued Compensated Absences - Current	7,539,821	515,943	8,055,764	109,712
Health Claims Payable	1,380,700	-	1,380,700	-
Accrued Interest	35,010	298,229	333,239	62,713
Accrued Real Estate Taxes	-	-	-	531,090
Loans Payable - Current Portion	-	3,671,546	3,671,546	2,289,866
Bonds Payable - Current Portion	1,495,000	3,460,000	4,955,000	-
Customer Deposits and Credits	1,912,344	754,379	2,666,723	-
Estimated Liability for Self-Insured Losses - Current	3,184,139	-	3,184,139	-
Unearned Revenue	1,807,475	18,657	1,826,132	933,238
Due to Primary Government	-	-	-	607,893
Due to Volunteers	-	-	-	64,682
Other	-	-	-	48,736
Total Current Liabilities	27,867,815	21,936,410	49,804,225	5,607,611
Noncurrent Liabilities:				
Accrued Compensated Absences	7,539,820	515,943	8,055,763	135,427
Net Pension Liability	443,269,245	19,367,186	462,636,431	5,943,528
Estimated Liability for Self-Insured Losses	4,052,000	-	4,052,000	-
Other Postemployment Benefits	373,570,428	41,325,463	414,895,891	-
General Obligation Bonds	3,700,911	-	3,700,911	-
Revenue Bonds	-	8,023,666	8,023,666	-
Due to Primary Government	-	-	-	11,472,658
Loans Payable	-	117,499,071	117,499,071	-
Total Noncurrent Liabilities	832,132,404	186,731,329	1,018,863,733	17,551,613
Total Liabilities	860,000,219	208,667,739	1,068,667,958	23,159,224
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	39,669,640	-	39,669,640	5,964,567
Deferred Inflows Related to Pensions	12,936,582	1,951,690	14,888,272	598,289
Deferred Inflows Related to OPEB	41,508,794	4,591,826	46,100,620	-
Total Deferred Inflows of Resources	94,115,016	6,543,516	100,658,532	6,562,856
NET POSITION				
Net Investment in Capital Assets	383,661,426	264,425,448	648,086,874	18,849,382
Restricted for:				
Expendable Purposes:				
Temporary Funds	-	-	-	253,289
Debt Service	473,380	3,341,721	3,815,101	-
Road/Capital Projects	13,519,968	-	13,519,968	-
Multi-Modal Transportation Center	486,182	-	486,182	-
Public Safety	1,902,997	-	1,902,997	-
Tax Incremental Financing Projects	875,846	-	875,846	-
Community Development Projects	621,359	-	621,359	-
Nonexpendable Purposes:				
Permanent Funds	-	-	-	1,162,220
Unrestricted	(740,992,302)	(24,852,924)	(765,845,226)	3,730,893
Total Net Position	(339,451,144)	242,914,245	(96,536,899)	23,995,784
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 614,664,091	\$ 458,125,500	\$ 1,072,789,591	\$ 53,717,864

CITY OF JOLIET, ILLINOIS

Statement of Activities For the Year Ended December 31, 2018

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Indirect Expense Allocation</u>	<u>Program Charges for Services</u>
Primary Government:			
Governmental Activities:			
General Government	\$ 44,970,013	(\$ 19,857,931)	\$ 5,387,802
Public Safety	85,482,283	16,707,394	7,225,088
Public Works	24,376,007	2,100,358	277,386
Refuse Disposal	11,899,949	-	14,684,833
Culture and Recreation	372,267	95,471	13,458
Community Development	5,168,941	954,708	1,860,766
Interest on Long-Term Debt	138,717	-	-
Total Governmental Activities	<u>172,408,177</u>	<u>-</u>	<u>29,449,333</u>
Business-Type Activities:			
Water and Sewer	26,334,156	-	54,354,188
Parking Facilities	<u>1,021,882</u>	<u>-</u>	<u>1,023,198</u>
Total Business-Type Activities	<u>27,356,038</u>	<u>-</u>	<u>55,377,386</u>
Total Primary Government	<u>\$ 199,764,215</u>	<u>\$ -</u>	<u>\$ 84,826,719</u>
Component Units:			
Public Library	\$ 6,339,264	\$ -	\$ 130,669
Riverwalk Homes, LLC	4,519,764	-	523,773
W.C.M.E.A.A.	4,066,505	-	2,926,244
The Joliet Area Historical Museum	<u>1,376,487</u>	<u>-</u>	<u>124,254</u>
Total Component Units	<u>\$ 16,302,020</u>	<u>\$ -</u>	<u>\$ 3,704,940</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	
\$ 114,925	\$ -	(\$ 19,609,355)	\$ -	(\$ 19,609,355)	\$ -
839,689	-	(94,124,900)	-	(94,124,900)	-
380,924	4,080,532	(21,737,523)	-	(21,737,523)	-
-	-	2,784,884	-	2,784,884	-
-	-	(454,280)	-	(454,280)	-
2,116,747	1,106,917	(1,039,219)	-	(1,039,219)	-
-	-	(138,717)	-	(138,717)	-
<u>3,452,285</u>	<u>5,187,449</u>	<u>(134,319,110)</u>	<u>-</u>	<u>(134,319,110)</u>	<u>-</u>
79,084	-	-	28,099,116	28,099,116	-
-	-	-	1,316	1,316	-
<u>79,084</u>	<u>-</u>	<u>-</u>	<u>28,100,432</u>	<u>28,100,432</u>	<u>-</u>
<u>\$ 3,531,369</u>	<u>\$ 5,187,449</u>	<u>(134,319,110)</u>	<u>28,100,432</u>	<u>(106,218,678)</u>	<u>-</u>
\$ 245,392	\$ -	-	-	-	(5,963,203)
4,402,516	-	-	-	-	406,525
840,416	-	-	-	-	(299,845)
1,212,601	-	-	-	-	(39,632)
<u>\$ 6,700,925</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,896,155)</u>
General Revenues:					
Property Taxes		37,205,732	-	37,205,732	5,999,216
Intergovernmental Revenues					
Gaming Taxes		17,886,392	-	17,886,392	-
State Sales Taxes		22,587,994	-	22,587,994	-
State Income Taxes		14,410,342	-	14,410,342	-
Other Intergovernmental		6,994,012	-	6,994,012	-
Home Rule Sales Taxes		26,271,831	-	26,271,831	-
Utility Taxes		10,001,397	-	10,001,397	-
Other Taxes		10,135,781	-	10,135,781	-
Interest and Investment Earnings		793,265	370,640	1,163,905	191,214
Contributions to Permanent Funds		-	-	-	6,768
Other General Revenues		1,578,942	761,147	2,340,089	34,725
Transfers		<u>2,179,111</u>	<u>(2,179,111)</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers		<u>150,044,799</u>	<u>(1,047,324)</u>	<u>148,997,475</u>	<u>6,231,923</u>
Change in Net Position		15,725,689	27,053,108	42,778,797	335,768
Net Position - Beginning, as Adjusted		<u>(355,176,833)</u>	<u>215,861,137</u>	<u>(139,315,696)</u>	<u>23,660,016</u>
Net Position - Ending		<u>(\$ 339,451,144)</u>	<u>\$ 242,914,245</u>	<u>(\$ 96,536,899)</u>	<u>\$ 23,995,784</u>

CITY OF JOLIET, ILLINOIS

Governmental Funds Balance Sheet December 31, 2018

	General Fund	Evergreen Terrace II Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 902,914	\$ -	\$ 352,630	\$ 4,089,491	\$ 5,345,035
Escrow Deposits	-	-	-	530,300	530,300
Investments	27,102,699	-	7,747,152	10,534,653	45,384,504
Receivables					
Property Taxes, Net of Allowance for Uncollectible Amounts	36,791,080	-	-	2,878,560	39,669,640
Intergovernmental	15,952,963	-	689,368	382,562	17,024,893
Accrued Interest	-	-	8,703	13,941	22,644
Customer Accounts, Net	6,187,562	-	27,571	5,517	6,220,650
Estimated Unbilled Usage	1,045,148	-	-	-	1,045,148
Inventory	-	-	-	10,000	10,000
Internal Receivables	18,548,967	-	109,067	-	18,658,034
Due from Component Unit	-	11,472,658	-	-	11,472,658
Total Assets	\$ 106,531,333	\$ 11,472,658	\$ 8,934,491	\$ 18,445,024	\$ 145,383,506
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Vouchers Payable	\$ 4,762,940	\$ -	\$ 538,201	\$ 2,707,821	\$ 8,008,962
Customer Deposits and Credits	428,476	-	-	1,483,868	1,912,344
Health Claims Payable	1,380,700	-	-	-	1,380,700
Unearned Revenue	1,751,781	-	-	55,694	1,807,475
Internal Payables	109,067	17,789,894	-	75,237	17,974,198
Accrued Payroll and Other	2,504,364	-	-	-	2,504,364
Total Liabilities	10,937,328	17,789,894	538,201	4,322,620	33,588,043
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	36,791,080	-	-	2,878,560	39,669,640
Deferred Other Income	5,509,424	-	-	9,249	5,518,673
Total Deferred Inflows of Resources	42,300,504	-	-	2,887,809	45,188,313
FUND BALANCES					
Nonspendable	-	-	-	10,000	10,000
Restricted	-	-	8,396,290	9,518,452	17,914,742
Assigned	6,317,236	-	-	1,866,027	8,183,263
Unassigned	46,976,265	(6,317,236)	-	(159,884)	40,499,145
Total Fund Balances	53,293,501	(6,317,236)	8,396,290	11,234,595	66,607,150
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 106,531,333	\$ 11,472,658	\$ 8,934,491	\$ 18,445,024	\$ 145,383,506

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position December 31, 2018

Total fund balances - governmental funds		\$ 66,607,150
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets net of accumulated depreciation of \$288,019,109 used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.		388,857,337
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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		94,792,648
Accrued interest payable on debt	(	35,010)
Accrued compensated absences	(	15,079,641)
Net pension liability	(	443,269,245)
Estimated liability for self-insured losses	(	7,236,139)
Other postemployment benefits	(	373,570,428)
General obligation bonds	(	5,095,000)
Unamortized premium on bonds	(	100,911)
Deferred inflows of resources related to pensions	(	12,936,582)
Deferred inflows of resources related to OPEB	(	41,508,794)
Deferred revenues collected after sixty days		<u>5,518,673</u>

Net position of governmental activities		<u><u>(\$ 339,451,144)</u></u>
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CITY OF JOLIET, ILLINOIS

Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

	<u>General Fund</u>	<u>Evergreen Terrace II Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue					
Property Taxes	\$ 35,307,332	\$ -	\$ -	\$ 2,460,595	\$ 37,767,927
Other Taxes	46,684,526	-	-	-	46,684,526
Intergovernmental State Shared Revenue	61,760,869	-	4,019,901	269,669	66,050,439
Federal, State and Private Grants and Allotments	1,087,259	-	158,217	2,894,586	4,140,062
Charges for Services	9,424,557	-	-	-	9,424,557
Interest Earnings	459,852	-	133,984	199,429	793,265
Licenses, Permits, Rentals, and Fees	17,603,391	-	-	60,818	17,664,209
Fines and Forfeitures	2,245,239	-	-	144,703	2,389,942
Special Assessments	-	-	-	34,974	34,974
Other	1,550,906	-	27,571	108,191	1,686,668
Total Revenue	<u>176,123,931</u>	<u>-</u>	<u>4,339,673</u>	<u>6,172,965</u>	<u>186,636,569</u>
Expenditures					
Current:					
General Government	21,779,887	11,784	-	-	21,791,671
Public Safety	66,932,842	-	-	425,055	67,357,897
Public Works	13,187,408	-	4,950	-	13,192,358
Refuse Disposal	11,899,949	-	-	-	11,899,949
Culture and Recreation	496,866	-	-	-	496,866
Employee Benefits and Pension Plans	59,031,286	-	-	-	59,031,286
Community Development	4,725,439	-	-	1,726,672	6,452,111
Capital Outlay	-	-	5,418,382	5,497,453	10,915,835
Debt Service - Principal	-	-	-	1,445,000	1,445,000
Debt Service - Interest and Fees	-	-	-	208,512	208,512
Total Expenditures	<u>178,053,677</u>	<u>11,784</u>	<u>5,423,332</u>	<u>9,302,692</u>	<u>192,791,485</u>
Revenue Over (Under) Expenditures	(1,929,746)	(11,784)	(1,083,659)	(3,129,727)	(6,154,916)
Other Financing Sources (Uses)					
Sale of Capital Assets	5,665	-	-	-	5,665
Transfers In	2,179,111	-	-	3,562,324	5,741,435
Transfers Out	(2,824,837)	-	-	(737,487)	(3,562,324)
Total Other Financing Sources (Uses)	<u>(640,061)</u>	<u>-</u>	<u>-</u>	<u>2,824,837</u>	<u>2,184,776</u>
Net Change in Fund Balance	(2,569,807)	(11,784)	(1,083,659)	(304,890)	(3,970,140)
Fund Balances, (Deficit) Beginning of Year	<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>
Fund Balances, (Deficit) End of Year	<u>\$ 53,293,501</u>	<u>(\$ 6,317,236)</u>	<u>\$ 8,396,290</u>	<u>\$ 11,234,595</u>	<u>\$ 66,607,150</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities For the Year Ended December 31, 2018

Net change in fund balances - governmental funds (\$ 3,970,140)

*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	(333,417)
State reimbursements received from the state of Illinois	(325,368)
Utility and auto rental taxes received from the state of Illinois	<u>(28,694)</u>

Total change in unavailable revenues (687,479)

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.

10,733,420

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

(16,645,096)

(5,911,676)

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

1,445,000

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

Decrease in interest payable	7,263
Decrease in compensated absences	6,918,800
Decrease in claims liabilities	1,046,850
Increase in net pension liability and related deferred amounts	(16,301,408)
Decrease in other postemployment benefits and related deferred amounts	33,115,947

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

62,532

Change in net position of governmental activities

\$ 15,725,689

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Statement of Net Position Proprietary Funds December 31, 2018

	Business-Type Activities		
	Water and Sewer Fund	(Nonmajor) Parking Fund	Total
ASSETS			
Current Assets			
Unrestricted Assets			
Cash	\$ 7,117,951	\$ 644	\$ 7,118,595
Investments	25,576,969	-	25,576,969
Receivables			
Accrued Interest	1,191	-	1,191
Customer Accounts, Net of \$2,330,479			
Allowance for Uncollectible Amounts	2,813,011	2,500	2,815,511
Estimated Unbilled Usage	4,242,539	-	4,242,539
Prepaid Expenses	30,150	-	30,150
Total Unrestricted Assets	39,781,811	3,144	39,784,955
Restricted Assets (Water Debt Accounts)			
Cash	4,478,597	-	4,478,597
Escrow Deposits	3,639,950	-	3,639,950
Intergovernmental Receivable	6,202,225	-	6,202,225
Total Restricted Assets	14,320,772	-	14,320,772
Total Current Assets	54,102,583	3,144	54,105,727
Noncurrent Assets			
Capital Assets			
Land and Land Improvements	2,437,900	2,232,179	4,670,079
Waterworks and Sewerage System	284,257,499	-	284,257,499
Parking Decks and Lots	-	1,993,477	1,993,477
Equipment	14,431,000	170,066	14,601,066
Construction in Progress	91,519,722	889	91,520,611
Total Noncurrent Assets	392,646,121	4,396,611	397,042,732
Total Assets	446,748,704	4,399,755	451,148,459
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	36,999	-	36,999
Deferred Outflows of Resources Related to Pensions	7,168,362	455,516	7,623,878
Total Deferred Outflows of Resources	7,205,361	455,516	7,660,877
Total Assets and Deferred Outflows of Resources	\$ 453,954,065	\$ 4,855,271	\$ 458,809,336

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	\$ 2,854,877	\$ 89,507	\$ 2,944,384
Accrued Payroll	375,058	18,833	393,891
Accrued Compensated Absences - Current	506,787	9,156	515,943
Bonds Payable - Current Portion	3,460,000	-	3,460,000
Loans Payable - Current Portion	3,671,546	-	3,671,546
Customer Deposits and Credits	752,708	1,671	754,379
Internal Payables	-	683,836	683,836
Unearned Revenue	16,157	2,500	18,657
Payable from Restricted Assets			
Vouchers Payable	9,879,381	-	9,879,381
Accrued Interest Payable	298,229	-	298,229
Total Current Liabilities	<u>21,814,743</u>	<u>805,503</u>	<u>22,620,246</u>
Noncurrent Liabilities			
Long Term Debt			
Accrued Compensated Absences	506,787	9,156	515,943
Net Pension Liability	18,221,177	1,146,009	19,367,186
Other Postemployment Benefits	38,877,632	2,447,831	41,325,463
Revenue Bonds Payable	8,023,666	-	8,023,666
Loans Payable	117,499,071	-	117,499,071
Total Noncurrent Liabilities	<u>183,128,333</u>	<u>3,602,996</u>	<u>186,731,329</u>
Total Liabilities	<u>204,943,076</u>	<u>4,408,499</u>	<u>209,351,575</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	1,870,747	80,943	1,951,690
Deferred Inflows of Resources Related to OPEB	4,319,838	271,988	4,591,826
Total Deferred Inflows of Resources	<u>6,190,585</u>	<u>352,931</u>	<u>6,543,516</u>
NET POSITION			
Net Investment in Capital Assets	260,028,837	4,396,611	264,425,448
Restricted for:			
Expendable Purposes:			
Debt Service	3,341,721	-	3,341,721
Unrestricted	(20,550,154)	(4,302,770)	(24,852,924)
Total Net Position	<u>242,820,404</u>	<u>93,841</u>	<u>242,914,245</u>
Total Liabilities and Net Position	<u>\$ 453,954,065</u>	<u>\$ 4,855,271</u>	<u>\$ 458,809,336</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, 2018

	Business-Type Activities		
	Water and Sewer Fund	(Nonmajor) Parking Fund	Total
Operating Revenue *			
Charges for Services - Water	\$ 20,754,870	\$ -	\$ 20,754,870
Charges for Services - Sewer	31,020,093	-	31,020,093
Charges for Services - Other	217,193	929,586	1,146,779
Tap on / Turn on Fees	2,353,523	-	2,353,523
Fines and Other	790,405	151,947	942,352
	55,136,084	1,081,533	56,217,617
Operating Expense			
Personnel Services	7,874,188	463,630	8,337,818
Personnel Benefits	4,687,810	308,037	4,995,847
Personnel Benefits - Change in Pension and OPEB (	8,644,816) (	392,254) (	9,037,070)
Other Employee Costs	283,771	-	283,771
Professional Services	1,748,043	190,492	1,938,535
Property Services	2,628,130	212,576	2,840,706
Other Services	283,609	23,819	307,428
Supplies	6,437,185	54,165	6,491,350
Other Expenses	131,045	-	131,045
Property and Projects	248,168	-	248,168
Depreciation	9,228,516	161,417	9,389,933
	24,905,649	1,021,882	25,927,531
Operating Income	30,230,435	59,651	30,290,086
Nonoperating Revenue (Expense)			
Interest Earnings	369,363	1,277	370,640
Amortization of Bond Premiums and Deferrals	44,943	-	44,943
Interest Expense	(1,473,450)	-	(1,473,450)
Total Nonoperating Revenue (Expense)	(1,059,144)	1,277	(1,057,867)
Income Before Transfers	29,171,291	60,928	29,232,219
Transfers Out	(2,013,229)	(165,882)	(2,179,111)
Change in Net Position	27,158,062 (	104,954)	27,053,108
Total Net Position, Beginning of Year, as Adjusted	215,662,342	198,795	215,861,137
Total Net Position, End of Year	\$ 242,820,404	\$ 93,841	\$ 242,914,245

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

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2018

	Business-Type Activities		
	Water and Sewer Fund	(Nonmajor) Parking Fund	Total
Cash Flows from Operating Activities			
Receipts from Customers	\$ 55,539,155	\$ 1,081,673	\$ 56,620,828
Payments to Suppliers	(15,585,533)	(778,505)	(16,364,038)
Payments to Employees	(8,667,644)	(542,586)	(9,210,230)
Net Cash Provided by (Used in) Operating Activities	31,285,978	(239,418)	31,046,560
Cash Flows from Noncapital Financing Activities			
Payments to Other Funds	(2,013,229)	(195,965)	(2,209,194)
Net Cash (Used in) Noncapital Financing Activities	(2,013,229)	(195,965)	(2,209,194)
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	(46,833,542)	-	(46,833,542)
Payments to Bond Paying Agent	(5,575,000)	-	(5,575,000)
Payments on Loans	(2,862,815)	-	(2,862,815)
Loan Proceeds	40,525,201	-	40,525,201
Payment of Interest on Debt	(1,568,354)	-	(1,568,354)
Net Cash (Used in) Capital and Related Financing Activities	(16,314,510)	-	(16,314,510)
Cash Flows from Investing Activities			
Investment Sales or Maturities	-	434,106	434,106
Investment Purchases	(6,188,785)	-	(6,188,785)
Income Received on Investments	368,644	1,277	369,921
Net Cash Provided by (Used in) Investing Activities	(5,820,141)	435,383	(5,384,758)
Net Increase in Cash	7,138,098	-	7,138,098
Cash and Restricted Cash, Beginning of Year	4,458,450	644	4,459,094
Cash and Restricted Cash, End of Year	\$ 11,596,548	\$ 644	\$ 11,597,192

See Accompanying Notes to Basic Financial Statements.

	Business-Type Activities		
	Water and Sewer Fund	(Nonmajor) Parking Fund	Total
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating Income	\$ 30,230,435	\$ 59,651	\$ 30,290,086
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation Expense	9,228,516	161,417	9,389,933
Changes in Assets and Liabilities			
Receivables	369,614	-	369,614
Vouchers Payable	862,228	10,584	872,812
Accrued Payroll	21,137	4,482	25,619
Accrued Compensated Absences	(814,593)	(83,438)	(898,031)
Unearned Revenue	(2,716)	-	(2,716)
Other Postemployment Benefits and Related Deferred Amounts	(8,301,464)	(369,406)	(8,670,870)
Net Pension Liability and Related Deferred Amounts	(343,352)	(22,848)	(366,200)
Customer Deposits and Credits	36,173	140	36,313
Total Adjustments	<u>1,055,543</u>	<u>(299,069)</u>	<u>756,474</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 31,285,978</u>	<u>(\$ 239,418)</u>	<u>\$ 31,046,560</u>

CITY OF JOLIET, ILLINOIS

Statement of Fiduciary Net Position Fiduciary Funds December 31, 2018

	Pension Trust Funds	Agency Funds
ASSETS		
Cash	\$ 92,422	\$ 613,689
Investments, at Fair Value		
U.S. Government and Agency Securities	52,599,478	-
U.S. Government Sponsored Agency Securities	5,849,142	-
State and Local Government Securities	3,547,712	-
Insurance Company Contracts	20,807,452	-
Certificates of Deposit	2,014,440	-
Money Market Mutual Funds	19,384,250	-
Mutual Funds	167,783,280	-
Common Stock	40,309,787	-
Corporate Bonds	51,399,393	-
Total Investments	363,694,934	-
Accrued Interest Receivable	907,633	-
Prepaid Items	26,683	-
Total Assets	364,721,672	\$ 613,689
LIABILITIES		
Due to Other Governments	-	613,689
Accrued Investment Expenses	245,862	-
Total Liabilities	245,862	\$ 613,689
NET POSITION RESTRICTED FOR PENSIONS	\$ 364,475,810	

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, 2018

	Pension Trust Funds
Additions	
Contributions	
Employer Contributions	\$ 28,112,119
Plan Member Contributions	<u>5,314,164</u>
Total Contributions	<u>33,426,283</u>
Investment Income	
Net (Decrease) in Fair Value of Investments	(32,644,051)
Interest and Dividends	<u>16,016,968</u>
Less Investment Expenses	(16,627,083)
Net Investment Income (Loss)	<u>1,075,071</u>
Miscellaneous Income	<u>5,777</u>
Total Additions	<u>15,729,906</u>
Deductions	
Benefit Payments (Including Refunds of Plan Member Contributions)	25,677,926
Administrative and Other Expenses	<u>250,363</u>
Total Deductions	<u>25,928,289</u>
Net (Decrease) In Net Position	(10,198,383)
Net Position Restricted for Pensions	
Beginning of Year	<u>374,674,193</u>
End of Year	<u>\$ 364,475,810</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Combining Statement of Net Position
Component Units
June 30, 2018 and December 31, 2018

ASSETS	December 31, 2018		June 30, 2018		Total
	Joliet Public Library	Riverwalk Homes, LLC	Will County Metropolitan Exposition and Auditorium Authority	The Joliet Area Historical Museum	
Current Assets:					
Cash	\$ 5,902,605	\$ 1,106,118	\$ 889,150	\$ 75,412	\$ 7,973,285
Investments	-	-	24,906	244,343	269,249
Receivables					
Property Taxes, Net of Allowance for Uncollectible Amounts	5,964,567	-	-	-	5,964,567
Accrued Interest	-	-	4	-	4
Customer Accounts, Net	(167)	34,856	299,471	-	334,160
Pledges Receivable	-	-	950	-	950
Subsidy Receivable - HUD	-	1,034,785	-	-	1,034,785
Other	-	100	-	-	100
Inventory	-	-	36,197	42,584	78,781
Prepaid Expenses	16,995	131,058	30,521	3,660	182,234
Grant Advance	-	-	9,456	-	9,456
Restricted Assets					
Cash	-	2,108,829	27,621	-	2,136,450
Investments	-	-	471,832	72,289	544,121
Total Current Assets	11,884,000	4,415,746	1,790,108	438,288	18,528,142
Noncurrent Assets:					
Other Assets	-	-	-	110,585	110,585
Capital Assets (Net)					
Library	12,779,802	-	-	-	12,779,802
Riverwalk Homes, LLC	-	12,596,199	-	-	12,596,199
W.C.M.E.A.A.	-	-	6,671,123	-	6,671,123
Historical Museum	-	-	-	564,782	564,782
Intangible Assets (Net)	-	95,784	-	-	95,784
Total Noncurrent Assets	12,779,802	12,691,983	6,671,123	675,367	32,818,275
Total Assets	24,663,802	17,107,729	8,461,231	1,113,655	51,346,417
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources Related to Pensions	2,371,447	-	-	-	2,371,447
Total Deferred Outflows of Resources	2,371,447	-	-	-	2,371,447
Total Assets and Deferred Outflows of Resources	\$ 27,035,249	\$ 17,107,729	\$ 8,461,231	\$ 1,113,655	\$ 53,717,864

See Accompanying Notes to Basic Financial Statements.

LIABILITIES	December 31, 2018		June 30, 2018		Total
	Joliet Public Library	Riverwalk Homes, LLC	Will County Metropolitan Exposition and Auditorium Authority	The Joliet Area Historical Museum	
Current Liabilities:					
Vouchers Payable	\$ 64,509	\$ 392,906	\$ 264,005	\$ 29,280	\$ 750,700
Accrued Payroll	93,025	-	115,956	-	208,981
Accrued Compensated Absences	33,857	-	-	75,855	109,712
Accrued Interest	-	-	62,713	-	62,713
Accrued Real Estate Taxes	-	531,090	-	-	531,090
Loans and Leases Payable - Current Portion	-	-	2,289,866	-	2,289,866
Unearned Revenue - Advance Ticket Sales	-	-	545,812	16,855	562,667
Unearned Revenue	-	370,571	-	-	370,571
Due to Primary Government	-	-	-	607,893	607,893
Due to Volunteers	-	-	64,682	-	64,682
Other	-	48,736	-	-	48,736
Total Current Liabilities	191,391	1,343,303	3,343,034	729,883	5,607,611
Noncurrent Liabilities:					
Accrued Compensated Absences	135,427	-	-	-	135,427
Due to Primary Government	-	11,472,658	-	-	11,472,658
Net Pension Liability	5,943,528	-	-	-	5,943,528
Total Noncurrent Liabilities	6,078,955	11,472,658	-	-	17,551,613
Total Liabilities	6,270,346	12,815,961	3,343,034	729,883	23,159,224
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	5,964,567	-	-	-	5,964,567
Deferred Inflows - Pensions	598,289	-	-	-	598,289
Total Deferred Inflows of Resources	6,562,856	-	-	-	6,562,856
NET POSITION					
Net Investment in Capital Assets	12,779,802	1,123,541	4,381,257	564,782	18,849,382
Restricted for:					
Expendable Purposes:					
Temporary Funds	-	-	-	253,289	253,289
Nonexpendable Purposes:					
Permanent Funds	10,000	-	1,021,737	130,483	1,162,220
Unrestricted	1,412,245	3,168,227	(284,797)	(564,782)	3,730,893
Total Net Position	14,202,047	4,291,768	5,118,197	383,772	23,995,784
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 27,035,249	\$ 17,107,729	\$ 8,461,231	\$ 1,113,655	\$ 53,717,864

CITY OF JOLIET, ILLINOIS

Combining Statement of Activities
Component Units
For the Year Ended June 30, 2018 and December 31, 2018

<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	\$ 6,339,264	\$ 130,669	\$ 245,392
Riverwalk Homes, LLC			
Public Housing	4,519,764	523,773	4,402,516
W.C.M.E.A.A.			
Culture and Recreation	119,018	-	340,416
Theatre and Rental Operations	3,947,487	2,926,244	500,000
The Joliet Area Historical Museum			
Culture and Recreation	<u>1,376,487</u>	<u>124,254</u>	<u>1,212,601</u>
Total Component Units	<u>\$ 16,302,020</u>	<u>\$ 3,704,940</u>	<u>\$ 6,700,925</u>

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**

December 31 2018		June 30, 2018		
Joliet Public Library	Riverwalk Homes, LLC	Will County Metropolitan Exposition and Auditorium Authority	The Joliet Area Historical Museum	Total
(\$ 5,963,203)	\$ -	\$ -	\$ -	(\$ 5,963,203)
-	406,525	-	-	406,525
-	-	221,398	-	221,398
-	-	(521,243)	-	(521,243)
-	-	-	(39,632)	(39,632)
(5,963,203)	406,525	(299,845)	(39,632)	(5,896,155)
5,999,216	-	-	-	5,999,216
71,574	18,259	57,584	43,797	191,214
-	-	6,768	-	6,768
29,448	2,261	-	3,016	34,725
6,100,238	20,520	64,352	46,813	6,231,923
137,035	427,045	(235,493)	7,181	335,768
14,065,012	3,864,723	5,353,690	376,591	23,660,016
\$ 14,202,047	\$ 4,291,768	\$ 5,118,197	\$ 383,772	\$ 23,995,784

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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, 2018, 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, 2018

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. 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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

1. Summary of Significant Accounting Policies

Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (ordinance) to establish (and modify or rescind) a fund balance commitment 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, 2018

1. Summary of Significant Accounting Policies

New Accounting Pronouncement

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018. The adoption of this GASB statement required the City to record a liability for other postemployment benefits in its financial statements. Additionally, the new statement resulted in the changes to the notes to the financial statements and required supplementary information.

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 2018 represent the taxes from the 2017 and prior year levies. The budget anticipates that the 2018 property tax levy will be used to finance the 2019 expenditures. The 2018 levy has been recognized as a receivable as of December 31, 2018 but recognition as revenue has been deferred to 2019 because the revenue is not considered available to finance 2018 expenditures.

Net property taxes receivable reflects the estimated collectible portion of the 2018 levies as of December 31, 2018. 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, 2018, the City provided tax abatements through four 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 six entities as of December 31, 2018. 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 \$440,717 during the year ended December 31, 2018, including \$104,025 paid to one developer, which amounted to 24% of the TIF rebates.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

3. Tax Abatements

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 (four of which were active) as of December 31, 2018. 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 \$625,748 during the year ended December 31, 2018, including a total of \$401,625 paid to four auto dealers and \$214,911 paid to a communications equipment corporation, which represented 34% of the sales tax rebates. Additionally, the City rebated \$15,526 of food and beverage sales taxes to one entity based on a redevelopment agreement.

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, 2018. 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 \$39,002 and \$27,341 to gas stations that also operated convenience stores for a total of \$66,343 during the year ended December 31, 2018.

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, 2018. 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 \$111,776 during the year ended December 31, 2018.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

4. Cash and Investments

Primary Government

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

Deposits

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

	Carrying Amount			Total Bank Balance
	Checking Accounts	Certificates of Deposit	Total	
All City Funds Except Pension Trust Funds	\$ 30,611,434	\$ 8,292,191	\$ 38,903,625	\$ 40,249,133
Police Pension Fund	91,205	1,816,241	1,907,446	1,935,838
Firefighters' Pension Fund	1,117	198,199	199,316	199,316
Total	\$ 30,703,756	\$ 10,306,631	\$ 41,010,387	\$ 42,384,287

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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

4. Cash and Investments

The City maintains an investment in the Illinois Funds Money Market Fund. The balance at December 31, 2018 was \$53,779,848. 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, 2018 is 47 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, 2018:

<i>Police Pension Fund</i>	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level				
Debt Securities:				
U.S. Treasury Securities	\$ 25,913,083	\$ 25,913,083	\$ -	\$ -
U.S. Agency Securities	1,555,945	-	1,555,945	-
U.S. Agency Sponsored Securities	3,334,079	-	3,334,079	-
Corporate Bonds	31,139,996	-	31,139,996	-
State and Local Bonds	2,276,863	-	2,276,863	-
Total Debt Securities	<u>64,219,966</u>	<u>25,913,083</u>	<u>38,306,883</u>	<u>-</u>
Equity Securities:				
Mutual Funds	124,512,448	124,512,448	-	-
Total Equity Securities	<u>124,512,448</u>	<u>124,512,448</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>188,732,414</u>	<u>\$ 150,425,531</u>	<u>\$ 38,306,883</u>	<u>\$ -</u>
Investments Measured at the Net Asset Value				
Insurance Company Contracts	13,309,047			
Total Investments Measured at Fair Value	<u>\$ 202,041,461</u>			

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

4. Cash and Investments

<i>Firefighters' Pension Fund</i> Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt Securities:				
U.S. Treasury Securities	\$ 24,596,067	\$ 24,596,067	\$ -	\$ -
U.S. Agency Securities	534,383	-	534,383	-
U.S. Agency Sponsored Securities	2,515,063	-	2,515,063	-
Corporate Bonds	20,259,397	-	20,259,397	-
State and Local Bonds	1,270,849	-	1,270,849	-
Total Debt Securities	<u>49,175,759</u>	<u>24,596,067</u>	<u>24,579,692</u>	<u>-</u>
Equity Securities:				
Common Stock	40,309,787	40,309,787	-	-
Mutual Funds	43,270,832	43,270,832	-	-
Total Equity Securities	<u>83,580,619</u>	<u>83,580,619</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>132,756,378</u>	<u>\$ 108,176,686</u>	<u>\$24,579,692</u>	<u>\$ -</u>
Investments Measured at the Net Asset Value				
Insurance Company Contracts	7,498,405			
Total Investments Measured at Fair Value	<u>\$ 140,254,783</u>			

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

Investments measured at the Net Asset Value (NAV) consist of Insurance Company Contracts (Separate Account). The Separate Account is made available through a group annuity contract and is comprised of a diversified U.S. real estate equity portfolio consisting primarily of high quality, well-leased real estate properties in multifamily, industrial, office, retail, and hotel sectors. Although withdrawal limitations could be implemented for the Separate Account based on market factors inherent in real estate, there were no withdrawal limitations as of December 31, 2018. 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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

4. Cash and Investments

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 Police Pension Fund and Firefighters' Pension Fund had investments (other than U.S. Government and Agency securities and mutual funds) in Insurance Company Contracts of \$13,309,047 (6.15%), and \$7,498,405 (5.07%), respectively, which represented 5 percent or more of total Pension Fund net position at December 31, 2018 of \$216,455,949 and \$148,019,861, respectively.

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, 2018 are listed in the tables below:

Police Pension Fund

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return	Target Allocation
Fixed Income	3.30%	2.00%	1.30%	32.00%
US Equities	7.50%	2.00%	5.50%	30.00%
International Equities	7.70%	2.00%	5.70%	30.00%
Real Estate	7.10%	2.00%	5.10%	5.00%
Cash and Cash Equivalents	2.40%	2.00%	0.40%	3.00%

Firefighters' Pension Fund

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Fixed Income U.S. Government	0.30%	27.00%
Fixed Income State and Local	0.30%	3.00%
Equity - Stocks and Mutual Funds	6.87%	55.00%
Fixed Income Corporate Bonds	0.30%	10.00%
Cash	-3.00%	5.00%

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, 2018, the Pension Funds' fixed income investment maturities (using the segmented time distribution method) and fair values were as follows:

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

4. Cash and Investments

Police Pension Fund

Investment Description	Total Fair Value 12/31/2018	Investment Maturities			
		Less Than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Bonds	\$ 2,650,261	\$ -	\$ -	\$ 2,650,261	\$ -
U.S. Treasury Notes	23,098,726	5,513,023	12,293,910	5,291,793	-
U.S. Treasury Bills	164,096	164,096	-	-	-
SBA Loan Pools	1,374,222	-	74,582	1,243,090	56,550
GNMA	181,723	-	16,381	56,407	108,935
FHLB	992,065	-	992,065	-	-
FHLMC	1,141,961	-	1,085,834	55,539	588
FNMA	1,200,053	-	-	1,087,157	112,896
Corporate Bonds	31,139,996	3,283,952	12,942,489	12,906,090	2,007,465

Firefighters' Pension Fund

Investment Description	Total Fair Value 12/31/2018	Investment Maturities			
		Less Than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Bonds	\$ 1,078,805	\$ -	\$ -	\$ 1,078,805	\$ -
U.S. Treasury Notes	23,109,508	2,969,708	13,919,891	6,186,328	33,581
U.S. Treasury Bills	407,754	407,754	-	-	-
SBA Loan Pools	449,553	-	-	431,029	18,524
GNMA	84,830	-	200	1,172	83,458
FHLMC	1,288,293	326,011	590,040	281,036	91,206
FNMA	1,226,770	-	13,011	710,539	503,220
Corporate Bonds	20,259,397	1,409,107	8,554,828	9,406,042	889,420

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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

4. Cash and Investments

S&P Rating	Police Pension		Firefighters' Pension	
	Corporate Bonds	State and Local Govt. Securities	Corporate Bonds	State and Local Govt. Securities
AAA	\$ 696,553	\$ 667,686	\$ 416,160	\$ 279,747
AA+	321,498	292,107	441,623	350,438
AA	909,400	777,765	693,198	228,807
AA-	3,340,791	81,829	1,186,167	40,914
A+	2,572,985	-	1,231,562	-
A	4,403,720	-	2,594,550	-
A-	3,862,024	-	3,542,566	-
BBB+	5,912,288	-	3,708,145	-
BBB	2,698,742	-	2,445,556	-
BBB-	1,598,499	-	1,234,659	-
NR	4,823,496	457,476	2,765,211	370,943
Total	<u>\$ 31,139,996</u>	<u>\$ 2,276,863</u>	<u>\$ 20,259,397</u>	<u>\$ 1,270,849</u>

NR - not rated

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, 2018, 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:

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

4. Cash and Investments

Investment Description	Police Pension		Firefighters' Pension		Credit Rating
	Total Fair Value 12/31/2018	% of Total Invest- ments	Total Fair Value 12/31/2018	% of Total Invest- ments	
U.S. Government and Agency Securities					
U.S. Treasury Bonds	\$ 2,650,261	1.24%	\$ 1,078,805	0.73%	N/A
U.S. Treasury Notes	23,098,726	10.79%	23,109,508	15.66%	N/A
U.S. Treasury Bills	164,096	0.08%	407,754	0.28%	N/A
Small Business Administration Loan Pools	1,374,222	0.64%	449,553	0.30%	N/A
Government National Mortgage Association	181,723	0.08%	84,830	0.06%	N/A
Subtotal	<u>27,469,028</u>	<u>12.83%</u>	<u>25,130,450</u>	<u>17.03%</u>	
U.S. Government Sponsored Agency Securities					
Federal Home Loan Banks	992,065	0.46%	-	0.00%	AA+
Federal Home Loan Mortgage Corporation	1,141,961	0.53%	1,288,293	0.87%	AA+
Federal National Mortgage Association	1,200,053	0.56%	1,226,770	0.83%	AA+
Subtotal	<u>3,334,079</u>	<u>1.55%</u>	<u>2,515,063</u>	<u>1.70%</u>	
State and Local Government Securities	<u>2,276,863</u>	<u>1.06%</u>	<u>1,270,849</u>	<u>0.86%</u>	See page 53
Insurance Company Contracts	<u>13,309,047</u>	<u>6.22%</u>	<u>7,498,405</u>	<u>5.08%</u>	N/A
Money Market Mutual Funds					
First Midwest Bank	<u>12,042,525</u>	<u>5.63%</u>	<u>7,341,725</u>	<u>4.97%</u>	AAAm
Mutual Funds - American Funds	<u>124,512,448</u>	<u>58.16%</u>	<u>43,270,832</u>	<u>29.32%</u>	N/A
Common Stock	<u>-</u>	<u>0.00%</u>	<u>40,309,787</u>	<u>27.31%</u>	N/A
Corporate Bonds	<u>31,139,996</u>	<u>14.55%</u>	<u>20,259,397</u>	<u>13.73%</u>	See page 53
Total Investments	<u>\$ 214,083,986</u>	<u>100.00%</u>	<u>\$ 147,596,508</u>	<u>100.00%</u>	

N/A - Rating not required.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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	\$ 41,010,387
Cash on Hand	4,266
Investments - City Investment in Illinois Funds	53,779,848
Investments - Police Pension Fund	214,083,986
Investments - Firefighters' Pension Fund	147,596,508
Total	<u>\$ 456,474,995</u>

Cash and Investments (Basic Financial Statements)

Primary Government Cash - Statement of Net Position	\$ 16,942,227
Primary Government Escrow Deposits - Statement of Net Position	4,170,250
Primary Government Investments - Statement of Net Position	70,961,473
Pension Trust Funds Cash - Statement of Fiduciary Net Position	92,422
Pension Trust Funds Investments - Statement of Fiduciary Net Position	363,694,934
Agency Fund Cash - Statement of Fiduciary Net Position	613,689
Total	<u>\$ 456,474,995</u>

Discretely Presented Component Units

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

Joliet Public Library:

At December 31, 2018, the Library's cash consisted of demand deposits held at local financial institutions. The carrying amount of the Library's deposits was \$5,902,605 and the bank balance was \$5,995,437.

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, 2018, the Authority's cash consisted of \$15,820 of petty cash on hand and demand deposits held at local financial institutions. The carrying amount of the Authority's deposits was \$900,951 and the bank balance was \$851,127. The Authority had investments in money market mutual funds of \$10,736 which were rated AAAM by Standard & Poor's. The Authority also had investments of \$486,002, comprised of equities of \$21,174, which were valued using Level 1 inputs and \$464,828 of mutual funds, which were valued using Level 2 inputs.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

4. Cash and Investments

Riverwalk Homes, LLC:

At December 31, 2018, the LLC's cash consisted of \$500 of petty cash and 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 \$3,214,447 and the bank balance was \$3,231,293. 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, 2018, the Museum maintained cash of \$75,412 and investments in money market mutual funds of \$316,632. 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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

6. Interfund Balances and Transfers

Interfund transfers during the year ended December 31, 2018 were as follows:

Fund	Interfund	
	Transfers In	Transfers Out
General Fund:		
Nonmajor Governmental Funds	\$ -	\$ 2,824,837
Water and Sewer Fund	2,013,229	-
Nonmajor Enterprise Fund	165,882	-
Total General Fund	2,179,111	2,824,837
Nonmajor Governmental Funds:		
General Fund	2,824,837	-
Nonmajor Governmental Funds	737,487	737,487
Total Nonmajor Governmental Funds	3,562,324	737,487
Water and Sewer Fund:		
General Fund	-	2,013,229
Total Water and Sewer Fund	-	2,013,229
Nonmajor Enterprise Fund:		
General Fund	-	165,882
Total Nonmajor Enterprise Fund	-	165,882
Grand Total	\$ 5,741,435	\$ 5,741,435

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 \$2,824,837 to the Capital Improvement Fund (a nonmajor capital projects fund) as part of the annual funding of capital projects.

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "internal receivables and payables." The purpose of most short-term loans is to cover temporary cash shortfalls in funds with deficit cash positions, all of which are expected to be repaid within one year. Internal (interfund) balances at December 31, 2018 were as follows:

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

6. Interfund Balances and Transfers

Fund	Internal Balances	
	Receivable	Payable
General Fund:		
Evergreen Terrace II Fund	\$ 17,789,894	\$ -
Motor Fuel Tax Fund	-	109,067
Nonmajor Governmental Funds	75,237	-
Nonmajor Enterprise Funds	683,836	-
Total General Fund	18,548,967	109,067
 Evergreen Terrace II Fund:		
General Fund	-	17,789,894
Total Evergreen Terrace II Fund	-	17,789,894
 Motor Fuel Tax Fund:		
General Fund	109,067	-
Total Motor Fuel Tax Fund	109,067	-
 Nonmajor Governmental Funds:		
General Fund	-	75,237
Total Nonmajor Governmental Funds	-	75,237
 Nonmajor Enterprise Fund:		
General Fund	-	683,836
Total Nonmajor Enterprise Fund	-	683,836
Grand Total	\$ 18,658,034	\$ 18,658,034

Due to Primary Government – Due from Component Unit

The Museum’s June 30, 2018 financial statements show a liability to the City for \$607,893. 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, 2018, 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, 2018, 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, 2018

7. Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

<u>Primary Government</u>	Balance 12/31/2017	Additions	Reductions	Balance 12/31/2018
Governmental Activities:				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 18,879,736	\$ -	\$ -	\$ 18,879,736
Construction in Progress	37,612,784	2,129,507	29,199,321	10,542,970
Subtotal	56,492,520	2,129,507	29,199,321	29,422,706
<i>Depreciable Capital Assets:</i>				
Infrastructure	470,137,446	28,937,147	-	499,074,593
Land Improvements	8,093,500	2,207,248	-	10,300,748
Buildings	71,691,359	4,501,041	-	76,192,400
Equipment	60,466,075	2,157,798	745,942	61,877,931
Furniture and Fixtures	8,068	-	-	8,068
Subtotal	610,396,448	37,803,234	745,942	647,453,740
Total at Historical Cost	666,888,968	39,932,741	29,945,263	676,876,446
 <i>Less Accumulated Depreciation for:</i>				
Infrastructure	190,876,405	11,934,453	-	202,810,858
Land Improvements	3,856,198	593,271	-	4,449,469
Buildings	32,060,085	811,526	-	32,871,611
Equipment	45,319,339	3,305,706	745,942	47,879,103
Furniture and Fixtures	7,928	140	-	8,068
Total Accumulated Depreciation	272,119,955	16,645,096	745,942	288,019,109
 Governmental Activities Capital Assets, Net	 \$ 394,769,013	 \$ 23,287,645	 \$ 29,199,321	 \$ 388,857,337

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

General Government	\$ 1,128,072
Public Safety	1,903,819
Public Works	12,916,931
Culture and Recreation	31,573
Community Development	664,701
Total Depreciation Expense	\$ 16,645,096

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

7. Capital Assets

<u>Primary Government</u>	<u>Balance 12/31/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2018</u>
Business-Type Activities:				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 4,663,623	\$ 6,456	\$ -	\$ 4,670,079
Construction in Progress	63,251,478	45,581,737	17,312,604	91,520,611
Subtotal	<u>67,915,101</u>	<u>45,588,193</u>	<u>17,312,604</u>	<u>96,190,690</u>
<i>Depreciable Capital Assets:</i>				
Waterworks and Sewerage System	457,845,001	19,797,962	-	477,642,963
Parking Decks and Lots	7,267,770	-	-	7,267,770
Equipment	29,874,589	778,525	17,937	30,635,177
Subtotal	<u>494,987,360</u>	<u>20,576,487</u>	<u>17,937</u>	<u>515,545,910</u>
Total at Historical Cost	<u>562,902,461</u>	<u>66,164,680</u>	<u>17,330,541</u>	<u>611,736,600</u>
<i>Less Accumulated Depreciation for:</i>				
Waterworks and Sewerage System	185,954,497	7,430,967	-	193,385,464
Parking Decks and Lots	5,128,334	145,959	-	5,274,293
Equipment	14,239,041	1,813,007	17,937	16,034,111
Total Accumulated Depreciation	<u>205,321,872</u>	<u>9,389,933</u>	<u>17,937</u>	<u>214,693,868</u>
 Business-Type Capital Assets, Net	 <u>\$ 357,580,589</u>	 <u>\$ 56,774,747</u>	 <u>\$ 17,312,604</u>	 <u>\$ 397,042,732</u>

Depreciation expense of \$9,228,516 and \$161,417 was charged to the Water and Sewer and Parking Facilities functions, respectively.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

7. Capital Assets

<u>Component Units</u>	<u>Balance 12/31/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2018</u>
Joliet Public Library	\$ 27,603,289	\$ 638,636	\$ 595,068	\$ 27,646,857
Less Accumulated Depreciation	<u>14,419,510</u>	<u>1,042,613</u>	<u>595,068</u>	<u>14,867,055</u>
Joliet Public Library Capital Assets, Net	<u>\$ 13,183,779</u>	<u>(\$ 403,977)</u>	<u>\$ -</u>	<u>\$ 12,779,802</u>
Riverwalk Homes, LLC	\$ 12,741,139	\$ 260,920	\$ -	\$ 13,002,059
Less Accumulated Depreciation	<u>70,735</u>	<u>335,125</u>	<u>-</u>	<u>405,860</u>
Riverwalk Homes, LLC Capital Assets, Net	<u>\$ 12,670,404</u>	<u>(\$ 74,205)</u>	<u>\$ -</u>	<u>\$ 12,596,199</u>
	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2018</u>
W.C.M.E.A.A.	\$ 24,528,249	\$ -	\$ -	\$ 24,528,249
Construction in Progress	16,365	-	16,365	-
Less Accumulated Depreciation	<u>17,413,747</u>	<u>443,379</u>	<u>-</u>	<u>17,857,126</u>
W.C.M.E.A.A. Capital Assets, Net	<u>\$ 7,130,867</u>	<u>(\$ 443,379)</u>	<u>\$ 16,365</u>	<u>\$ 6,671,123</u>
Joliet Area Historical Museum	\$ 940,378	\$ -	\$ -	\$ 940,378
Less Accumulated Depreciation	<u>325,897</u>	<u>49,699</u>	<u>-</u>	<u>375,596</u>
Joliet Area Historical Museum Capital Assets, Net	<u>\$ 614,481</u>	<u>(\$ 49,699)</u>	<u>\$ -</u>	<u>\$ 564,782</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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, 2018

8. Pension and Retirement Fund Commitments

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

	<u>Regular</u>
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	448
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	229
Active Plan Members	<u>455</u>
Total	<u><u>1,132</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 2018 was 17.27%. For the fiscal year ended December 31, 2018, the City contributed \$7,869,477 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, 2018. 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, 2018:

- 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 2.50%.
- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- An IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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, 2018

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%	7.15%
International Equity	18.00%	7.25%
Fixed Income	28.00%	3.75%
Real Estate	9.00%	6.25%
Alternative Investments	7.00%	3.20-8.50%
Cash Equivalents	1.00%	2.50%
Total	100.00%	

Discount Rate

A Single Discount Rate of 7.25% 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 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate was 7.25%.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

8. Pension and Retirement Fund Commitments

Changes in the Net Pension Liability

	<u>Regular Plan</u>
Total Pension Liability	
Service Cost	\$ 3,261,078
Interest	18,289,446
Differences Between Expected and Actual Experience	5,353,631
Changes of Assumptions	7,621,642
Benefit Payments, Including Refunds of Plan Member Contributions	(14,692,567)
Net Change in Total Pension Liability	19,833,230
Total Pension Liability - Beginning	<u>249,575,018</u>
Total Pension Liability - Ending	<u>269,408,248</u>
Plan Fiduciary Net Position	
Contributions from Employer	7,869,477
Contributions from Plan Members	1,615,812
Pension Plan Net Investment Income	(12,771,979)
Benefit Payments, Including Refunds of Plan Member Contributions	(14,692,567)
Other Changes	<u>4,865,474</u>
Net Change in Plan Fiduciary Net Position	(13,113,783)
Plan Fiduciary Net Position - Beginning	<u>216,482,833</u>
Plan Fiduciary Net Position - Ending	<u>203,369,050</u>
Net Pension Liability - Ending	<u>\$ 66,039,198</u>

The Library has been allocated \$5,943,528 of the ending net pension liability of \$66,039,198, with the remaining \$60,095,670 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 7.25%, 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's Net Pension Liability	\$ 100,535,051	\$ 66,039,198	\$ 37,582,010

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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, 2018, the City recognized pension expense of \$6,569,320, for the Regular Plan. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Regular Plan	
	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	\$ 6,396,724	\$ 1,387,293
Changes of Assumptions	6,020,731	5,260,357
Net Difference between Projected and Actual Earnings on Pension Plan Investments	13,931,957	-
Total Deferred Amounts Related to Pensions	\$ 26,349,412	\$ 6,647,650

The Library has been allocated \$2,371,447 and \$598,289 of the ending deferred outflows and deferred inflows of resources, respectively, with the remaining \$23,977,965 and \$6,049,361 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
	Net Deferred Outflows of Resources
Year Ending December 31,	
2019	\$ 5,733,340
2020	2,726,149
2021	3,745,378
2022	7,496,895
Total	\$ 19,701,762

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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, 2018, the City's contributions were 53.38% and 55.63% 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, 2018 (the date of the latest actuarial valuation) membership in each plan consisted of the following:

	Police Pension	Firefighters' Pension
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	175	159
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2	1
Active Plan Members	266	197
Total	443	357

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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, 2018 were as follows:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Total Pension Liability	\$443,537,157	\$323,479,414
Plan Fiduciary Net Position	<u>216,455,949</u>	<u>148,019,861</u>
Net Pension Liability	<u>\$ 227,081,208</u>	<u>\$ 175,459,553</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.80%	45.76%

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, 2018 based on information rolled forward from actuarial valuation reports as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date: January 1, 2018 - 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, 2018

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 (Closed).

Remaining Amortization Period: 27 years.

Asset Valuation Method: Police: 5-year Firefighters': 4-year smoothed market (fair) value.

Inflation: 2.75%.

Salary Increases: Police 4.25% - 32.00%; Firefighters' 4.00% - 35.00%.

Projected Increase in Total Payroll: Police 3.75%; Firefighters' 3.50%.

Investment Rate of Return: 6.50% as of the January 1, 2018 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: RP-2014 Blue Collar Healthy Annuitant Mortality table, with Projected Generational Mortality Improvements using Improvement Scale MP-2015.

Retirement Rates: Gabriel, Roeder, Smith & Company Retirement Rates.

Termination Rates: Gabriel, Roeder, Smith & Company Termination Rates.

Disability Rates: Gabriel, Roeder, Smith & Company Disability Rates.

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 6.50% 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 4.10% (changed from 3.44% in 2017). 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, 2018

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	\$ 8,665,644	\$ 6,662,002
Interest	24,778,368	19,060,190
Differences Between Expected and Actual Experience	1,348,991	(1,646,466)
Changes of Assumptions	24,363,423	11,946,281
Benefit Payments, Including Refunds of Plan Member Contributions	(14,125,349)	(11,552,577)
Net Change in Total Pension Liability	45,031,077	24,469,430
Total Pension Liability - Beginning	398,506,080	299,009,984
Total Pension Liability - Ending	<u>443,537,157</u>	<u>323,479,414</u>
 Plan Fiduciary Net Position		
Contributions from Employer	15,495,791	12,616,328
Contributions from Plan Members	3,108,245	2,205,919
Pension Plan Net Investment Income	(10,586,143)	(7,110,234)
Benefit Payments, Including Refunds of Plan Member Contributions	(14,125,349)	(11,552,577)
Pension Plan Administrative Expense	(136,812)	(113,551)
Other Changes	(67)	-
Net Change in Plan Fiduciary Net Position	(6,244,335)	(3,954,115)
Plan Fiduciary Net Position - Beginning	222,700,284	151,973,976
Plan Fiduciary Net Position - Ending	<u>216,455,949</u>	<u>148,019,861</u>
 Net Pension Liability - Ending	 <u>\$ 227,081,208</u>	 <u>\$ 175,459,553</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 6.50% 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 (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Police Pension			
City's Net Pension Liability	\$ 296,151,424	\$ 227,081,208	\$ 171,649,476
 Firefighters' Pension			
City's Net Pension Liability	\$ 226,141,493	\$ 175,459,553	\$ 134,697,453

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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, 2018, the City recognized pension expense of \$25,872,105 and \$19,358,364 for the Police and Firefighters' Pension Plans, respectively. At December 31, 2018, 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	\$ 5,271,483	\$ 2,601,087	\$ 11,753,809	\$ 6,237,824
Changes of Assumptions	26,873,647	-	10,300,811	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	14,247,690	-	9,991,121	-
Total Deferred Amounts Related to Pensions	\$ 46,392,820	\$ 2,601,087	\$ 32,045,741	\$ 6,237,824

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

Year Ending December 31,	Police Pension Plan	Firefighters' Pension Plan
	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources
2019	\$ 10,016,084	\$ 5,709,420
2020	7,405,422	3,919,469
2021	7,495,847	4,060,342
2022	10,513,488	5,982,020
2023	5,812,757	3,351,434
Thereafter	2,548,135	2,785,232
Total	\$ 43,791,733	\$ 25,807,917

Investment Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was -4.76% and -4.60% 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, 2018

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, 2018 are levied for the 2019 tax levy and will be collected during the fiscal year ending December 31, 2020.

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	\$ 66,039,198	\$ 26,349,412	\$ 6,647,650
Police Pension Plan	227,081,208	46,392,820	2,601,087
Firefighters' Pension Plan	175,459,553	32,045,741	6,237,824
Total	\$ 468,579,959	\$ 104,787,973	\$ 15,486,561
 <i>Amounts Reported in the Government-Wide Financial Statements</i>			
Governmental Activities	\$ 443,269,245	\$ 94,792,648	\$ 12,936,582
Business-Type Activities	19,367,186	7,623,878	1,951,690
Component Unit - Library	5,943,528	2,371,447	598,289
Total	\$ 468,579,959	\$ 104,787,973	\$ 15,486,561

9. Postemployment Benefits Other Than Pensions

The City administers a single-employer defined benefit healthcare and life insurance plan, the “Retiree Healthcare and Life Insurance Plan” (RHLIP) or “the Plan”.

Plan Description

The Plan provides lifetime healthcare and life insurance for eligible retirees and their dependents through the City’s group health insurance and life insurance plans, 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. The Plan does not issue a stand-alone financial report.

Benefits Provided

Retiree Cost Sharing Provisions

Police and Fire retirees as well as IMRF retirees with 20 or more years of service receive single healthcare coverage at no charge to the member. IMRF retirees with less than 20 years of service pay a portion of the 1988 single premium rate according to schedules based on their date of retirement and the City pays the difference between the current blended rate and the 1988 blended rate.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

9. Postemployment Benefits Other Than Pensions

Former Employees and Retirees Not Meeting Years of Service Requirements

The City is legally required to offer postemployment healthcare benefits to former employees and retirees. Former employees, who are not retirees, are provided healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Former employees, who are qualified under COBRA, may apply for coverage by the City's health plan. The cost is 100% funded on a monthly pay-as-you-go basis by the former employee based upon the actual cost of the health plan for the chosen level of coverage.

Illinois statutes mandate that a municipal government must offer its retirees a health insurance plan equivalent to that offered to active employees. Illinois statutes enable a government to make the health plan benefits supplemental to Medicare and to offer these supplemental benefits at a different retiree contribution rate than regular benefits provided by the group plan. State statutes do not presently require the government to pay any portion of the cost of the plan for retired employees.

Retired employees that do not meet the years of service requirements covered under the City's plan are required to pay 100% of the cost of their insurance based on the rates paid by the City. Retired employees must be covered under the City's health insurance plan at the time of retirement to receive this benefit and must continue coverage with the City's plan to maintain this benefit.

Employees may also be covered under the Public Safety Employee Benefits Act (PSEBA). The PSEBA statute grants special health insurance to public safety employees who are catastrophically injured in the line of duty. Once awarded, the recipient, their spouse, and dependent children receive health insurance, the premium of which is paid for by the City for life.

Life Insurance

Additionally, the City pays 100% of the premiums to provide group term life insurance ranging from \$10,000 to \$50,000, depending on type of qualifying employee group and date of retirement.

Funding Policy

All plan funding is done on a pay-as-you-go basis. For fiscal year 2018, the City contributed \$9,784,325 to the Plan.

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	584
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	794
Total	<u>1,378</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

9. Postemployment Benefits Other Than Pensions

Eligibility

The eligibility requirements for benefits are:

- IMRF participants are eligible at age 55 with 8 years of service for reduced benefits and at age 60 with 8 years of service or age 55 with 35 years of service for unreduced benefits if hired before January 1, 2011; age 62 with 10 years of service for reduced benefits and at age 67 with 10 years of service or age 62 with 35 years of service for unreduced benefits is hired on or after January 1, 2011.
- Tier I full-time police officers are eligible at age 50 with 20 years of service. Tier II full-time police officers are eligible at age 55 with 10 years of service.
- Tier I full-time firefighters are eligible at age 50 with 20 years of service. Tier II full-time firefighters are eligible at age 55 with 10 years of service.

Dependents of employees and retirees are eligible for healthcare coverage.

Total OPEB Liability

The City's total OPEB liability of \$414,895,891 was measured as of December 31, 2018 and was determined by an actuarial valuation as January 1, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:	Entry Age Normal (Level %)
Payroll Increases:	3.00%.
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition.
Healthcare Trend Rates:	Beginning fiscal year 2018 4.3% for PPO graded up to 6.0% for 2020 and 2021 and then down to 5.0% per year ultimate trend.

The discount rate of 4.10% was based on the Fidelity 20-Year General Obligation Municipal Bond Index.

Mortality rates were developed as follows – IMRF, Police and Fire Mortality follow the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

9. Postemployment Benefits Other Than Pensions

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2017	\$ 448,594,879
Changes for the Year:	
Service Cost	15,000,707
Interest on the Total OPEB Liability	15,273,079
Changes of Assumptions	(54,188,449)
Benefit Payments	(9,784,325)
Net Changes	<u>(33,698,988)</u>
Balance at December 31, 2018	<u>\$ 414,895,891</u>

The OPEB liability is reported in the Statement of Net Position, with \$373,570,428 reported in Governmental Activities and \$41,325,463 reported in Business-type Activities.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.10%) or 1% point higher (5.10%) than the current discount rate:

Discount Rate	1% Decrease	Current Discount Rate	1% Increase
City's Total OPEB Liability	\$ 500,948,325	\$ 414,895,891	\$ 348,934,727

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.3% adjusting to 4.0%) or 1% higher (5.3% adjusting to 6.0%) than the current healthcare cost trend rates:

Healthcare Trend Rate	1% Decrease	Current Healthcare Trend Rate	1% Increase
City's Total OPEB Liability	\$ 339,863,595	\$ 414,895,891	\$ 515,052,337

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

9. Postemployment Benefits Other Than Pensions

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$22,185,957, net of deferred amounts.

At December 31, 2018, the City reported deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in OPEB Expense in Future Periods</i>	
Changes of Assumptions	\$ 46,100,620
Total Deferred Amounts Related to OPEB	\$ 46,100,620

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Net Deferred Inflows of Resources
2019	\$ 8,087,829
2020	8,087,829
2021	8,087,829
2022	8,087,829
2023	8,087,829
Thereafter	5,661,475
Total	\$ 46,100,620

10. Commitments, Contingencies and Subsequent Events

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, 2018

10. Commitments, Contingencies and Subsequent Events

Fund Commitments

The City has entered into contracts totaling approximately \$69.0 million for projects to be paid from the loan proceeds from the Water and Sewer Fund; as of December 31, 2018, about \$55.6 million had been paid leaving remaining commitments at \$13.4 million. Additionally, the City had entered into contracts totaling approximately \$19.1 million for the ongoing multi-modal project to be paid from the Grants and Special Revenue Fund; as of December 31, 2018, about \$19.0 million had been paid leaving remaining commitments at \$0.1 million.

Additionally, the City has committed to pay Will County \$10 million over 20 years towards the building of the new County courthouse. The City made the first payment of \$500,000 in fiscal year 2018 from the General Fund.

Subsequent Events

Subsequent to December 31, 2018, the City was approved to borrow an additional \$33.3 million from the Illinois Environmental Protection Agency to be used for improvements to the City's wastewater treatment system. The monies are expected to be drawn down beginning in fiscal year 2019.

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, 2018 is as follows:

	Balance 12/31/2017	Additions	Reductions	Balance 12/31/2018	Amount Due Within One Year
Governmental Activities	\$ 21,998,441	\$ 4,080,421	\$ 10,999,221	\$ 15,079,641	\$ 7,539,821
Business-Type Activities:					
Water and Sewer Fund	1,828,167	99,490	914,083	1,013,574	506,787
Sewer Fund					
Parking Fund	101,750	18,312	101,750	18,312	9,156
Total Business-Type	<u>1,929,917</u>	<u>117,802</u>	<u>1,015,833</u>	<u>1,031,886</u>	<u>515,943</u>
Total Liability	<u>\$ 23,928,358</u>	<u>\$ 4,198,223</u>	<u>\$ 12,015,054</u>	<u>\$ 16,111,527</u>	<u>\$ 8,055,764</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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 \$750,000. The City's property coverage is all risk, repair or replacement Full Limit Value (FLV) with a \$75,000 deductible.

This coverage includes Extra Expense (\$7,000,000 per named location), EDP equipment (\$2,500,000 per named location), Flood (\$5,000,000 with \$100,000 deductible), 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 \$7,236,139 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 \$3,184,139. The claims are typically paid by the General Fund.

The liability for health claims of \$1,380,700 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, 2018

12. Risk Management

Changes in the claims liability amounts in the fiscal years ended December 31, 2018 and 2017 were as follows:

	Workers'		
	Compensation, Unemployment, General Liability	Health Claims	Total
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	8,282,989	1,202,200	9,485,189
Incurred Claims	3,006,140	22,875,793	25,881,933
Change in Estimates	(1,046,850)	-	(1,046,850)
Claim Payments	(3,006,140)	(22,697,293)	(25,703,433)
Claims Liability, December 31, 2018	<u>\$ 7,236,139</u>	<u>\$ 1,380,700</u>	<u>\$ 8,616,839</u>

13. Long-Term Debt

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

	Balance December 31, 2017	Debt Issued	Debt Retired	Balance December 31, 2018	Amounts Due Within One Year
Primary Government					
Governmental Activities:					
General Obligation Bonds	\$ 6,540,000	\$ -	(\$ 1,445,000)	\$ 5,095,000	\$ 1,495,000
Premium on Bonds	163,443	-	(62,532)	100,911	-
Total Governmental Activities	<u>6,703,443</u>	<u>-</u>	<u>(1,507,532)</u>	<u>5,195,911</u>	<u>1,495,000</u>
Business-Type Activities:					
Waterworks and Sewerage					
Revenue Bonds	16,945,000	-	(5,575,000)	11,370,000	3,460,000
Premium on Bonds	208,971	-	(95,305)	113,666	-
Total Revenue Bonds	<u>17,153,971</u>	<u>-</u>	<u>(5,670,305)</u>	<u>11,483,666</u>	<u>3,460,000</u>
IEPA Loans Payable	80,593,633	43,439,799	(2,862,815)	121,170,617	3,671,546
Total Business-Type Activities	<u>97,747,604</u>	<u>43,439,799</u>	<u>(8,533,120)</u>	<u>132,654,283</u>	<u>7,131,546</u>
Total Primary Government	<u>\$ 104,451,047</u>	<u>\$ 43,439,799</u>	<u>(\$ 10,040,652)</u>	<u>\$ 137,850,194</u>	<u>\$ 8,626,546</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

13. Long-Term Debt

Annual debt service payments required to service outstanding bonds at December 31, 2018 are as follows:

Governmental Activities:

General Obligation Bonds:

Years Ending December 31,	Interest	Principal	Total
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>\$ 358,950</u>	<u>\$ 5,095,000</u>	<u>\$ 5,453,950</u>

Business-Type Activities:

Revenue Bonds:

Years Ending December 31,	Interest	Principal	Total
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	37,650	1,070,000	1,107,650
2024	10,800	720,000	730,800
	<u>\$ 770,700</u>	<u>\$ 11,370,000</u>	<u>\$ 12,140,700</u>

General Obligation Bonds Payable

General obligation bonds outstanding at December 31, 2018 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	575,000
Refunding Issue	2015A	2.00 - 4.00%	6/23/2015	3,075,000
				<u>\$ 5,095,000</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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, 2018 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	\$ 890,000
Revenue Bond	2011	4.00%	12/20/2011	1,490,000
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>\$ 11,370,000</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, 2018

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, 2018 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%	\$ 1,077,961	Repayment
L17-3148	1.250%	9,456,560	Repayment
L17-4705	1.995%	22,523,879	Repayment
L17-4750	1.995%	6,648,551	Repayment
L17-5070	1.995%	11,390,425	Repayment
L17-4706	1.750%	31,952,937	Drawdown
L17-5412	1.750%	16,703,910	Repayment
L17-5403	1.750%	5,949,792	Repayment
L17-5427	1.640%	6,168,567	Repayment
L17-5404	1.760%	4,215,922	Drawdown
L17-5428	1.760%	5,082,113	Drawdown
		\$ 121,170,617	

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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 in the amount of \$12,423,520 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 \$387,154, 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 \$31,952,937 through December 31, 2018. The final loan amount and repayment schedule were not available at the time of this report.

IEPA Loan - L17-5412, issued in the amount of \$16,703,910 to provide funds for wastewater treatment plant improvements. The loan is dated May 3, 2017 and is due in semi-annual installments of \$496,738, which includes interest of 1.75%. The final payment is due March 1, 2039.

IEPA Loan - L17-5403, issued in the amount of \$6,153,956 to provide funds for the sewer main rehabilitation project. The loan is dated May 1, 2017 and is due in semi-annual installments of \$181,411, which includes interest of 1.75%. The final payment is due May 16, 2038.

IEPA Loan - L17-5427, issued in the amount of \$6,377,769 to provide funds for the watermain rehabilitation project. The loan is dated May 3, 2017 and is due in semi-annual installments of \$189,592, which includes interest of 1.64%. The final payment is due November 1, 2037.

IEPA Loan - L17-5404, issued to provide funds for the sewer main rehabilitation project. The loan is dated April 13, 2018. The loan is anticipated to total \$14,601,969 to be repaid by the City over a twenty-year period with interest at 1.76%. The City had drawn a total of \$4,215,922 through December 31, 2018. The final loan amount and repayment schedule were not available at the time of this report.

IEPA Loan - L17-5428, issued to provide funds for the watermain rehabilitation project. The loan is dated March 19, 2018. The loan is anticipated to total \$5,830,196 to be repaid by the City over a twenty-year period with interest at 1.76%. The City had drawn a total of \$5,082,133 through December 31, 2018. 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, 2018

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, L17-5070, L17-5412, L17-5403 and L17-5427) at December 31, 2018 are as follows:

Business-Type Activities:

IEPA Loans:

Years Ending December 31,	Interest	Principal	Total
2019	\$ 1,273,717	\$ 3,496,696	\$ 4,770,413
2020	1,359,017	3,915,335	5,274,352
2021	1,288,853	3,995,664	5,284,517
2022	1,217,406	4,067,112	5,284,518
2023	1,144,650	4,139,868	5,284,518
2024-2028	4,584,439	21,838,152	26,422,591
2029-2033	2,555,698	23,378,802	25,934,500
2034-2038	609,250	14,595,587	15,204,837
2039	4,309	492,429	496,738
	\$ 14,037,339	\$ 79,919,645	\$ 93,956,984

The City is scheduled to repay \$174,850 of principal in 2019 on the loans that are still in the drawdown phase; when combined with the 2019 principal amount in the schedule above, the total “current” portion of the loans payable has been reported as \$3,671,546.

Deferred Amount on Refunding

The City has reported a deferred amount on refunding of debt related to the debt defeasances of \$36,999 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, 2018 include a total of \$325,000 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 \$328,098 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 \$720,869 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, 2018

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, 2018 are as follows:

	Combined Water and Sewer Usage Cubic Feet	Total Water and Sewer Revenues
Village of Shorewood	55,042,700	\$ 2,106,986
Ecolab, Inc.	17,333,300	1,790,505
P Q Corporation	31,052,714	1,773,754
Joliet Housing Authority	7,196,410	1,158,836
Village of Rockdale	19,753,926	840,781
St. Joseph Medical Center	10,879,504	745,081
Will County Government	5,328,209	390,485
Village of Channahon	8,216,238	332,437
Larkin Village Apartments	3,862,673	272,539
East Joliet Sanitary District	5,445,544	177,955
Total Ten Largest System Users	164,111,218	\$ 9,589,359
Total System Users	928,151,193	\$ 51,774,963
Ten Largest as a Percentage of Total System Users	17.68%	18.52%

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

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	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
<i>Restricted for:</i>					
Road Projects	-	-	8,396,290	5,123,678	13,519,968
Multi-Modal Transportation Center	-	-	-	486,182	486,182
Public Safety	-	-	-	1,902,997	1,902,997
Tax Increment Financing Projects	-	-	-	875,846	875,846
Debt Service	-	-	-	508,390	508,390
Community Development Projects	-	-	-	621,359	621,359
Total Restricted	<u>-</u>	<u>-</u>	<u>8,396,290</u>	<u>9,518,452</u>	<u>17,914,742</u>
<i>Assigned to:</i>					
Evergreen Terrace Deficit	6,317,236	-	-	-	6,317,236
Road Projects	-	-	-	222	222
Tax Increment Financing Projects	-	-	-	20,624	20,624
Capital Projects	-	-	-	1,845,181	1,845,181
Total Assigned	<u>6,317,236</u>	<u>-</u>	<u>-</u>	<u>1,866,027</u>	<u>8,183,263</u>
<i>Unassigned</i>	<u>46,976,265</u>	<u>(6,317,236)</u>	<u>-</u>	<u>(159,884)</u>	<u>40,499,145</u>
Total Fund Balances	<u>\$ 53,293,501</u>	<u>(\$ 6,317,236)</u>	<u>\$ 8,396,290</u>	<u>\$ 11,234,595</u>	<u>\$ 66,607,150</u>

As of December 31, 2018, the Evergreen Terrace II Fund and the Block Grant Fund had deficit fund balances of \$6,317,236 and \$159,884, respectively. The deficits are anticipated to be reduced through future transfers from the General Fund coupled with future revenues.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2018

17. Net Position Adjustment

Beginning of the year net position for Governmental Activities was reduced by \$309,781,509 and beginning of the year net position for the Business-Type Activities, the Water and Sewer Fund and the Parking Fund, were decreased by \$40,140,907, \$37,613,908, and \$2,526,999, respectively to account for the adjustment to record the net other postemployment benefits liability and the related deferred inflows of resources as of January 1, 2018 due to the implementation of GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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 Five Calendar Years

	Regular Plan			
	2018	2017	2016	2015
Total Pension Liability				
Service Cost	\$ 3,261,078	\$ 3,423,970	\$ 3,687,773	\$ 3,462,247
Interest	18,289,446	18,103,466	17,731,524	16,879,641
Differences Between Expected and Actual Experience	5,353,631	2,861,853	(3,592,731)	3,010,012
Changes of Assumptions	7,621,642	(7,842,025)	(1,828,304)	305,128
Benefit Payments, Including Refunds of Plan Member Contributions	(14,692,567)	(13,279,611)	(12,347,896)	(11,682,532)
Net Change in Total Pension Liability	19,833,230	3,267,653	3,650,366	11,974,496
Total Pension Liability - Beginning	249,575,018	246,307,365	242,656,999	230,682,503
Total Pension Liability - Ending (A)	<u>\$ 269,408,248</u>	<u>\$ 249,575,018</u>	<u>\$ 246,307,365</u>	<u>\$ 242,656,999</u>
Plan Fiduciary Net Position				
Contributions from Employer	\$ 7,869,477	\$ 6,082,556	\$ 6,803,057	\$ 6,296,473
Contributions from Plan Members	1,615,812	1,566,625	1,511,711	1,554,476
Pension Plan Net Investment Income	(12,771,979)	34,343,478	12,526,627	889,033
Benefit Payments, Including Refunds of Plan Member Contributions	(14,692,567)	(13,279,611)	(12,347,896)	(11,682,532)
Other Changes	4,865,474	(3,435,778)	111,738	5,820,479
Net Change in Plan Fiduciary Net Position	(13,113,783)	25,277,270	8,605,237	2,877,929
Plan Fiduciary Net Position - Beginning	216,482,833	191,205,563	182,600,326	179,722,397
Plan Fiduciary Net Position - Ending (B)	<u>\$ 203,369,050</u>	<u>\$ 216,482,833</u>	<u>\$ 191,205,563</u>	<u>\$ 182,600,326</u>
Net Pension Liability(Asset) - Ending (A) - (B)	<u>\$ 66,039,198</u>	<u>\$ 33,092,185</u>	<u>\$ 55,101,802</u>	<u>\$ 60,056,673</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.49%	86.74%	77.63%	75.25%
Covered-Employee Payroll	34,419,996	33,339,400	32,634,810	33,256,589
Net Pension Liability as a Percentage of Covered-Employee Payroll	191.86%	99.26%	168.84%	180.59%

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.

Regular Plan 2014	Sheriff's Law Enforcement Personnel (SLEP)					Elected County Official
	2018	2017	2016	2015	2014	2018
\$ 3,752,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15,727,556	-	-	8,176	9,462	9,182	-
284,326	-	-	(117,189)	(26,605)	(9,709)	-
7,693,624	-	-	-	-	4,254	-
(10,884,098)	-	-	-	-	-	-
16,573,674	-	-	(109,013)	(17,143)	3,727	-
214,108,829	-	-	109,013	126,156	122,429	-
<u>\$ 230,682,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,013</u>	<u>\$ 126,156</u>	<u>\$ -</u>
\$ 5,854,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,474,346	-	-	-	-	-	-
10,499,423	-	-	8,176	605	7,468	-
(10,884,098)	-	-	-	-	-	-
(1,120,954)	-	-	(117,207)	(12,575)	(8,896)	-
5,822,937	-	-	(109,031)	(11,970)	(1,428)	-
173,899,460	-	-	109,031	121,001	122,429	-
<u>\$ 179,722,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,031</u>	<u>\$ 121,001</u>	<u>\$ -</u>
<u>\$ 50,960,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 18)</u>	<u>\$ 5,155</u>	<u>\$ -</u>
77.91%	N/A	N/A	N/A	100.02%	95.91%	N/A
30,754,363	-	-	-	-	-	-
165.70%	N/A	N/A	N/A	N/A	N/A	N/A

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CITY OF JOLIET, ILLINOIS

Required Supplementary Information

Schedules of Changes in the Net Pension Liability (Asset) and Related Ratios

Illinois Municipal Retirement Fund

Last Five Calendar Years

	'Elected County Official (ECO)			
	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ -	\$ -	\$ -	\$ -
Interest	-	10,627	11,441	11,001
Differences Between Expected and Actual Experience	-	(152,321)	(22,294)	(11,143)
Changes of Assumptions	-	-	-	6,003
Benefit Payments, Including Refunds of Plan Member Contributions	-	-	-	-
Net Change in Total Pension Liability	-	(141,694)	(10,853)	5,861
Total Pension Liability - Beginning	-	141,694	152,547	146,686
Total Pension Liability - Ending (A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,694</u>	<u>\$ 152,547</u>
Plan Fiduciary Net Position				
Contributions from Employer	\$ -	\$ -	\$ -	\$ -
Contributions from Plan Members	-	-	-	-
Pension Plan Net Investment Income	-	10,627	727	8,948
Benefit Payments, Including Refunds of Plan Member Contributions	-	-	-	-
Other Changes	-	(152,344)	(4,471)	(10,173)
Net Change in Plan Fiduciary Net Position	-	(141,717)	(3,744)	(1,225)
Plan Fiduciary Net Position - Beginning	-	141,717	145,461	146,686
Plan Fiduciary Net Position - Ending (B)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,717</u>	<u>\$ 145,461</u>
Net Pension Liability(Asset) - Ending (A) - (B)	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 23)</u>	<u>\$ 7,086</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	100.02%	95.35%
Covered-Employee Payroll	-	-	-	-
Net Pension Liability as a Percentage of Covered-Employee Payroll	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 Five Calendar Years

	Police Pension			
	2018	2017	2016	2015
Total Pension Liability				
Service Cost	\$ 8,665,644	\$ 9,386,524	\$ 8,813,638	\$ 8,669,493
Interest	24,778,368	23,283,519	23,486,380	22,362,935
Differences Between Expected and Actual Experience	1,348,991	5,686,038	(2,016,850)	(3,044,027)
Changes of Assumptions	24,363,423	8,623,625	-	-
Benefit Payments, Including Refunds of Plan Member Contributions	(14,125,349)	(13,363,228)	(12,876,051)	(12,167,696)
Net Change in Total Pension Liability	45,031,077	33,616,478	17,407,117	15,820,705
Total Pension Liability - Beginning	398,506,080	364,889,602	347,482,485	331,661,780
Total Pension Liability - Ending (A)	<u>\$ 443,537,157</u>	<u>\$ 398,506,080</u>	<u>\$ 364,889,602</u>	<u>\$ 347,482,485</u>
 Plan Fiduciary Net Position				
Contributions from Employer	\$ 15,495,791	\$ 14,779,880	\$ 14,559,331	\$ 13,884,298
Contributions from Plan Members	3,108,245	2,868,155	2,763,589	3,160,099
Pension Plan Net Investment Income	(10,586,143)	26,522,448	12,420,957	(1,307,614)
Other Contributions	-	-	33,263	4,863
Benefit Payments, Including Refunds of Plan Member Contributions	(14,125,349)	(13,363,228)	(12,876,051)	(12,167,696)
Pension Plan Administrative Expense	(136,812)	(89,316)	(61,794)	(79,676)
Other Changes	(67)	-	-	-
Net Change in Plan Fiduciary Net Position	(6,244,335)	30,717,939	16,839,295	3,494,274
Plan Fiduciary Net Position - Beginning	222,700,284	191,982,345	175,143,050	171,648,776
Plan Fiduciary Net Position - Ending (B)	<u>\$ 216,455,949</u>	<u>\$ 222,700,284</u>	<u>\$ 191,982,345</u>	<u>\$ 175,143,050</u>
 Net Pension Liability - Ending (A) - (B)	<u>\$ 227,081,208</u>	<u>\$ 175,805,796</u>	<u>\$ 172,907,257</u>	<u>\$ 172,339,435</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.80%	55.88%	52.61%	50.40%
 Covered-Employee Payroll	29,027,828	28,433,521	27,538,519	28,477,526
 Net Pension Liability as a Percentage of Covered-Employee Payroll	782.29%	618.30%	627.87%	605.18%

Notes to Schedule:

Changes of assumptions

The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.44% to 4.10% for the current year. The discount rate used in the determination of the Total Pension Liability was changed from 6.75% to 6.50% in 2018. 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.

Police Pension	Firefighters' Pension				
2014	2018	2017	2016	2015	2014
\$ 8,494,903	\$ 6,662,002	\$ 8,014,727	\$ 7,525,565	\$ 7,425,956	\$ 7,331,123
21,353,658	19,060,190	17,123,847	17,333,665	16,604,938	16,055,080
-	(1,646,466)	15,731,411	(3,393,450)	(5,803,238)	-
-	11,946,281	216,603	-	-	-
(11,424,994)	(11,552,577)	(11,040,814)	(10,163,038)	(9,726,302)	(9,343,434)
18,423,567	24,469,430	30,045,774	11,302,742	8,501,354	14,042,769
313,238,213	299,009,984	268,964,210	257,661,468	249,160,114	235,117,345
<u>\$ 331,661,780</u>	<u>\$ 323,479,414</u>	<u>\$ 299,009,984</u>	<u>\$ 268,964,210</u>	<u>\$ 257,661,468</u>	<u>\$ 249,160,114</u>
\$ 13,610,557	\$ 12,616,328	\$ 12,413,523	\$ 12,332,156	\$ 12,021,687	\$ 12,098,687
3,216,045	2,205,919	2,085,635	2,170,300	2,215,794	2,067,693
7,182,303	(7,110,234)	17,294,618	8,825,529	(1,051,514)	4,515,726
20,039	-	-	13,623	725	-
(11,424,994)	(11,552,577)	(11,040,814)	(10,163,038)	(9,726,302)	(9,343,434)
(97,033)	(113,551)	(88,613)	(82,021)	(77,628)	(80,858)
-	-	-	-	-	-
12,506,917	(3,954,115)	20,664,349	13,096,549	3,382,762	9,257,814
159,141,859	151,973,976	131,309,627	118,213,078	114,830,316	105,572,502
<u>\$ 171,648,776</u>	<u>\$ 148,019,861</u>	<u>\$ 151,973,976</u>	<u>\$ 131,309,627</u>	<u>\$ 118,213,078</u>	<u>\$ 114,830,316</u>
<u>\$ 160,013,004</u>	<u>\$ 175,459,553</u>	<u>\$ 147,036,008</u>	<u>\$ 137,654,583</u>	<u>\$ 139,448,390</u>	<u>\$ 134,329,798</u>
51.75%	45.76%	50.83%	48.82%	45.88%	46.09%
26,103,068	22,678,175	23,367,482	22,631,944	23,496,032	21,699,631
613.00%	773.69%	629.23%	608.23%	593.50%	619.04%

CITY OF JOLIET, ILLINOIS

Required Supplementary Information

Schedules of Employer Contributions

Illinois Municipal Retirement Fund

Last Five 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
2018	\$ 5,944,333	\$ 7,869,477	(\$ 1,925,144)	\$ 34,419,996	22.86%
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
2018	\$ -	\$ -	\$ -	\$ -	N/A
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
2018	\$ -	\$ -	\$ -	\$ -	N/A
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 2018 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 2018 Contribution Rates:

Actuarial Cost Method: Aggregate Entry Age Normal.

Amortization Method: Level Percentage of Payroll, Closed.

Remaining Amortization Period: 25-year closed period.

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

Wage Growth: 3.50%.

Price Inflation: 2.75%.

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, 2016 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 Five 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
2018	\$ 15,484,796	\$ 15,495,791	(\$ 10,995)	\$ 29,027,828	53.38%
2017	14,716,739	14,779,880	(63,141)	28,433,521	51.98%
2016	14,374,516	14,559,331	(184,815)	27,538,519	52.87%
2015	13,802,050	13,884,298	(82,248)	28,477,526	48.76%
2014	12,786,473	13,610,557	(824,084)	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
2018	\$ 12,607,884	\$ 12,616,328	(\$ 8,444)	\$ 22,678,175	55.63%
2017	12,359,863	12,413,523	(53,660)	23,367,482	53.12%
2016	12,174,544	12,332,156	(157,612)	22,631,944	54.49%
2015	11,949,709	12,021,687	(71,978)	23,496,032	51.16%
2014	11,097,584	12,098,687	(1,001,103)	21,699,631	55.76%

Notes to Schedule:

In the fiscal year ended December 31, 2016, there was a transition plan between the City and the Pension Boards. The Actuarially Determined Contribution shown above for fiscal year end December 31, 2018 is the agreed upon transition contribution from the January 1, 2017 Actuarial Report completed by Gabriel, Roeder, Smith & Company for the tax levy recommendation for the December 2017 tax levy.

The methods and assumptions shown to the right are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

Notes to Schedule:

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

Valuation Date: January 1, 2018.
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 (Closed).
Remaining Amortization Period:	27 Years.
Asset Valuation Method:	Police: 5-Year Firefighters': 4-year Smoothed Market (Fair) Value.
Inflation:	2.75%.
Salary Increases:	Police 4.25% - 32.00%; Firefighters' 4.00% - 35.00%
Projected Increase in Total Payroll:	Police 3.75%; 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 Rates:	RP-2014 Blue Collar Healthy Annuitant Mortality table, with Projected Generational Mortality Improvements using Improvement Scale MP-2015.
Retirement Rates:	Gabriel, Roeder, Smith & Company Retirement Rates.
Termination Rates:	Gabriel, Roeder, Smith & Company Termination Rates.
Disability Rates:	Gabriel, Roeder, Smith & Company Disability Rates.

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 Five 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>
2018	-4.76%	-4.60%
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 Retiree Healthcare and Life Insurance Plan Schedule of Changes in the Total OPEB Liability and Related Ratios Most Recent Fiscal Year

Fiscal Year Ended December 31,	2018
Total OPEB Liability	
Service Cost	\$ 15,000,707
Interest on the Total OPEB Liability	15,273,079
Changes of Assumptions	(54,188,449)
Benefit Payments	(9,784,325)
Net Change in Total OPEB Liability	(33,698,988)
Total OPEB Liability - Beginning	448,594,879
Total OPEB Liability - Ending	\$ 414,895,891
Covered Valuation Payroll	80,416,684
Total OPEB Liability as a Percentage of Covered Valuation Payroll	515.93%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects on changes in the discount rate each period. The following are the discount rates used in each period.

Fiscal Year	Discount Rate
2017	3.44%
2018	4.10%

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

General Fund

Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2018

	<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	\$ 35,555,000	\$ 35,555,000	\$ 35,307,332	(\$ 247,668)
Home Rule Sales Tax	23,650,000	26,750,000	26,518,654	(231,346)
Telecommunications Tax	3,310,000	2,750,000	2,786,799	36,799
Natural Gas Tax	950,000	950,000	1,197,636	247,636
Natural Gas Third Party Tax	430,000	430,000	554,210	124,210
Electricity Tax	2,910,000	3,021,775	3,257,013	235,238
Hotel/Motel Tax	2,600,000	2,750,000	2,795,047	45,047
Real Estate Transfer Tax	2,038,000	2,400,000	3,180,211	780,211
Titled/Registration Tax	160,000	160,000	161,046	1,046
Automobile Rental Tax	41,000	41,000	44,852	3,852
Food and Beverage Tax	3,000,000	3,100,000	3,167,625	67,625
Less Rebates	-	-	(15,526)	(15,526)
Food and Beverage Tax, Net	3,000,000	3,100,000	3,152,099	52,099
Gasoline Privilege Tax	680,000	680,000	729,262	49,262
Amusement Tax	105,000	93,073	112,026	18,953
Less Rebates	-	-	(111,776)	(111,776)
Amusement Tax, Net	105,000	93,073	250	(92,823)
Telephone Franchise Tax	82,000	82,000	47,766	(34,234)
Cable Franchise Tax	2,000,000	2,100,000	2,185,085	85,085
Payments in Lieu of Taxes	141,000	75,000	74,596	(404)
State Shared Revenues:				
State Sales Tax	21,850,000	23,750,000	23,360,846	(389,154)
Less Rebates	(924,000)	(730,000)	(625,748)	104,252
State Sales Tax, Net	20,926,000	23,020,000	22,735,098	(284,902)
Income Taxes	14,350,000	14,850,000	14,410,342	(439,658)
Replacement Taxes	2,028,224	2,150,000	2,319,130	169,130
Out of State Use Tax	3,650,000	4,000,000	4,326,454	326,454
Pari-Mutuel Tax	105,000	110,000	83,453	(26,547)
Gaming Wagering Tax	15,000,000	14,900,000	14,810,609	(89,391)
Gaming Admissions Tax	2,415,000	2,315,000	2,247,682	(67,318)
Video Gaming Tax	700,000	770,000	828,101	58,101
Federal Grants	287,800	287,800	421,266	133,466
State Grants	45,000	45,000	41,362	(3,638)
State Reimbursements	175,000	175,000	624,631	449,631
Charges for Services	9,350,000	9,350,000	9,424,557	74,557
Municipal Waste Fees	13,824,696	14,074,696	14,500,929	426,233
Licenses	450,500	450,500	641,741	191,241
Permits	2,150,000	2,150,000	1,825,142	(324,858)
Rentals	290,000	290,000	241,066	(48,934)
Fees	348,000	330,000	394,513	64,513
Fines	2,477,060	2,477,060	2,245,239	(231,821)

(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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Interest Earnings	\$ 75,000	\$ 420,000	\$ 459,852	\$ 39,852
Miscellaneous	<u>2,690,000</u>	<u>2,706,500</u>	<u>1,550,906</u>	<u>(1,155,594)</u>
 Total Revenue	 <u>168,989,280</u>	 <u>175,809,404</u>	 <u>176,123,931</u>	 <u>314,527</u>
Expenditures				
Personnel Services	80,520,973	82,558,088	83,489,849	(931,761)
Personnel Benefits	61,263,511	62,790,716	59,031,286	3,759,430
Other Employee Costs	595,833	495,510	470,218	25,292
Professional Services	5,064,722	5,224,356	4,805,619	418,737
Property Services	18,463,224	18,105,263	18,074,504	30,759
Other Services	1,507,856	1,277,215	1,184,111	93,104
Supplies	7,990,937	8,051,122	7,623,491	427,631
Other Expenditures	<u>1,920,750</u>	<u>3,038,031</u>	<u>3,374,599</u>	<u>(336,568)</u>
 Total Expenditures	 <u>177,327,806</u>	 <u>181,540,301</u>	 <u>178,053,677</u>	 <u>3,486,624</u>
 Revenue (Under) Expenditures	 (8,338,526)	 (5,730,897)	 (1,929,746)	 3,801,151
 Other Financing Sources (Uses)				
Sale of Capital Assets	2,000	5,665	5,665	-
Transfers In	4,725,000	4,725,000	2,179,111	(2,545,889)
Transfers Out	<u>(1,417,300)</u>	<u>(2,824,837)</u>	<u>(2,824,837)</u>	<u>-</u>
 Total Other Financing Sources (Uses)	 <u>3,309,700</u>	 <u>1,905,828</u>	 <u>(640,061)</u>	 <u>(2,545,889)</u>
 Net Change in Fund Balance	 <u>(\$ 5,028,826)</u>	 <u>(\$ 3,825,069)</u>	 <u>(2,569,807)</u>	 <u>\$ 1,255,262</u>
 Fund Balance, Beginning of Year			 <u>55,863,308</u>	
 Fund Balance, End of Year			 <u>\$ 53,293,501</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, 2018

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Miscellaneous Revenue	\$ 1,000,000	\$ 400,000	\$ -	(\$ 400,000)
Total Revenue	1,000,000	400,000	-	(400,000)
Expenditures				
General Government				
Professional Services	90,000	5,000	9,138	(4,138)
Property Services	-	-	2,646	(2,646)
Total Expenditures	90,000	5,000	11,784	(6,784)
Net Change in Fund Balance	\$ 1,000,000	\$ 395,000	(11,784)	(\$ 406,784)
Fund Balance (Deficit), Beginning of Year			(6,305,452)	
Fund Balance (Deficit), End of Year			(\$ 6,317,236)	

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, 2018

	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	\$ 4,019,901	\$ 319,901
Federal Grants	-	117,414	158,217	40,803
Interest	20,000	100,000	133,984	33,984
Miscellaneous Revenue	-	-	27,571	27,571
	<u>3,720,000</u>	<u>3,917,414</u>	<u>4,339,673</u>	<u>422,259</u>
Expenditures				
Public Works				
Professional Services	-	-	3,615	(3,615)
Property and Projects	9,834,158	5,881,500	5,419,717	461,783
	<u>9,834,158</u>	<u>5,881,500</u>	<u>5,423,332</u>	<u>458,168</u>
Net Change in Fund Balance	<u>(\$ 6,114,158)</u>	<u>(\$ 1,964,086)</u>	<u>(1,083,659)</u>	<u>\$ 880,427</u>
Fund Balance, Beginning of Year			<u>9,479,949</u>	
Fund Balance, End of Year			<u>\$ 8,396,290</u>	

CITY OF JOLIET, ILLINOIS

Notes to Required Supplementary Information
December 31, 2018

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, 2018, the Evergreen Terrace II Fund had deficit fund balance of \$6,317,236. 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, 2018

	<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	\$ 102,159	\$ 99,611	\$ 100,328	(\$ 717)
Personnel Benefits	15,000	17,800	17,872	(72)
Other Employee Costs	7,575	10,575	8,827	1,748
Other Services	2,900	1,600	1,019	581
Supplies	1,800	2,000	1,814	186
Other Expenditures	2,000	2,000	1,541	459
Total	<u>131,434</u>	<u>133,586</u>	<u>131,401</u>	<u>2,185</u>
City Council				
Personnel Services	152,000	152,000	152,000	-
Personnel Benefits	16,405	18,210	18,208	2
Other Employee Costs	450	-	-	-
Other Services	10,500	8,500	7,426	1,074
Supplies	900	1,100	457	643
Total	<u>180,255</u>	<u>179,810</u>	<u>178,091</u>	<u>1,719</u>
Liquor Commission				
Personnel Services	57,284	59,432	57,729	1,703
Personnel Benefits	4,366	6,625	6,359	266
Other Employee Costs	300	-	-	-
Professional Services	1,350	3,810	3,810	-
Other Services	1,150	900	965	(65)
Supplies	400	400	341	59
Total	<u>64,850</u>	<u>71,167</u>	<u>69,204</u>	<u>1,963</u>
Total Mayor and Council Department	<u>376,539</u>	<u>384,563</u>	<u>378,696</u>	<u>5,867</u>
Department of the City Manager				
City Manager's Office				
Personnel Services	470,513	479,770	562,770	(83,000)
Personnel Benefits	81,258	88,230	107,143	(18,913)
Other Employee Costs	99,500	98,650	118,838	(20,188)
Professional Services	185,250	154,750	117,418	37,332
Property Services	1,000	5,600	5,510	90
Other Services	111,900	135,570	93,461	42,109
Supplies	7,090	29,500	28,865	635
Other Expenditures	128,500	167,800	147,927	19,873
Total	<u>1,085,011</u>	<u>1,159,870</u>	<u>1,181,932</u>	<u>(22,062)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Deputy City Manager				
Other Employee Costs	\$ -	\$ -	\$ 250	(\$ 250)
Other Services	-	-	75	(75)
Total	<u>-</u>	<u>-</u>	<u>325</u>	<u>(325)</u>
 Total Department of the City Manager	 <u>1,085,011</u>	 <u>1,159,870</u>	 <u>1,182,257</u>	 <u>(22,387)</u>
 Department of the City Clerk				
City Clerk				
Personnel Services	438,874	429,702	446,991	(17,289)
Personnel Benefits	73,130	73,130	84,016	(10,886)
Other Employee Costs	5,700	4,700	2,177	2,523
Professional Services	56,000	72,596	75,826	(3,230)
Property Services	15,500	15,000	12,177	2,823
Other Services	7,950	9,300	8,637	663
Supplies	28,000	31,000	24,462	6,538
Total	<u>625,154</u>	<u>635,428</u>	<u>654,286</u>	<u>(18,858)</u>
 Front Desk				
Personnel Services	119,579	122,546	121,659	887
Personnel Benefits	20,652	22,315	22,445	(130)
Other Employee Costs	1,100	-	-	-
Professional Services	14,250	5,000	3,398	1,602
Property Services	4,000	-	-	-
Other Services	1,300	-	-	-
Supplies	7,500	250	249	1
 Total Department of the City Clerk	 <u>793,535</u>	 <u>785,539</u>	 <u>802,037</u>	 <u>(16,498)</u>
 Department of Administrative Services				
Human Resources				
Personnel Services	2,667,441	2,991,000	2,902,687	88,313
Personnel Benefits	26,195,763	26,465,000	22,788,539	3,676,461
Other Employee Costs	8,400	6,900	4,348	2,552
Professional Services	279,500	310,000	321,229	(11,229)
Property Services	3,300	1,180	2,830	(1,650)
Other Services	542,160	425,200	419,335	5,865
Supplies	3,100	3,000	3,979	(979)
Other Expenditures	-	473,887	473,887	-
Total	<u>29,699,664</u>	<u>30,676,167</u>	<u>26,916,834</u>	<u>3,759,333</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Buildings and Grounds				
Personnel Services	\$ 686,925	\$ 686,925	\$ 673,566	\$ 13,359
Personnel Benefits	118,165	118,165	131,093	(12,928)
Other Employee Costs	50	50	60	(10)
Professional Services	50,000	50,000	27,203	22,797
Property Services	563,860	508,000	525,159	(17,159)
Other Services	1,900	1,900	323	1,577
Supplies	103,500	109,900	103,191	6,709
Other Expenditures	-	90,000	64,731	25,269
Total	<u>1,524,400</u>	<u>1,564,940</u>	<u>1,525,326</u>	<u>39,614</u>
Fleet Services				
Personnel Services	2,112,224	2,073,279	2,282,327	(209,048)
Personnel Benefits	355,024	355,024	387,049	(32,025)
Other Employee Costs	20,650	20,650	15,565	5,085
Professional Services	10,450	10,450	10,105	345
Property Services	1,490,000	1,490,000	1,497,730	(7,730)
Other Services	10,125	10,125	4,624	5,501
Supplies	1,720,200	1,720,200	1,671,665	48,535
Total	<u>5,718,673</u>	<u>5,679,728</u>	<u>5,869,065</u>	<u>(189,337)</u>
Total Department of Administrative Services	<u>36,942,737</u>	<u>37,920,835</u>	<u>34,311,225</u>	<u>3,609,610</u>
Department of Community and Economic Development				
Administration				
Personnel Services	204,594	203,591	222,507	(18,916)
Personnel Benefits	35,334	35,159	35,333	(174)
Other Employee Costs	22,700	20,315	3,976	16,339
Professional Services	57,000	91,267	93,415	(2,148)
Property Services	-	11,654	11,654	-
Other Services	2,200	1,999	3,066	(1,067)
Supplies	500	-	1,208	(1,208)
Other Expenditures	1,096,800	1,517,000	1,523,198	(6,198)
Total	<u>1,419,128</u>	<u>1,880,985</u>	<u>1,894,357</u>	<u>(13,372)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	<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	\$ 409,628	\$ 403,655	\$ 411,971	(\$ 8,316)
Personnel Benefits	65,247	69,025	69,844	(819)
Other Employee Costs	7,500	5,654	5,316	338
Professional Services	356,250	70,575	70,903	(328)
Property Services	114,000	47,118	47,080	38
Other Services	19,100	10,430	9,958	472
Supplies	2,200	1,000	2,221	(1,221)
Other Expenditures	6,500	6,182	9,273	(3,091)
Total	<u>980,425</u>	<u>613,639</u>	<u>626,566</u>	<u>(12,927)</u>
Neighborhood Services				
Personnel Services	1,342,212	1,216,009	1,253,101	(37,092)
Personnel Benefits	231,801	210,301	212,774	(2,473)
Other Employee Costs	4,775	3,800	1,553	2,247
Professional Services	284,000	284,000	154,002	129,998
Property Services	143,780	137,158	85,850	51,308
Other Services	28,600	23,630	20,331	3,299
Supplies	11,460	2,662	3,396	(734)
Total	<u>2,046,628</u>	<u>1,877,560</u>	<u>1,731,007</u>	<u>146,553</u>
Inspections				
Personnel Services	833,793	729,350	709,802	19,548
Personnel Benefits	143,996	142,257	135,399	6,858
Other Employee Costs	3,000	2,961	3,365	(404)
Professional Services	72,770	63,240	63,810	(570)
Other Services	11,290	12,667	10,555	2,112
Supplies	6,000	3,440	3,928	(488)
Total	<u>1,070,849</u>	<u>953,915</u>	<u>926,859</u>	<u>27,056</u>
Total Department of Community and Economic Development	<u>5,517,030</u>	<u>5,326,099</u>	<u>5,178,789</u>	<u>147,310</u>
Department of Finance				
Administration				
Personnel Services	193,492	349,881	397,353	(47,472)
Personnel Benefits	1,539,257	2,775,815	2,512,678	263,137
Other Employee Costs	1,900	2,100	1,492	608
Professional Services	114,000	218,403	205,824	12,579
Other Services	2,520	1,843	2,309	(466)
Supplies	400	534	540	(6)
Other Expenditures	325,350	334,562	328,710	5,852
Total	<u>2,176,919</u>	<u>3,683,138</u>	<u>3,448,906</u>	<u>234,232</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	<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	\$ 74,352	\$ 65,229	\$ 64,315	\$ 914
Other Employee Costs	400	200	77	123
Professional Services	7,800	7,000	7,746	(746)
Property Services	600	-	-	-
Other Services	2,920	2,000	2,307	(307)
Supplies	4,000	3,500	6,319	(2,819)
Total	<u>90,072</u>	<u>77,929</u>	<u>80,764</u>	<u>(2,835)</u>
Accounting				
Personnel Services	296,438	298,662	286,141	12,521
Personnel Benefits	51,195	51,400	52,128	(728)
Other Employee Costs	11,200	9,150	10,657	(1,507)
Professional Services	523,050	645,992	687,605	(41,613)
Property Services	285,000	272,000	230,330	41,670
Other Services	10,950	8,000	3,427	4,573
Supplies	6,900	7,800	9,129	(1,329)
Total	<u>1,184,733</u>	<u>1,293,004</u>	<u>1,279,417</u>	<u>13,587</u>
Purchasing				
Personnel Services	249,255	241,739	242,820	(1,081)
Personnel Benefits	43,047	42,000	41,935	65
Other Employee Costs	1,650	1,230	726	504
Professional Services	3,750	3,750	3,654	96
Property Services	11,874,700	11,895,787	11,899,949	(4,162)
Other Services	1,150	1,100	951	149
Supplies	1,100	1,100	1,261	(161)
Total	<u>12,174,652</u>	<u>12,186,706</u>	<u>12,191,296</u>	<u>(4,590)</u>
Total Department of Finance	<u>15,626,376</u>	<u>17,240,777</u>	<u>17,000,383</u>	<u>240,394</u>
Technology Department				
Administration				
Personnel Services	150,558	148,071	148,067	4
Personnel Benefits	26,001	26,443	20,357	6,086
Other Employee Costs	19,500	13,700	9,170	4,530
Professional Services	450,000	450,000	488,603	(38,603)
Property Services	-	-	25	(25)
Other Services	2,600	1,723	4,376	(2,653)
Supplies	8,000	8,000	4,458	3,542
Total	<u>656,659</u>	<u>647,937</u>	<u>675,056</u>	<u>(27,119)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule of Expenditures - Budget and Actual For the Year Ended December 31, 2018

	<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	\$ 461,140	\$ 572,745	\$ 553,910	\$ 18,835
Personnel Benefits	96,736	96,800	92,064	4,736
Other Employee Costs	3,000	21,131	31,091	(9,960)
Professional Services	-	1,900	15,298	(13,398)
Property Services	719,680	459,334	621,650	(162,316)
Supplies	8,000	8,000	32,336	(24,336)
Total	<u>1,288,556</u>	<u>1,159,910</u>	<u>1,346,349</u>	<u>(186,439)</u>
Infrastructure				
Personnel Services	262,676	75,150	52,276	22,874
Personnel Benefits	28,267	12,875	9,028	3,847
Professional Services	-	60,815	60,207	608
Property Services	405,200	475,508	458,932	16,576
Other Services	360,000	355,245	382,872	(27,627)
Supplies	208,000	201,000	151,263	49,737
Other Expenditures	100,000	100,000	-	100,000
Total	<u>1,364,143</u>	<u>1,280,593</u>	<u>1,114,578</u>	<u>166,015</u>
Total Technology Department	<u>3,309,358</u>	<u>3,088,440</u>	<u>3,135,983</u>	<u>(47,543)</u>
Legal Department				
Legal				
Personnel Services	421,059	433,171	421,796	11,375
Personnel Benefits	72,717	75,000	73,065	1,935
Other Employee Costs	2,750	2,750	2,084	666
Professional Services	1,500,000	1,800,000	1,845,575	(45,575)
Property Services	89,200	89,200	73,103	16,097
Other Services	4,970	7,470	8,488	(1,018)
Supplies	36,000	16,000	16,036	(36)
Other Expenditures	250,000	285,000	775,087	(490,087)
Total	<u>2,376,696</u>	<u>2,708,591</u>	<u>3,215,234</u>	<u>(506,643)</u>
Adjudication				
Professional Services	-	-	18,000	(18,000)
Total	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>(18,000)</u>
Total Legal Department	<u>2,376,696</u>	<u>2,708,591</u>	<u>3,233,234</u>	<u>(524,643)</u>
Police Department				
Police Pension				
Personnel Benefits	-	-	15,495,791	(15,495,791)
Total	<u>-</u>	<u>-</u>	<u>15,495,791</u>	<u>(15,495,791)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Administration/Operations				
Personnel Services	\$ 36,369,606	\$ 37,249,763	\$ 38,078,590	(\$ 828,827)
Personnel Benefits	17,281,263	17,276,263	1,755,732	15,520,531
Other Employee Costs	204,073	202,008	184,707	17,301
Professional Services	284,602	284,602	205,054	79,548
Property Services	416,654	386,624	360,896	25,728
Other Services	163,946	153,146	111,686	41,460
Supplies	569,637	553,229	471,783	81,446
Other Expenditures	6,500	6,500	10	6,490
Total	<u>55,296,281</u>	<u>56,112,135</u>	<u>41,168,458</u>	<u>14,943,677</u>
Technical Services				
Professional Services	-	-	380	(380)
Total	<u>-</u>	<u>-</u>	<u>380</u>	<u>(380)</u>
School Crossing Guards				
Personnel Services	325,720	325,720	266,131	59,589
Personnel Benefits	24,918	24,918	20,360	4,558
Total	<u>350,638</u>	<u>350,638</u>	<u>286,491</u>	<u>64,147</u>
Total Police Department	<u>55,646,919</u>	<u>56,462,773</u>	<u>56,951,120</u>	<u>(488,347)</u>
Fire Department				
Fire Pension				
Personnel Benefits	-	-	12,616,328	(12,616,328)
Total	<u>-</u>	<u>-</u>	<u>12,616,328</u>	<u>(12,616,328)</u>
Administration				
Personnel Services	25,375,416	26,302,781	26,120,823	181,958
Personnel Benefits	13,061,455	13,101,455	453,920	12,647,535
Other Employee Costs	107,800	43,100	49,822	(6,722)
Professional Services	9,000	4,000	1,662	2,338
Property Services	178,500	178,500	308,993	(130,493)
Other Services	97,000	45,000	41,729	3,271
Supplies	360,200	360,744	373,726	(12,982)
Total	<u>39,189,371</u>	<u>40,035,580</u>	<u>27,350,675</u>	<u>12,684,905</u>
Operations				
Professional Services	81,000	60,000	62,176	(2,176)
Property Services	-	-	18,929	(18,929)
Other Services	40,000	-	-	-
Supplies	7,000	3,500	929	2,571
Total	<u>128,000</u>	<u>63,500</u>	<u>82,034</u>	<u>(18,534)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Emergency Management				
Personnel Services	\$ 26,348	\$ 26,596	\$ 24,712	\$ 1,884
Personnel Benefits	2,208	6,200	6,051	149
Other Employee Costs	1,500	1,500	500	1,000
Property Services	14,400	14,400	209	14,191
Other Services	5,700	151	-	151
Supplies	3,000	1,200	566	634
Total	<u>53,156</u>	<u>50,047</u>	<u>32,038</u>	<u>18,009</u>
Paramedic Services				
Other Employee Costs	41,490	5,700	1,939	3,761
Professional Services	14,000	17,286	3,286	14,000
Property Services	286,250	286,250	243,604	42,646
Total	<u>341,740</u>	<u>309,236</u>	<u>248,829</u>	<u>60,407</u>
Total Fire Department	<u>39,712,267</u>	<u>40,458,363</u>	<u>40,329,904</u>	<u>128,459</u>
Public Works Department				
Public Works				
Property Services	-	-	66,484	(66,484)
Total	<u>-</u>	<u>-</u>	<u>66,484</u>	<u>(66,484)</u>
Administration				
Personnel Services	289,483	289,483	295,080	(5,597)
Personnel Benefits	577,436	577,436	719,867	(142,431)
Other Employee Costs	1,300	1,300	506	794
Professional Services	200	200	-	200
Other Services	1,600	1,300	1,615	(315)
Supplies	400	400	-	400
Total	<u>870,419</u>	<u>870,119</u>	<u>1,017,068</u>	<u>(146,949)</u>
Buildings and Grounds				
Other Employee Costs	-	486	486	-
Professional Services	-	13,120	4,562	8,558
Property Services	-	154,600	114,468	40,132
Other Services	-	91	305	(214)
Supplies	-	30,970	48,175	(17,205)
Other Expenditures	-	50,000	50,000	-
Total	<u>-</u>	<u>249,267</u>	<u>217,996</u>	<u>31,271</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule of Expenditures - Budget and Actual For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Engineering and Construction				
Personnel Services	\$ 1,224,582	\$ 1,334,837	\$ 1,482,973	(\$ 148,136)
Personnel Benefits	211,969	211,969	231,678	(19,709)
Other Employee Costs	5,750	4,750	2,345	2,405
Professional Services	612,000	276,600	193,254	83,346
Property Services	464,750	484,500	465,396	19,104
Other Services	20,100	15,000	27,265	(12,265)
Supplies	78,200	78,200	45,116	33,084
Other Expenditures	5,000	5,000	235	4,765
Total	<u>2,622,351</u>	<u>2,410,856</u>	<u>2,448,262</u>	<u>(37,406)</u>
Electrical				
Personnel Services	353,186	348,530	340,946	7,584
Personnel Benefits	60,995	60,995	80,280	(19,285)
Other Employee Costs	5,300	5,300	5,039	261
Professional Services	35,000	45,000	43,515	1,485
Property Services	1,850	1,850	89	1,761
Other Services	6,075	6,075	7,286	(1,211)
Supplies	3,599,350	3,603,393	3,567,910	35,483
Total	<u>4,061,756</u>	<u>4,071,143</u>	<u>4,045,065</u>	<u>26,078</u>
Roadways				
Personnel Services	4,586,475	4,601,475	4,545,580	55,895
Personnel Benefits	768,944	768,944	785,333	(16,389)
Other Employee Costs	6,520	6,850	5,302	1,548
Professional Services	63,500	220,000	18,099	201,901
Property Services	1,286,000	1,086,000	926,599	159,401
Other Services	28,900	28,900	9,298	19,602
Supplies	1,156,100	1,157,100	985,101	171,999
Total	<u>7,896,439</u>	<u>7,869,269</u>	<u>7,275,312</u>	<u>593,957</u>
Bicentennial Park				
Personnel Services	263,961	247,385	270,898	(23,513)
Personnel Benefits	60,962	60,962	48,617	12,345
Property Services	105,000	105,000	96,858	8,142
Other Services	8,350	8,350	422	7,928
Supplies	52,000	112,000	63,067	48,933
Other Expenditures	100	100	-	100
Total	<u>490,373</u>	<u>533,797</u>	<u>479,862</u>	<u>53,935</u>
Total Public Works Department	<u>15,941,338</u>	<u>16,004,451</u>	<u>15,550,049</u>	<u>454,402</u>
Total General Fund	<u>\$ 177,327,806</u>	<u>\$ 181,540,301</u>	<u>\$ 178,053,677</u>	<u>\$ 3,486,624</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.

City Center Special Service Area Fund – Accounts for revenue and expenditures related to Special Area property tax levied for the City Center area.

Park Hill Special Service Area Fund – Accounts for revenue and expenditures related to Special Area property tax levied for the Park Hill subdivision.

Miscellaneous Special Service Area Fund – Accounts for revenue and expenditures related to Special Area property tax levied for the other areas.

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.

Tax Incremental Financing Fund #4 – Accounts for revenue and expenditures related to the Tax Incremental Financing District created for the Presence-Saint Joseph Area 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, 2018

	Special Revenue Funds						
	Block Grant Fund	Grants and Special Revenue Fund	Special Revenue Revolving Fund	Foreign Fire Tax Fund	City Center Special Service Area Fund	Park Hill Special Service Area Fund	Miscellaneous Special Service Area Fund
ASSETS							
Cash	\$ -	\$ -	\$ 1,208,829	\$ 503,012	\$ 1,137,636	\$ 36,023	\$ 17,507
Escrow Deposits	-	-	-	-	-	-	-
Investments	-	3,630,153	-	-	-	-	-
Receivables							
Property Taxes, Net of Allowance for Uncollectible Amounts	-	-	-	-	631,917	-	-
Intergovernmental	-	352,073	-	-	-	-	-
Accrued Interest	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	5,517
Inventory	-	10,000	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 3,992,226</u>	<u>\$ 1,208,829</u>	<u>\$ 503,012</u>	<u>\$ 1,769,553</u>	<u>\$ 36,023</u>	<u>\$ 23,024</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Vouchers Payable	\$ 106,557	\$ 2,030,453	\$ 29,903	\$ -	\$ 63,501	\$ -	\$ -
Customer Deposits and Credits	-	711,500	-	-	-	-	-
Unearned Revenue	-	55,694	-	-	-	-	-
Internal Payables	53,327	-	-	-	-	-	-
Total Liabilities	<u>159,884</u>	<u>2,797,647</u>	<u>29,903</u>	<u>-</u>	<u>63,501</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Property Taxes	-	-	-	-	631,917	-	-
Deferred Other Income	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,917</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	10,000	-	-	-	-	-
Restricted	-	1,184,579	1,178,926	503,012	1,073,913	36,023	23,024
Assigned	-	-	-	-	222	-	-
Unassigned	(159,884)	-	-	-	-	-	-
Total Fund Balances	<u>(159,884)</u>	<u>1,194,579</u>	<u>1,178,926</u>	<u>503,012</u>	<u>1,074,135</u>	<u>36,023</u>	<u>23,024</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 3,992,226</u>	<u>\$ 1,208,829</u>	<u>\$ 503,012</u>	<u>\$ 1,769,553</u>	<u>\$ 36,023</u>	<u>\$ 23,024</u>

Business District Tax Allocation Fund	Tax Incremental Financing Funds				Total Special Revenue Funds	Debt Service Fund	Capital Projects Funds			Total
	Incremental Fund #2	Incremental Fund #3	Incremental Fund #4	General Debt Service Fund		Capital Improvement Fund	Performance Bonds Fund	Total Capital Projects Funds		
\$ -	\$ 612,361	\$ 191,598	\$ 15,306	\$ 3,722,272	\$ -	\$ -	\$ 367,219	\$ 367,219	\$ 4,089,491	
-	-	-	-	-	530,300	-	-	-	530,300	
252,842	203,106	-	-	4,086,101	-	2,126,623	4,321,929	6,448,552	10,534,653	
-	439,995	100,963	62,065	1,234,940	1,643,620	-	-	-	2,878,560	
30,489	-	-	-	382,562	-	-	-	-	382,562	
-	-	-	-	-	-	13,941	-	13,941	13,941	
-	-	-	-	5,517	-	-	-	-	5,517	
-	-	-	-	10,000	-	-	-	-	10,000	
<u>\$ 283,331</u>	<u>\$ 1,255,462</u>	<u>\$ 292,561</u>	<u>\$ 77,371</u>	<u>\$ 9,441,392</u>	<u>\$ 2,173,920</u>	<u>\$ 2,140,564</u>	<u>\$ 4,689,148</u>	<u>\$ 6,829,712</u>	<u>\$18,445,024</u>	
\$ 15,951	\$ 69,455	\$ 56,446	\$ -	\$ 2,372,266	\$ -	\$ 335,555	\$ -	\$ 335,555	\$ 2,707,821	
-	-	-	-	711,500	-	150,000	622,368	772,368	1,483,868	
-	-	-	-	55,694	-	-	-	-	55,694	
-	-	-	-	53,327	21,910	-	-	-	75,237	
<u>15,951</u>	<u>69,455</u>	<u>56,446</u>	<u>-</u>	<u>3,192,787</u>	<u>21,910</u>	<u>485,555</u>	<u>622,368</u>	<u>1,107,923</u>	<u>4,322,620</u>	
-	439,995	100,963	62,065	1,234,940	1,643,620	-	-	-	2,878,560	
9,249	-	-	-	9,249	-	-	-	-	9,249	
<u>9,249</u>	<u>439,995</u>	<u>100,963</u>	<u>62,065</u>	<u>1,244,189</u>	<u>1,643,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,887,809</u>	
-	-	-	-	10,000	-	-	-	-	10,000	
258,131	725,388	135,152	15,306	5,133,454	508,390	-	3,876,608	3,876,608	9,518,452	
-	20,624	-	-	20,846	-	1,655,009	190,172	1,845,181	1,866,027	
-	-	-	-	(159,884)	-	-	-	-	(159,884)	
<u>258,131</u>	<u>746,012</u>	<u>135,152</u>	<u>15,306</u>	<u>5,004,416</u>	<u>508,390</u>	<u>1,655,009</u>	<u>4,066,780</u>	<u>5,721,789</u>	<u>11,234,595</u>	
<u>\$ 283,331</u>	<u>\$ 1,255,462</u>	<u>\$ 292,561</u>	<u>\$ 77,371</u>	<u>\$ 9,441,392</u>	<u>\$ 2,173,920</u>	<u>\$ 2,140,564</u>	<u>\$ 4,689,148</u>	<u>\$ 6,829,712</u>	<u>\$18,445,024</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, 2018

	Special Revenue Funds						
	Block Grant Fund	Grants and Special Revenue Fund	Special Revenue Revolving Fund	Foreign Fire Tax Fund	City Center Special Service Area Fund	Park Hill Special Service Area Fund	Miscellaneous Special Service Area Fund
Revenue							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 550,649	\$ 11,546	\$ -
Intergovernmental State Shared Revenue Federal, State and Private	-	-	-	203,143	-	-	-
Grants and Allotments	936,929	1,957,657	-	-	-	-	-
Interest Earnings	-	15,771	10,665	159	-	-	-
Rentals and Fees	-	-	60,818	-	-	-	-
Fines and Forfeitures	-	-	144,703	-	-	-	-
Special Assessments	-	-	-	-	-	-	34,974
Other	-	-	8,191	-	-	-	-
Total Revenue	<u>936,929</u>	<u>1,973,428</u>	<u>224,377</u>	<u>203,302</u>	<u>550,649</u>	<u>11,546</u>	<u>34,974</u>
Expenditures							
Current:							
Public Safety	-	120,231	176,695	128,129	-	-	-
Community Development	340,250	785,039	-	-	380,000	7,321	-
Capital Outlay	513,855	970,473	45,836	-	-	-	11,950
Debt Service - Principal	-	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-	-
Total Expenditures	<u>854,105</u>	<u>1,875,743</u>	<u>222,531</u>	<u>128,129</u>	<u>380,000</u>	<u>7,321</u>	<u>11,950</u>
Revenue Over (Under) Expenditures	82,824	97,685	1,846	75,173	170,649	4,225	23,024
Other Financing Sources (Uses)							
Transfers In	-	-	-	-	-	31,798	-
Transfers Out	-	-	-	-	(81,798)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,798)</u>	<u>31,798</u>	<u>-</u>
Net Change in Fund Balance	82,824	97,685	1,846	75,173	88,851	36,023	23,024
Fund Balances (Deficits), Beginning of Year	<u>(242,708)</u>	<u>1,096,894</u>	<u>1,177,080</u>	<u>427,839</u>	<u>985,284</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits), End of Year	<u>(\$ 159,884)</u>	<u>\$ 1,194,579</u>	<u>\$ 1,178,926</u>	<u>\$ 503,012</u>	<u>\$ 1,074,135</u>	<u>\$ 36,023</u>	<u>\$ 23,024</u>

Business District Tax Allocation Fund	Tax Incremental Financing Fund #2	Tax Incremental Financing Fund #3	Tax Incremental Financing Fund #4	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	
\$ -	\$ 184,630	\$ 48,311	\$ 17,555	\$ 812,691	\$ 1,647,904	\$ -	\$ -	\$ -	\$ 2,460,595
66,526	-	-	-	269,669	-	-	-	-	269,669
-	-	-	-	2,894,586	-	-	-	-	2,894,586
6,203	2,084	41	6	34,929	539	86,735	77,226	163,961	199,429
-	-	-	-	60,818	-	-	-	-	60,818
-	-	-	-	144,703	-	-	-	-	144,703
-	-	-	-	34,974	-	-	-	-	34,974
-	-	-	-	8,191	-	100,000	-	100,000	108,191
<u>72,729</u>	<u>186,714</u>	<u>48,352</u>	<u>17,561</u>	<u>4,260,561</u>	<u>1,648,443</u>	<u>186,735</u>	<u>77,226</u>	<u>263,961</u>	<u>6,172,965</u>
-	-	-	-	425,055	-	-	-	-	425,055
-	209,552	2,255	2,255	1,726,672	-	-	-	-	1,726,672
-	-	-	-	1,542,114	-	3,955,339	-	3,955,339	5,497,453
-	-	-	-	-	1,445,000	-	-	-	1,445,000
-	-	-	-	-	208,512	-	-	-	208,512
-	<u>209,552</u>	<u>2,255</u>	<u>2,255</u>	<u>3,693,841</u>	<u>1,653,512</u>	<u>3,955,339</u>	-	<u>3,955,339</u>	<u>9,302,692</u>
72,729	(22,838)	46,097	15,306	566,720	(5,069)	(3,768,604)	77,226	(3,691,378)	(3,129,727)
-	655,689	-	-	687,487	-	2,874,837	-	2,874,837	3,562,324
-	-	-	-	(81,798)	-	(655,689)	-	(655,689)	(737,487)
-	<u>655,689</u>	-	-	<u>605,689</u>	-	<u>2,219,148</u>	-	<u>2,219,148</u>	<u>2,824,837</u>
72,729	632,851	46,097	15,306	1,172,409	(5,069)	(1,549,456)	77,226	(1,472,230)	(304,890)
<u>185,402</u>	<u>113,161</u>	<u>89,055</u>	<u>-</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>\$ 258,131</u>	<u>\$ 746,012</u>	<u>\$ 135,152</u>	<u>\$ 15,306</u>	<u>\$ 5,004,416</u>	<u>\$ 508,390</u>	<u>\$ 1,655,009</u>	<u>\$ 4,066,780</u>	<u>\$ 5,721,789</u>	<u>\$ 11,234,595</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, 2018

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Federal Grants	\$ 2,014,629	\$ 1,249,478	\$ 936,929	(\$ 312,549)
Total Revenue	2,014,629	1,249,478	936,929	(312,549)
Expenditures				
Community Development				
Other Employee Costs	4,500	7,000	5,024	1,976
Professional Services	846,829	283,012	333,923	(50,911)
Property Services	845,000	300,000	-	300,000
Other Services	3,300	630	1,303	(673)
Property and Projects	225,000	568,836	513,855	54,981
Total Expenditures	1,924,629	1,159,478	854,105	305,373
Revenue Over Expenditures	90,000	90,000	82,824	(7,176)
Other Financing (Uses)				
Transfers Out	(90,000)	(90,000)	-	90,000
Total Other Financing (Uses)	(90,000)	(90,000)	-	90,000
Net Change in Fund Balance	\$ -	\$ -	82,824	\$ 82,824
Fund Balance (Deficit), Beginning of Year			(242,708)	
Fund Balance (Deficit), End of Year			(\$ 159,884)	

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, 2018

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Federal Grants	\$ 1,844,674	\$ 1,844,674	\$ 344,138	(\$ 1,500,536)
State Grants	8,457,359	3,013,100	1,605,719	(1,407,381)
State Reimbursements	179,378	179,378	7,800	(171,578)
Interest	5,000	15,000	15,771	771
Total Revenue	10,486,411	5,052,152	1,973,428	(3,078,724)
Expenditures				
Public Safety				
Professional Services	-	-	1,049	(1,049)
Supplies	101,314	10,500	119,182	(108,682)
Other Expenditures	1,500	1,500	-	1,500
Property and Projects	221,238	221,238	18,415	202,823
Public Works				
Property and Projects	1,100,000	550,000	-	550,000
Community Development				
Other Employee Costs	-	-	2,101	(2,101)
Professional Services	1,701,100	1,701,100	766,362	934,738
Other Services	7,500	7,500	1,695	5,805
Supplies	11,500	11,500	4,881	6,619
Other Expenditures	-	-	10,000	(10,000)
Property and Projects	8,444,259	2,993,000	952,058	2,040,942
Total Expenditures	11,588,411	5,496,338	1,875,743	3,620,595
Net Change in Fund Balance	(\$ 1,102,000)	(\$ 444,186)	97,685	\$ 541,871
Fund Balance, Beginning of Year			1,096,894	
Fund Balance, End of Year			\$ 1,194,579	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenue				
Fees	\$ -	\$ -	\$ 60,818	\$ 60,818
Forfeitures	78,500	78,500	64,349	(14,151)
Fines	165,000	165,000	80,354	(84,646)
Interest	50	50	10,665	10,615
Miscellaneous Revenue	<u>20,000</u>	<u>20,000</u>	<u>8,191</u>	<u>(11,809)</u>
Total Revenue	<u>263,550</u>	<u>263,550</u>	<u>224,377</u>	<u>(39,173)</u>
Expenditures				
Public Safety				
Other Employee Costs	43,700	43,700	27,039	16,661
Professional Services	64,500	64,500	35,620	28,880
Property Services	1,000	1,000	1,643	(643)
Other Services	5,000	5,000	5,579	(579)
Supplies	200,000	200,000	68,431	131,569
Other Expenditures	42,000	42,000	38,383	3,617
Property and Projects	<u>110,000</u>	<u>110,000</u>	<u>45,836</u>	<u>64,164</u>
Total Expenditures	<u>466,200</u>	<u>466,200</u>	<u>222,531</u>	<u>243,669</u>
Net Change in Fund Balance	<u>(\$ 202,650)</u>	<u>(\$ 202,650)</u>	1,846	<u>\$ 204,496</u>
Fund Balance, Beginning of Year			<u>1,177,080</u>	
Fund Balance, End of Year			<u>\$ 1,178,926</u>	

CITY OF JOLIET, ILLINOIS

Foreign Fire Tax Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2018

	<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	\$ 200,000	\$ 200,000	\$ 203,143	\$ 3,143
Interest	-	-	159	159
Total Revenue	<u>200,000</u>	<u>200,000</u>	<u>203,302</u>	<u>3,302</u>
Expenditures				
Public Safety				
Professional Services	-	-	3,874	(3,874)
Property Services	-	-	2,790	(2,790)
Supplies	-	-	120,187	(120,187)
Other Expenditures	<u>200,000</u>	<u>200,000</u>	<u>1,278</u>	<u>198,722</u>
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>128,129</u>	<u>71,871</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	75,173	<u>\$ 75,173</u>
Fund Balance, Beginning of Year			<u>427,839</u>	
Fund Balance, End of Year			<u>\$ 503,012</u>	

CITY OF JOLIET, ILLINOIS

City Center Special Service Area Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Property Taxes	\$ 641,540	\$ 558,000	\$ 550,649	(\$ 7,351)
Total Revenue	641,540	558,000	550,649	(7,351)
Expenditures				
Community Development				
Professional Services	16,540	58,000	-	58,000
Property Services	5,000	-	-	-
Other Expenditures	330,000	250,000	380,000	(130,000)
Property and Projects	250,000	200,000	-	200,000
Total Expenditures	601,540	508,000	380,000	128,000
Revenue Over Expenditures	40,000	50,000	170,649	120,649
Other Financing (Uses)				
Transfers Out	(50,000)	(50,000)	(81,798)	(31,798)
Total Other Financing (Uses)	(50,000)	(50,000)	(81,798)	(31,798)
Net Change in Fund Balance	(\$ 10,000)	\$ -	88,851	\$ 88,851
Fund Balance, Beginning of Year			985,284	
Fund Balance, End of Year			\$ 1,074,135	

CITY OF JOLIET, ILLINOIS

Park Hill Special Service Area Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2018

	<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	\$ -	\$ 11,540	\$ 11,546	\$ 6
Total Revenue	<u>-</u>	<u>11,540</u>	<u>11,546</u>	<u>6</u>
Expenditures				
Community Development Property Services	<u>-</u>	<u>11,540</u>	<u>7,321</u>	<u>4,219</u>
Total Expenditures	<u>-</u>	<u>11,540</u>	<u>7,321</u>	<u>4,219</u>
Revenue Over Expenditures	-	-	4,225	4,225
Other Financing Sources				
Transfers In	<u>-</u>	<u>-</u>	<u>31,798</u>	<u>31,798</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>31,798</u>	<u>31,798</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	36,023	<u>\$ 36,023</u>
Fund Balance, Beginning of Year			<u>-</u>	
Fund Balance, End of Year			<u>\$ 36,023</u>	

CITY OF JOLIET, ILLINOIS

Miscellaneous Special Service Area Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenue				
Special Assessments	\$ -	\$ 50,000	\$ 34,974	(\$ 15,026)
Total Revenue	<u>-</u>	<u>50,000</u>	<u>34,974</u>	<u>(15,026)</u>
Expenditures				
Community Development Property and Projects	<u>-</u>	<u>50,000</u>	<u>11,950</u>	<u>38,050</u>
Total Expenditures	<u>-</u>	<u>50,000</u>	<u>11,950</u>	<u>38,050</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	23,024	<u>\$ 23,024</u>
Fund Balance, Beginning of Year			<u>-</u>	
Fund Balance, End of Year			<u>\$ 23,024</u>	

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, 2018

	<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	\$ 115,000	\$ 88,700	\$ 132,869	\$ 44,169
Less Rebates	(115,000)	(75,000)	(66,343)	8,657
State Shared Revenue, Net	-	13,700	66,526	52,826
Interest	<u>1,500</u>	<u>5,000</u>	<u>6,203</u>	<u>1,203</u>
Total Revenue	<u>1,500</u>	<u>18,700</u>	<u>72,729</u>	<u>54,029</u>
Expenditures				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 1,500</u>	<u>\$ 18,700</u>	72,729	<u>\$ 54,029</u>
Fund Balance, Beginning of Year			<u>185,402</u>	
Fund Balance, End of Year			<u>\$ 258,131</u>	

CITY OF JOLIET, ILLINOIS

Tax Incremental Financing Fund #2
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Property Taxes	\$ 600,000	\$ 575,000	\$ 568,901	(\$ 6,099)
Less Rebates	(600,000)	(460,000)	(384,271)	75,729
Property Taxes, Net	-	115,000	184,630	69,630
Interest	-	1,700	2,084	384
Miscellaneous Revenue	100,000	-	-	-
	100,000	116,700	186,714	70,014
Expenditures				
Community Development				
Professional Services	25,000	10,000	6,560	3,440
Property Services	-	-	2,000	(2,000)
Other Services	-	-	992	(992)
Other Expenditures	-	200,000	200,000	-
	25,000	210,000	209,552	448
Revenue Over (Under) Expenditures	75,000	(93,300)	(22,838)	70,462
Other Financing Sources				
Transfers In	50,000	655,689	655,689	-
	50,000	655,689	655,689	-
Net Change in Fund Balance	\$ 125,000	\$ 562,389	632,851	\$ 70,462
Fund Balance, Beginning of Year			113,161	
Fund Balance, End of Year			\$ 746,012	

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, 2018

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Property Taxes	\$ 70,000	\$ 102,500	\$ 104,757	\$ 2,257
Less Rebates	(67,500)	(67,500)	(56,446)	11,054
Property Taxes, Net	2,500	35,000	48,311	13,311
Interest	-	-	41	41
Total Revenue	2,500	35,000	48,352	13,352
Expenditures				
Community Development				
Professional Services	2,500	2,500	2,255	245
Total Expenditures	2,500	2,500	2,255	245
Net Change in Fund Balance	\$ -	\$ 32,500	46,097	\$ 13,597
Fund Balance, Beginning of Year			89,055	
Fund Balance, End of Year			\$ 135,152	

CITY OF JOLIET, ILLINOIS

Tax Incremental Financing Fund #4
 Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended December 31, 2018

	<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	\$ 10,000	\$ 17,600	\$ 17,555	(\$ 45)
Less Rebates	-	(15,000)	-	15,000
Property Taxes, Net	<u>10,000</u>	<u>2,600</u>	<u>17,555</u>	<u>14,955</u>
Interest	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
Total Revenue	<u>10,000</u>	<u>2,600</u>	<u>17,561</u>	<u>14,961</u>
Expenditures				
Community Development				
Professional Services	<u>-</u>	<u>2,255</u>	<u>2,255</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>2,255</u>	<u>2,255</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 10,000</u>	<u>\$ 345</u>	15,306	<u>\$ 14,961</u>
Fund Balance, Beginning of Year			<u>-</u>	
Fund Balance, End of Year			<u>\$ 15,306</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, 2018

	<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	\$ 1,663,000	\$ 1,662,450	\$ 1,647,904	(\$ 14,546)
Interest	-	-	539	539
Total Revenue	<u>1,663,000</u>	<u>1,662,450</u>	<u>1,648,443</u>	<u>(14,007)</u>
Expenditures				
Debt Principal	1,460,000	1,460,000	1,445,000	15,000
Debt Interest	<u>202,950</u>	<u>202,950</u>	<u>208,512</u>	<u>(5,562)</u>
Total Expenditures	<u>1,662,950</u>	<u>1,662,950</u>	<u>1,653,512</u>	<u>9,438</u>
Net Change in Fund Balance	<u>\$ 50</u>	<u>(\$ 500)</u>	(5,069)	<u>\$ 4,569</u>
Fund Balance, Beginning of Year			<u>513,459</u>	
Fund Balance, End of Year			<u>\$ 508,390</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, 2018

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
State Reimbursements	\$ 1,000,000	\$ 189,728	\$ -	(\$ 189,728)
Interest	20,000	45,000	86,735	41,735
Miscellaneous Revenue	-	100,000	100,000	-
	1,020,000	334,728	186,735	(147,993)
Expenditures				
General Government				
Property and Projects	1,800,000	1,938,832	1,726,057	212,775
Public Safety				
Property and Projects	147,952	211,153	211,153	-
Public Works				
Property and Projects	1,237,300	1,865,517	1,893,351	(27,834)
Culture and Recreation				
Property and Projects	-	132,000	115,953	16,047
Community Development				
Property and Projects	10,000	5,000	8,825	(3,825)
	3,195,252	4,152,502	3,955,339	197,163
Revenue (Under) Expenditures	(2,175,252)	(3,817,774)	(3,768,604)	49,170
Other Financing Sources (Uses)				
Transfers In	1,417,300	2,874,837	2,874,837	-
Transfers Out	-	(655,690)	(655,689)	1
	1,417,300	2,219,147	2,219,148	1
Net Change in Fund Balance	(\$ 757,952)	(\$ 1,598,627)	(1,549,456)	\$ 49,171
Fund Balance, Beginning of Year			3,204,465	
Fund Balance, End of Year			\$ 1,655,009	

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, 2018

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variance With Final Budget Positive (Negative)
Revenue				
Interest	\$ -	\$ 65,000	\$ 77,226	\$ 12,226
Miscellaneous Revenue	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>1,000,000</u>	<u>65,000</u>	<u>77,226</u>	<u>12,226</u>
Expenditures				
Public Works				
Property and Projects	<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(\$ 3,000,000)</u>	<u>\$ 65,000</u>	77,226	<u>\$ 12,226</u>
Fund Balance, Beginning of Year			<u>3,989,554</u>	
Fund Balance, End of Year			<u>\$ 4,066,780</u>	

TRUST AND AGENCY FUNDS

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

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

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

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

CITY OF JOLIET, ILLINOIS

Pension Trust Funds
Combining Statement of Net Position
December 31, 2018

	Joliet Police Pension Fund	Joliet Firefighters' Pension Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 91,205	\$ 1,217	\$ 92,422
Investments, at Fair Value			
U.S. Government and Agency Securities	27,469,028	25,130,450	52,599,478
U.S. Government Sponsored Agency Securities	3,334,079	2,515,063	5,849,142
State and Local Government Securities	2,276,863	1,270,849	3,547,712
Insurance Company Contracts	13,309,047	7,498,405	20,807,452
Certificates of Deposit	1,816,241	198,199	2,014,440
Money Market Mutual Funds	12,042,525	7,341,725	19,384,250
Mutual Funds	124,512,448	43,270,832	167,783,280
Common Stock	-	40,309,787	40,309,787
Corporate Bonds	31,139,996	20,259,397	51,399,393
Total Investments	<u>215,900,227</u>	<u>147,794,707</u>	<u>363,694,934</u>
Accrued Interest Receivable	478,758	428,875	907,633
Prepaid Items	26,683	-	26,683
Total Assets	<u>216,496,873</u>	<u>148,224,799</u>	<u>364,721,672</u>
LIABILITIES			
Accrued Investment Expenses	40,924	204,938	245,862
Total Liabilities	<u>40,924</u>	<u>204,938</u>	<u>245,862</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 216,455,949</u>	<u>\$ 148,019,861</u>	<u>\$ 364,475,810</u>

CITY OF JOLIET, ILLINOIS

Pension Trust Funds Combining Statement of Changes in Net Position For the Year Ended December 31, 2018

	Joliet Police Pension Fund	Joliet Firefighters' Pension Fund	Total
Additions			
Contributions			
Employer Contributions	\$ 15,495,791	\$ 12,616,328	\$ 28,112,119
Plan Member Contributions	<u>3,108,245</u>	<u>2,205,919</u>	<u>5,314,164</u>
Total Contributions	<u>18,604,036</u>	<u>14,822,247</u>	<u>33,426,283</u>
Investment Income			
Net (Decrease) in Fair Value of Investments	(21,500,121)	(11,143,930)	(32,644,051)
Interest and Dividends	<u>11,189,441</u>	<u>4,827,527</u>	<u>16,016,968</u>
Less Investment Expenses	<u>(10,310,680)</u>	<u>(6,316,403)</u>	<u>(16,627,083)</u>
	<u>281,240</u>	<u>793,831</u>	<u>1,075,071</u>
Net Investment Income	<u>(10,591,920)</u>	<u>(7,110,234)</u>	<u>(17,702,154)</u>
Miscellaneous Income	<u>5,777</u>	<u>-</u>	<u>5,777</u>
Total Additions	<u>8,017,893</u>	<u>7,712,013</u>	<u>15,729,906</u>
Deductions			
Benefit Payments (Including Refunds of Plan Member Contributions)	14,125,349	11,552,577	25,677,926
Administrative and Other Expenses	<u>136,812</u>	<u>113,551</u>	<u>250,363</u>
Total Deductions	<u>14,262,161</u>	<u>11,666,128</u>	<u>25,928,289</u>
Net Increase In Net Position	(6,244,268)	(3,954,115)	(10,198,383)
Net Position Restricted for Pensions			
Beginning of Year	<u>222,700,217</u>	<u>151,973,976</u>	<u>374,674,193</u>
End of Year	<u>\$ 216,455,949</u>	<u>\$ 148,019,861</u>	<u>\$ 364,475,810</u>

CITY OF JOLIET, ILLINOIS

Schedule of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2018

	<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>\$ 610,072</u>	<u>\$ 225,147</u>	<u>\$ 221,530</u>	<u>\$ 613,689</u>
Total Assets	<u>\$ 610,072</u>	<u>\$ 225,147</u>	<u>\$ 221,530</u>	<u>\$ 613,689</u>
Liabilities				
Due to Other Governments	<u>\$ 610,072</u>	<u>\$ 225,147</u>	<u>\$ 221,530</u>	<u>\$ 613,689</u>
Total Liabilities	<u>\$ 610,072</u>	<u>\$ 225,147</u>	<u>\$ 221,530</u>	<u>\$ 613,689</u>

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Other Schedules

CITY OF JOLIET, ILLINOIS

General Obligation Bonds
 Schedule of Debt Service Requirements
 December 31, 2018

<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>
2019	\$ 43,350	\$ -	\$ 9,750	\$ 500,000	\$ 113,050	\$ 995,000
2020	36,750	440,000	1,125	75,000	83,200	1,020,000
2021	22,200	530,000	-	-	42,400	1,060,000
2022	<u>7,125</u>	<u>475,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 109,425</u>	<u>\$ 1,445,000</u>	<u>\$ 10,875</u>	<u>\$ 575,000</u>	<u>\$ 238,650</u>	<u>\$ 3,075,000</u>

Total G. O. Bonds		
<u>Interest</u>	<u>Principal</u>	<u>Total</u>
\$ 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>\$ 358,950</u>	<u>\$ 5,095,000</u>	<u>\$ 5,453,950</u>

CITY OF JOLIET, ILLINOIS

Water and Sewer Fund Revenue Bonds
 Schedule of Debt Service Requirements
 December 31, 2018

<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>
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>\$ 22,250</u>	<u>\$ 890,000</u>	<u>\$ 29,800</u>	<u>\$ 1,490,000</u>	<u>\$ 324,725</u>	<u>\$ 2,995,000</u>

Series 2014B		Total		Total
Interest	Principal	Interest	Principal	
\$ 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>\$ 393,925</u>	<u>\$ 5,995,000</u>	<u>\$ 770,700</u>	<u>\$ 11,370,000</u>	<u>\$ 12,140,700</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

	2018	2017	2016	2015
Governmental Activities				
Net Investment in Capital Assets	\$ 383,661,426	\$ 388,065,570	\$ 383,541,338	\$ 378,506,323
Restricted	17,879,732	17,863,696	17,361,426	18,655,939
Unrestricted	(740,992,302)	(451,324,590)	(427,905,826)	(398,698,215)
 Total Governmental Activities				
Net Position	<u>(\$ 339,451,144)</u>	<u>(\$ 45,395,324)</u>	<u>(\$ 27,003,062)</u>	<u>(\$ 1,535,953)</u>
 Business-Type Activities				
Net Investment in Capital Assets	\$ 264,425,448	\$ 259,920,346	\$ 260,510,239	\$ 250,648,934
Restricted	3,341,721	5,701,474	5,202,785	5,722,109
Unrestricted	(24,852,924)	(9,619,776)	(11,884,028)	(6,066,613)
 Total Business-Type Activities				
Net Position	<u>\$ 242,914,245</u>	<u>\$ 256,002,044</u>	<u>\$ 253,828,996</u>	<u>\$ 250,304,430</u>
 Primary Government				
Net Investment in Capital Assets	\$ 648,086,874	\$ 647,985,916	\$ 644,051,577	\$ 629,155,257
Restricted	21,221,453	23,565,170	22,564,211	24,378,048
Unrestricted	(765,845,226)	(460,944,366)	(439,789,854)	(404,764,828)
 Total Primary Government				
Net Position	<u>(\$ 96,536,899)</u>	<u>\$ 210,606,720</u>	<u>\$ 226,825,934</u>	<u>\$ 248,768,477</u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 376,649,499	\$ 377,188,517	\$ 374,635,842	\$ 379,531,425	\$ 373,509,063	\$ 381,901,309
19,541,759	21,276,963	20,263,209	19,314,093	244,185	414,923
(73,536,818)	(65,588,191)	(58,751,206)	(53,366,863)	(14,349,723)	(9,890,018)
<u>\$ 322,654,440</u>	<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>
\$ 235,856,362	\$ 244,064,609	\$ 234,034,466	\$ 222,493,984	\$ 220,816,972	\$ 222,692,317
6,079,544	8,681,359	8,019,154	9,594,342	8,655,872	9,548,247
<u>22,132,491</u>	<u>10,979,892</u>	<u>19,569,328</u>	<u>23,703,071</u>	<u>23,903,213</u>	<u>20,064,730</u>
<u>\$ 264,068,397</u>	<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>
\$ 612,505,861	\$ 621,253,126	\$ 608,670,308	\$ 602,025,409	\$ 594,326,035	\$ 604,593,626
25,621,303	29,958,322	28,282,363	28,908,435	8,900,057	9,963,170
(51,404,327)	(54,608,299)	(39,181,878)	(29,663,792)	9,553,490	10,174,712
<u>\$ 586,722,837</u>	<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>

CITY OF JOLIET, ILLINOIS

Changes in Net Position Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses				
Governmental Activities:				
General Government	\$ 25,112,082	\$ 26,910,633	\$ 27,501,400	\$ 19,877,213
Public Safety	102,189,677	131,214,009	133,710,811	127,358,059
Public Works	26,476,365	31,100,933	29,383,814	27,987,446
Refuse Disposal	11,899,949	13,521,614	12,894,084	12,460,715
Culture and Recreation	467,738	642,398	553,556	447,329
Community Development	6,123,649	11,633,266	8,386,315	7,135,386
Interest on Long-Term Debt	138,717	165,993	186,888	374,713
Total Governmental Activities Expenses	<u>172,408,177</u>	<u>215,188,846</u>	<u>212,616,868</u>	<u>195,640,861</u>
Business-Type Activities:				
Water and Sewer	26,334,156	44,796,958	41,704,915	39,426,756
Parking Facilities	1,021,882	1,466,392	1,341,353	1,204,871
Total Business-Type Activities Expenses	<u>27,356,038</u>	<u>46,263,350</u>	<u>43,046,268</u>	<u>40,631,627</u>
Total Primary Government Expenses	<u>\$ 199,764,215</u>	<u>\$ 261,452,196</u>	<u>\$ 255,663,136</u>	<u>\$ 236,272,488</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 5,387,802	\$ 4,556,714	\$ 4,976,975	\$ 8,632,591
Public Safety	7,225,088	7,259,085	7,334,790	2,014,236
Public Works	277,386	152,124	246,966	274,524
Refuse Disposal	14,684,833	13,651,588	13,559,162	12,541,922
Culture and Recreation	13,458	10,688	10,550	13,645
Community Development	1,860,766	2,712,330	3,181,783	2,509,717
Operating Grants and Contributions	3,452,285	10,270,431	3,392,494	2,080,544
Capital Grants and Contributions	5,187,449	14,256,780	11,906,276	10,029,451
Total Governmental Activities Program Revenues	<u>38,089,067</u>	<u>52,869,740</u>	<u>44,608,996</u>	<u>38,096,630</u>
Business-Type Activities:				
Charges for Services				
Water and Sewer	54,354,188	48,317,206	46,056,230	44,337,491
Parking Facilities	1,023,198	921,365	1,028,288	1,193,106
Operating Grants and Contributions	79,084	578,851	212,227	184,299
Capital Grants and Contributions	-	-	-	-
Total Business-Type Activities Program Revenues	<u>55,456,470</u>	<u>49,817,422</u>	<u>47,296,745</u>	<u>45,714,896</u>
Total Primary Government Program Revenues	<u>\$ 93,545,537</u>	<u>\$ 102,687,162</u>	<u>\$ 91,905,741</u>	<u>\$ 83,811,526</u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 15,751,882	\$ 14,552,182	\$ 17,298,465	\$ 22,061,979	\$ 17,545,676	\$ 23,144,672
114,186,347	112,863,777	116,695,006	108,979,553	105,344,768	105,967,623
36,393,134	35,550,897	27,907,922	31,889,815	34,953,065	30,827,138
11,845,815	11,407,720	10,978,538	10,546,940	10,588,260	10,222,673
1,714,220	2,166,555	2,788,463	3,249,607	3,697,898	3,491,107
7,870,988	7,141,386	9,663,232	4,708,194	7,841,765	8,325,682
468,967	514,305	561,864	439,371	469,555	498,314
<u>188,231,353</u>	<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>
42,778,789	43,034,733	37,202,721	37,821,535	35,704,270	33,661,521
1,466,101	1,504,329	1,639,633	1,422,352	1,588,954	1,393,857
<u>44,244,890</u>	<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>\$ 232,476,243</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>
\$ 3,340,855	\$ 2,512,469	\$ 2,880,989	\$ 2,495,764	\$ 2,703,606	\$ 2,168,967
7,284,876	8,686,164	7,164,844	6,023,522	6,983,331	8,240,120
1,382,069	1,381,998	926,339	906,232	1,175,970	836,177
12,383,990	12,188,081	12,240,215	12,162,774	12,112,871	10,518,900
153,326	146,768	476,079	171,270	135,430	306,679
9,089	20,729	24,569	6,623	5,335	22,860
1,137,998	1,601,715	824,300	6,670,230	7,613,958	10,794,819
11,936,775	16,887,444	19,506,531	9,345,254	7,621,589	14,916,322
<u>37,628,978</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>
43,332,748	44,374,858	42,480,156	41,929,836	38,851,226	30,192,054
1,302,072	1,433,678	1,405,190	1,448,573	1,514,746	1,124,409
98,419	820,000	-	-	-	-
-	-	757,740	174,674	157,782	5,005,153
<u>44,733,239</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>\$ 82,362,217</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>

(Continued)

CITY OF JOLIET, ILLINOIS

Changes in Net Position Last Ten Fiscal Years

	2018	2017	2016	2015
Net (Expense)/Revenue				
Governmental Activities:	(\$ 134,319,110)	(\$ 162,319,106)	(\$ 168,007,872)	(\$ 157,544,231)
Business-Type Activities:	28,100,432	3,554,072	4,250,477	5,083,269
Total Primary Government Net Expense	(\$ 106,218,678)	(\$ 158,765,034)	(\$ 163,757,395)	(\$ 152,460,962)
General Revenues and Other Changes in Net Position				
Governmental Activities				
Property Taxes	\$ 37,205,732	\$ 35,837,009	\$ 35,673,215	\$ 35,032,713
Intergovernmental Revenues:				
Gaming Taxes	17,886,392	18,493,435	18,441,096	18,725,838
State Sales Taxes	22,587,994	21,682,218	21,102,355	20,748,216
State Income Taxes	14,410,342	13,552,231	14,164,006	15,941,799
Other Intergovernmental	6,994,012	6,879,855	6,320,214	5,939,035
Home Rule Sales Taxes	26,271,831	25,043,481	24,789,062	24,693,377
Utility Taxes	10,001,397	9,432,443	9,828,321	9,960,388
Other Taxes	10,135,781	8,934,694	8,816,247	7,978,752
Interest and Investment Earning:	793,265	267,632	99,754	51,268
Other General Revenues:	1,578,942	1,545,937	1,077,583	1,373,583
Transfers	2,179,111	2,257,909	2,228,910	3,885,289
Total Governmental Activities General Revenues and Other	150,044,799	143,926,844	142,540,763	144,330,258
Business-Type Activities:				
Interest and Investment Earning:	370,640	147,548	57,047	14,874
Other General Revenues:	761,147	729,337	1,445,952	102,621
Transfers	(2,179,111)	(2,257,909)	(2,228,910)	(3,885,289)
Total Business-Type Activities General Revenues and Other	(1,047,324)	(1,381,024)	(725,911)	(3,767,794)
Total Primary Government General Revenues and Other	\$ 148,997,475	\$ 142,545,820	\$ 141,814,852	\$ 140,562,464
Change in Net Position				
Governmental Activities:	\$ 15,725,689	(\$ 18,392,262)	(\$ 25,467,109)	(\$ 13,213,973)
Business-Type Activities:	27,053,108	2,173,048	3,524,566	1,315,475
Total Primary Government	\$ 42,778,797	(\$ 16,219,214)	(\$ 21,942,543)	(\$ 11,898,498)
Other Changes in Net Position				
Governmental Activities				
Adjustment to Beginning of the Year Net Position to Record Pensions and Other (2015) and OPEB (2018)	(\$ 309,781,509)	\$ -	\$ -	(\$ 310,976,420)
Business-Type Activities				
Adjustment to Beginning of the Year Net Position to Record Pensions (2015) and OPEB (2018)	(\$ 40,140,907)	\$ -	\$ -	(\$ 15,079,442)

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
(\$ 150,602,375)	(\$ 140,771,454)	(\$ 141,849,624)	(\$ 144,093,790)	(\$ 142,088,897)	(\$ 134,672,365)
<u>488,349</u>	<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>(\$ 150,114,026)</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>
\$ 35,410,013	\$ 35,125,574	\$ 34,661,294	\$ 36,213,525	\$ 36,128,857	\$ 31,324,337
19,193,131	19,735,099	20,827,811	21,834,751	22,975,414	23,573,344
20,889,677	19,927,122	18,966,737	20,636,612	19,979,488	19,515,274
13,962,209	14,217,853	11,214,456	13,644,198	14,155,166	10,058,532
5,871,823	5,125,494	4,663,790	4,510,534	4,102,381	3,772,932
24,225,098	23,564,369	22,095,309	15,414,536	15,125,451	14,719,562
9,045,029	8,632,678	9,109,210	7,049,102	6,907,977	6,895,665
9,592,338	8,791,217	8,596,419	5,976,160	5,448,077	6,827,936
41,295	49,366	94,512	97,622	182,897	693,152
1,994,967	2,332,126	2,289,276	2,865,110	1,848,337	415,103
<u>153,946</u>	<u>-</u>	<u>-</u>	<u>1,926,770</u>	<u>2,212,163</u>	<u>3,753,822</u>
<u>140,379,526</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>
8,134	13,438	30,819	32,914	52,396	478,411
-	-	-	-	-	-
(<u>153,946</u>)	<u>-</u>	<u>-</u>	(<u>1,926,770</u>)	(<u>2,212,163</u>)	(<u>3,753,822</u>)
(<u>145,812</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>\$ 140,233,714</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>
(\$ 10,222,849)	(\$ 3,270,556)	(\$ 9,330,810)	(\$ 13,924,870)	(\$ 13,022,689)	(\$ 13,122,706)
<u>342,537</u>	<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>(\$ 9,880,312)</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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF JOLIET, ILLINOIS

Fund Balances, Governmental Funds Last Ten Fiscal Years

	2018	2017	2016	2015
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	6,317,236	11,334,278	10,610,275	9,211,661
Unassigned	46,976,265	44,529,030	44,024,884	47,388,659
 Total General Fund	 \$ 53,293,501	 \$ 55,863,308	 \$ 54,635,159	 \$ 56,600,320
 All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:				
Special Revenue Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Nonspendable	10,000	20,000	160,000	60,500
Restricted	17,914,742	17,905,969	17,410,793	18,710,710
Assigned	1,866,027	3,336,173	3,195,713	1,683,637
Unassigned	(6,477,120)	(6,548,160)	(2,979,668)	(2,822,608)
 Total All Other Governmental Funds	 \$ 13,313,649	 \$ 14,713,982	 \$ 17,786,838	 \$ 17,632,239
 Total All Governmental Funds	 \$ 66,607,150	 \$ 70,577,290	 \$ 72,421,997	 \$ 74,232,559

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,765,478	\$ 3,639,311
-	-	-	-	36,723,856	35,931,604
-	-	-	856,382	-	-
-	-	-	8,662,751	-	-
8,677,323	1,304,614	733,274	5,223,867	-	-
<u>43,911,182</u>	<u>47,757,166</u>	<u>39,994,486</u>	<u>43,076,645</u>	<u>-</u>	<u>-</u>
<u>\$ 52,588,505</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>
\$ -	\$ -	\$ -	\$ -	\$ 4,381,426	\$ 3,530,553
-	-	-	-	20,425,627	15,044,931
-	-	-	-	20	2,290
-	-	-	-	244,165	237,510
185,000	957,500	912,101	-	-	-
19,541,759	21,277,120	20,263,209	10,651,342	-	-
4,633,318	5,648,767	7,631,348	2,092,069	-	-
<u>(2,391,627)</u>	<u>(1,982,508)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 21,968,450</u>	<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>\$ 74,556,955</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>

CITY OF JOLIET, ILLINOIS

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

	2018	2017	2016	2015
Revenues				
Property Taxes	\$ 37,767,927	\$ 36,358,067	\$ 36,024,156	\$ 35,414,233
Other Taxes	46,684,526	43,229,989	43,571,342	42,562,509
Intergovernmental State Shared Revenue	66,050,439	64,559,312	63,991,635	65,463,314
Federal, State and Private Grants and Allotments	4,140,062	19,425,135	8,001,048	8,065,503
Charges for Services	9,424,557	9,274,672	9,916,403	8,809,756
Interest Earnings	793,265	267,632	99,754	51,268
Licenses, Permits, Rentals and Fees	17,664,209	17,203,166	17,614,564	15,624,983
Fines	2,389,942	1,863,426	1,850,688	1,750,861
Special Assessments	34,974	122,159	44,300	29,505
Other	1,686,668	1,594,598	3,859,574	1,489,478
Total Revenues	186,636,569	193,898,156	184,973,464	179,261,410
Expenditures				
Current:				
General Government	21,791,671	17,436,911	17,547,309	16,947,843
Public Safety	67,357,897	64,603,678	63,817,375	64,768,510
Public Works	13,192,358	12,516,159	11,150,234	12,724,464
Refuse Disposal	11,899,949	13,521,614	12,894,084	12,460,715
Culture and Recreation	496,866	337,262	272,215	257,448
Employee Benefits and Pension Plans	59,031,286	55,887,290	55,823,484	53,285,862
Community Development	6,452,111	6,745,689	5,256,246	5,088,528
Capital Projects	10,915,835	21,699,358	20,613,519	17,185,910
Debt Service - Principal	1,445,000	1,400,000	1,370,000	910,000
Debt Service - Interest and Fees	208,512	248,263	276,950	301,569
Total Expenditures	192,791,485	194,396,224	189,021,416	183,930,849
Revenue Over (Under) Expenditures	(6,154,916)	(498,068)	(4,047,952)	(4,669,439)
Other Financing Sources (Uses)				
Issuance of Bonds	-	-	-	6,775,000
Premium on Bonds Sold	-	-	-	267,221
Issuance of Loans and Leases	-	-	-	-
Proceeds from Sale of Capital Assets	5,665	250	8,480	2,000
Transfer to Escrow Paying Agent	-	-	-	(6,925,701)
Transfers In	5,741,435	13,903,181	9,659,844	8,637,763
Transfers Out	(3,562,324)	(11,645,272)	(7,430,934)	(4,752,474)
Total Other Financing Sources (Uses)	2,184,776	2,258,159	2,237,390	4,003,809
Special Item				
Purchase of Evergreen Terrace Property	-	(3,604,798)	-	-
Net Change in Fund Balances	(\$ 3,970,140)	(\$ 1,844,707)	(\$ 1,810,562)	(\$ 665,630)
Other Change in Fund Balances				
Adjustments to Prior Year Balances	\$ -	\$ -	\$ -	\$ 341,234
Debt Service as a Percentage of Noncapital Expenditures				
	0.9%	0.9%	1.0%	0.7%
Expenditures Capitalized as Assets	\$ 10,733,420	\$ 20,534,960	\$ 20,613,837	\$ 17,185,910

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 35,410,013	\$ 35,125,574	\$ 34,661,294	\$ 36,213,525	\$ 36,128,857	\$ 31,324,337
40,369,572	41,048,080	36,471,063	28,812,236	27,393,330	26,884,195
63,816,190	62,899,002	59,630,062	62,215,533	63,271,652	60,245,479
8,588,222	13,727,117	9,387,986	10,224,214	6,394,606	4,996,695
6,994,409	8,057,811	6,681,320	5,490,192	6,257,956	7,438,158
41,295	49,366	94,512	97,622	182,897	693,151
18,178,809	16,595,345	17,268,228	16,580,245	17,121,743	14,634,261
1,241,385	1,070,712	1,314,072	1,010,342	1,059,806	1,175,943
76,876	137,753	53,370	66,474	107,611	158,098
2,514,062	5,022,686	7,854,680	5,066,549	4,224,717	6,497,394
<u>177,230,833</u>	<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>
9,636,620	8,627,123	10,325,895	9,965,638	11,036,782	10,866,938
62,600,079	62,407,135	62,553,750	58,822,833	57,229,089	59,466,192
18,771,628	18,825,891	15,058,690	16,960,881	20,460,810	20,094,756
11,845,815	11,407,720	10,978,538	10,546,940	10,588,005	10,222,430
1,519,372	1,946,028	3,169,416	2,760,278	2,766,683	3,197,550
51,708,771	50,903,221	48,571,619	49,876,205	46,001,220	46,726,908
6,174,112	5,828,196	3,642,130	5,117,148	5,674,347	5,999,950
13,588,883	16,647,740	23,498,279	10,435,236	3,127,228	4,753,006
1,480,893	1,210,503	955,435	873,960	838,980	804,165
524,307	510,648	478,382	427,196	456,681	484,771
<u>177,850,480</u>	<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>
(619,647)	5,419,241	(5,815,547)	(9,383)	3,963,350	(8,568,955)
3,445,000	-	-	-	-	-
116,060	-	-	-	-	-
-	-	4,778,677	-	-	-
783	9,000	8,232	-	1,760	16,345
(3,501,846)	-	-	-	-	-
2,153,946	2,020,803	-	5,919,943	13,262,417	21,225,209
(2,000,000)	(2,020,803)	-	(1,888,076)	(9,073,154)	(15,097,814)
<u>213,943</u>	<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>(\$ 405,704)</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.2%	1.1%	0.9%	0.8%	0.8%	0.8%
<u>\$ 13,588,883</u>	<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>

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
2018	\$ 14,810,609	\$ 2,247,682	\$ 828,101	\$ 17,886,392
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

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
2018	\$ 957,117	\$ 118,103,575	\$ 27,172,896	\$ 6,862,296
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

Harrah's Joliet Casino & Hotel

Start Date: May 4, 1993

Year	Admissions	Taxable AGR	Taxes Collected	
			State	City
2018	\$ 1,290,565	\$ 178,108,599	\$ 49,449,570	\$ 10,195,995
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

Total Two Casinos Combined

Year	Admissions	Taxable AGR	Taxes Collected	
			State	City
2018	\$ 2,247,682	\$ 296,212,174	\$ 76,622,466	\$ 17,058,291
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

Source of Information: Illinois Gaming Board

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

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	
2018	\$ 37,527,865	\$ 3,214,243	\$ 2,791,929,177	\$ 2,832,671,285	\$ -	
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	-	

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				
\$ 2,562,806	\$ 257,271,277	\$ 259,834,083	\$ 3,092,505,368	1.4014	\$ 9,277,516,104	33.33%
2,431,257	235,281,724	237,712,981	2,900,422,608	1.4303	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%

CITY OF JOLIET, ILLINOIS

Direct and Overlapping Property Tax Rates Last Ten Tax Years

Tax Rates Per \$100 Assessed Valuation (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Joliet (2)	1.4014	1.4298	1.4789	1.5517	1.5645
Will County (Including Forest Preserve)	0.7431	0.7881	0.8091	0.8295	0.8410
Joliet Township	0.3634	0.3775	0.3977	0.4139	0.4164
School District #204	2.6017	2.6513	2.8030	2.8675	2.8749
School District #86	4.1230	4.3298	4.4793	4.6426	4.6168
Community College #525	0.2924	0.2994	0.3099	0.3065	0.3085
Joliet Park District	<u>0.4387</u>	<u>0.4531</u>	<u>0.4700</u>	<u>0.4855</u>	<u>0.4893</u>
Total (3)	<u>9.9637</u>	<u>10.3290</u>	<u>10.7479</u>	<u>11.0972</u>	<u>11.1114</u>
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
City of Joliet (2)	1.5224	1.4466	1.3291	1.2669	1.1969
Will County (Including Forest Preserve)	0.8186	0.7767	0.7244	0.6841	0.6543
Joliet Township	0.3867	0.3437	0.2994	0.2757	0.2523
School District #204	2.7030	2.4858	2.2280	2.0560	1.8972
School District #86	4.2949	3.7592	3.2405	2.8963	2.6112
Community College #525	0.2943	0.2724	0.2447	0.2271	0.2144
Joliet Park District	<u>0.3966</u>	<u>0.3657</u>	<u>0.3265</u>	<u>0.3008</u>	<u>0.2772</u>
Total (3)	<u>10.4165</u>	<u>9.4501</u>	<u>8.3926</u>	<u>7.7069</u>	<u>7.1035</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. Tax rate is a blended rate from Will and Kendall Counties.
- (3) Representative tax rates for other governmental units are from Joliet Township tax code #3011, which represents approximately 24% of the City's 2018 EAV.

CITY OF JOLIET, ILLINOIS

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

Taxpayer	Type of Business Property	2018 Equalized Assessed Valuation	Percentage of Total 2018 Equalized Assessed Valuation	2018 Rank
Centerpoint Joliet Trml RR LLC	Intermodal Center	\$ 80,664,491	2.61%	1
Star-West Louis Joliet LLC	Westfield Louis Joliet Mal	23,488,768	0.76%	2
Harrahs Joliet Landco LLC	Harrah's/Gaming	21,849,431	0.71%	3
GLP Capital LP	Hollywood/Gaming	17,430,476	0.56%	4
Hart Illinois Industrials LLC	Chemicals	13,763,547	0.45%	5
Dollar Tree Distribution Inc	Dollar Tree Distribution Cente	13,792,214	0.45%	6
Supervalu Holdings Inc	Central Grocers Distribution Cntr	13,535,467	0.44%	7
SCM Joliet LLC	Trucking/Warehousing	11,580,800	0.37%	8
SPUS8 2700 Ellis LP	Northern Builders Warehousing	11,112,432	0.36%	9
TRPF 3851 Youngs Road LLC	Real Estate	10,982,586	0.36%	10
		<u>\$ 218,200,212</u>	<u>7.07%</u>	
Total City Assessed Valuation		<u>\$ 3,092,505,368</u>		

Taxpayer	Type of Business Property	2009 Equalized Assessed Valuation	Percentage of Total 2009 Equalized Assessed Valuation	2009 Rank
Louis Joliet Shoppingtown LLC	Westfield Louis Joliet Mal	\$ 24,651,753	0.76%	1
Cherry Hill North LLC	Hickory Farms Distributor	20,934,060	0.65%	2
Teachers Insurance & Annuity Assoc	Rock Run Industrial Park	14,936,913	0.46%	3
Wal-Mart RE Business Trus	Retail Store	14,605,209	0.45%	4
Joliet Xing Holding Co. LLC	Speculative Warehouse	12,703,985	0.39%	5
Industrial Property Fund VIII LF	Madison Warehousing	11,997,167	0.37%	6
Joliet Joint Venture LLC	Laraway Crossings Business Parl	11,457,650	0.35%	7
Raceway Associates LLC	Racetrack	11,191,703	0.35%	8
Dollar Tree Distribution Inc	Dollar Tree Distribution Cente	10,392,562	0.32%	9
Empress River Casino Co	Empress / Gaming	<u>9,784,035</u>	<u>0.30%</u>	10
		<u>\$ 142,655,037</u>	<u>4.40%</u>	
Total City Assessed Valuation		<u>\$ 3,241,041,308</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 2018 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General	0.0003	0.0004	0.0003	0.0076
Police Protection	0.0942	0.1070	0.1059	0.1113
Fire Protection	0.0718	0.0825	0.0861	0.0907
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	0.0540	0.0572	0.0608	0.0646
Joliet Police Pension	0.5515	0.5377	0.5459	0.5668
Joliet Firemen Pension	0.4347	0.4378	0.4585	0.4801
Joliet Public Library	0.1949	0.2072	0.2214	0.2306
Total Rates Extended	<u>1.4014</u>	<u>1.4298</u>	<u>1.4789</u>	<u>1.5517</u>
Levies Extended				
General	\$ 9,252	\$ 11,388	\$ 8,154	\$ 195,655
Police Protection	2,912,880	3,103,999	2,878,515	2,865,478
Fire Protection	2,219,304	2,393,988	2,318,417	2,310,911
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	1,669,849	1,659,326	1,652,558	1,663,028
Joliet Police Pension	17,054,907	15,596,523	14,654,323	14,592,836
Joliet Firemen Pension	13,442,913	12,698,335	12,649,233	12,360,567
Joliet Public Library	6,027,085	6,008,273	6,018,276	5,936,927
Total Levies Extended	<u>\$ 43,336,190</u>	<u>\$ 41,471,832</u>	<u>\$ 40,179,476</u>	<u>\$ 39,925,402</u>
Current Year Collections	\$ -	\$ 41,231,236	\$ 40,032,874	\$ 39,831,418
Subsequent Collections	-	-	-	-
Total Collections	<u>\$ -</u>	<u>\$ 41,231,236</u>	<u>\$ 40,032,874</u>	<u>\$ 39,831,418</u>
Percentage of Extensions Collected				
Current Year Collections	0.00%	99.42%	99.64%	99.76%
Total Collections	<u>0.00%</u>	<u>99.42%</u>	<u>99.64%</u>	<u>99.76%</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, Township Road and Bridge, and Tax Incremental Financing tax levies are not included in this schedule.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
0.0084	0.0086	0.0108	0.0513	0.0605	0.0696
0.1137	0.1337	0.1495	0.1443	0.1363	0.1287
0.1047	0.1192	0.1203	0.1243	0.1200	0.1135
-	-	-	-	-	0.0234
-	-	-	-	-	0.0064
-	-	-	-	0.0035	0.0033
-	-	-	-	-	0.0014
-	-	-	-	-	0.0319
-	-	-	-	-	0.0004
0.0690	0.0458	0.0434	0.0396	0.0376	0.0354
0.5561	0.5230	0.4828	0.4077	0.3624	0.3131
0.4815	0.4666	0.4255	0.3649	0.3589	0.2949
0.2311	0.2255	0.2143	0.1970	0.1877	0.1749
<u>1.5645</u>	<u>1.5224</u>	<u>1.4466</u>	<u>1.3291</u>	<u>1.2669</u>	<u>1.1969</u>
\$ 210,483	\$ 218,777	\$ 289,048	\$ 1,494,092	\$ 1,849,045	\$ 2,252,585
2,850,213	3,401,221	4,001,174	4,202,679	4,165,700	4,165,341
2,599,921	3,000,349	3,201,577	3,600,840	3,649,073	3,649,138
-	-	-	-	-	757,335
-	-	-	-	-	207,134
-	-	-	-	106,970	106,803
-	-	-	-	-	45,311
-	-	-	-	-	1,032,435
-	-	-	-	-	12,946
1,729,525	1,165,115	1,161,545	1,153,334	1,149,159	1,145,711
13,940,224	13,304,702	12,921,516	11,874,097	11,075,933	10,133,397
12,070,111	11,869,931	11,387,956	10,627,564	10,968,963	9,544,359
5,793,107	5,736,540	5,735,462	5,737,545	5,736,624	5,660,591
<u>\$ 39,193,584</u>	<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>
\$ 39,045,552	\$ 37,963,932	\$ 38,434,584	\$ 38,060,501	\$ 38,521,596	\$ 38,431,133
-	7,923	5,055	21,883	44,566	19,393
<u>\$ 39,045,552</u>	<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>
99.62%	98.11%	99.32%	98.37%	99.54%	99.27%
<u>99.62%</u>	<u>98.13%</u>	<u>99.33%</u>	<u>98.43%</u>	<u>99.65%</u>	<u>99.32%</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	
2018	\$ 5,195,911	(\$ 508,390)	\$ -	\$ 11,483,666	(\$ 3,341,721)	\$ 121,170,617	\$ 134,000,083
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

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
2018	3.51%	148,099	\$ 32	\$ 905	0.05%	\$ 164
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

Source of Information: Various City Offices

CITY OF JOLIET, ILLINOIS

Computation of Direct and Overlapping Bonded Debt December 31, 2018

	Total Debt	Applicable Percent (1)	Overlapping Debt
<u>Direct Debt</u>			
City of Joliet*	\$ 5,195,911	100.000%	\$ <u>5,195,911</u>
<u>Overlapping Debt</u>			
<u>Schools</u>			
<u>Elementary</u>			
Troy Community Consolidated School District #30C	68,458,000	57.726%	39,518,065
Laraway Community Consolidated School District #70C	260,000	80.206%	208,536
Union School District #81	3,589,083	62.171%	2,231,369
Rockdale School District #84	1,500,000	27.500%	412,500
Joliet Public Schools District #86	38,919,626	87.760%	34,155,864
Manhattan School District #114	13,342,576	0.069%	9,206
New Lenox School District #122	137,450,204	6.752%	9,280,638
<u>High Schools and College</u>			
Minooka Community High School District #111	51,890,000	6.988%	3,626,073
Joliet Township High School District #204	88,550,000	62.342%	55,203,841
Lockport Township High School District #205	12,210,000	0.011%	1,343
Lincolnway Community High School District #210	239,384,161	1.293%	3,095,237
Unit School District #202U	211,430,000	25.909%	54,779,399
Community College District #525	161,150,000	16.327%	26,310,961
Total Schools			<u>228,833,032</u>
<u>Other Than Schools</u>			
Will County	316,457,488	13.381%	42,345,176
Will County Forest Preserve District	117,435,884	13.381%	15,714,096
New Lenox Township	910,545	9.441%	85,965
Plainfield Township	1,175,000	43.030%	505,603
Channahon Park District	7,830,040	7.645%	598,607
Joliet Park District	22,685,000	88.391%	20,051,498
Lockport Park District	9,695,000	0.015%	1,454
New Lenox Park District	1,077,000	10.468%	112,740
Plainfield Park District	11,248,000	32.934%	3,704,416
Total Other Than Schools			<u>83,119,555</u>
Total Overlapping Debt			<u>\$ 311,952,587</u>
Total Direct and Overlapping Debt			<u>\$ 317,148,498</u>

Notes: (1) Overlapping debt percentages as of tax year 2018.

* Amount includes unamortized premium on bonds issued of \$100,911.

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						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2018	\$ 55,136,084	\$ 24,321,949	\$ 30,814,135	\$ 8,437,815	\$ 1,473,450	3.11	
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	

At December 31, 2018, there were four bond issues and eleven 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, depreciation, or the change in the net pension liability/OPEB 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
2018	148,099	\$ 25,812	\$ 3,822,731,388	4.8
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

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	2018 Number of Employees	2018 Rank	Percentage of 2018 Total Employment
Amazon	Fulfillment Center	3,500	1	4.95%
Amita St. Joseph Medical Center	Hospital	2,598	2	3.67%
Will County	County Government	2,319	3	3.28%
Joliet Public Schools District 86	Elementary School District	1,611	4	2.28%
Joliet Junior College	Community College District	1,542	5	2.18%
Joliet Township District #204	School District	919	6	1.30%
Filtration Group	Manufacturing/Warehousing	900	7	1.27%
City of Joliet	City Government	848	8	1.20%
Harrah's Casino	Riverboat Casino	782	9	1.11%
Exxon Mobil	Refinery	680	10	0.96%

Employer	Type of Business or Property	2009 Number of Employees	2009 Rank	Percentage of 2009 Total Employment
Provena St. Joseph Medical Center	Hospital	2,500	1	3.81%
Will County	County Government	2,400	2	3.66%
Silver Cross Hospital	Hospital	1,800	3	2.74%
Empress Casino	Riverboat Casino	1,756	4	2.68%
Caterpillar Inc	Tractors and Earthmoving Equipment	1,500	5	2.29%
Joliet School District # 86	Elementary School District	1,430	6	2.18%
Harrah's Casino	Riverboat Casino	1,100	7	1.68%
University of St. Francis	Education	1,100	8	1.68%
City of Joliet	City Government	925	9	1.41%
Filtration Group	Filtration	900	10	1.37%
School District #204	Education	900	10	1.37%

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	2018		2017		2016		2015		2014	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	89	15	95	18	55	25	41	12	61	25
Public Safety										
Police Department	314	35	337	35	326	37	327	40	319	33
Fire Department	207	-	207	-	205	1	211	1	210	1
Streets and Bridges	49	-	52	-	64	-	45	1	46	-
Culture and Recreation (2)	3	-	4	-	4	-	3	-	4	1
Community Development	30	1	32	2	29	1	22	-	23	1
Public Works	17	-	18	-	20	-	18	-	21	-
Water and Sewer (3)	75	4	78	2	77	2	94	5	91	1
Parking Facilities (4)	3	6	4	10	4	12	4	12	1	13
Subtotals	<u>787</u>	<u>61</u>	<u>827</u>	<u>67</u>	<u>784</u>	<u>78</u>	<u>765</u>	<u>71</u>	<u>776</u>	<u>75</u>
TOTAL STAFF		<u>848</u>		<u>894</u>		<u>862</u>		<u>836</u>		<u>851</u>

Function	2013		2012		2011		2010		2009	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	58	20	68	25	75	27	74	30	86	31
Public Safety										
Police Department	320	33	319	49	336	50	346	54	391	57
Fire Department	204	1	210	2	208	2	210	3	216	3
Streets and Bridges	41	-	42	-	51	-	54	-	54	-
Refuse Disposal (1)	-	-	-	-	-	-	-	-	-	1
Culture and Recreation (2)	5	2	5	-	4	1	4	1	6	1
Community Development	26	4	31	8	31	7	36	2	43	3
Public Works	22	-	20	-	22	-	23	15	28	15
Water and Sewer (3)	79	4	89	1	87	1	92	1	97	1
Parking Facilities (4)	1	11	3	12	3	10	3	15	4	15
Subtotals	<u>756</u>	<u>75</u>	<u>787</u>	<u>97</u>	<u>817</u>	<u>98</u>	<u>842</u>	<u>121</u>	<u>925</u>	<u>127</u>
TOTAL STAFF		<u>831</u>		<u>884</u>		<u>915</u>		<u>963</u>		<u>1,052</u>

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

(2) Includes Visitors' Service Division in 2009-2013, not in 2014-18.

(3) Includes Customer Services Division Employees.

(4) Includes One Clerk-Typist position from Collector's Office in 2009, not in 2010-18.

Source of Information: City of Joliet Annual Budgets.

CITY OF JOLIET, ILLINOIS

Operating Indicators by Function Last Ten Fiscal Years

Function	2018	2017	2016	2015	2014
General Government					
Fiscal					
Purchase Orders Processed	1,296	1,508	1,589	1,607	4,043
Nonpayroll Checks Issued	11,124	10,587	10,574	10,737	8,793
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	41	67	67	67
Point-to-point Networks Monitored	41	43	116	116	116
Public Safety					
Police					
Physical Arrests Made	5,168	4,392	4,539	4,812	5,158
Traffic Violations	11,853	11,331	13,829	18,621	17,135
Parking Violations	10,272	15,558	n/a	19,208	17,325
911 Emergency Calls Received	87,216	90,955	90,101	104,000	98,705
Fire					
Emergency Responses	20,950	21,672	20,569	19,993	19,706
Inspections	3,300	1,845	1,845	1,617	1,494
Calls For Service	20,950	21,672	20,569	19,993	19,706
Significant Fires Extinguished	36	45	43	40	76
Streets and Bridges					
Lane Miles of Road Resurfaced	14	9	18	19.70	9.34
Potholes Repaired	37,280	30,850	31,000	23,410	22,515
Culture and Recreation					
Programs Sponsored	4	4	1	1	4
Water and Sewer					
Water and Sewer Accounts	49,719	49,719	46,185	45,847	44,826
Water Only Accounts	448	448	329	275	268
Sewer Only Accounts	142	125	299	36	34
New Connections (Net)	-	12	183	1,030	512
Water Main Breaks	254	261	239	216	304
Average Daily Consumption in Gallons	11,010,834	11,241,288	10,999,623	10,572,418	10,380,387
Parking Facilities					
Parking Spaces	2,835	2,835	2,835	2,835	2,696

Source of Information: Various City Offices.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
4,549	5,391	5,411	5,659	5,863
8,290	8,061	8,584	8,788	9,391
62,007	62,007	62,007	62,007	62,007
67	65	65	37	55
116	114	114	93	93
5,005	5,435	6,575	7,563	7,454
17,347	17,141	19,051	18,974	27,724
22,513	19,410	27,464	19,258	31,487
93,252	99,625	93,517	101,836	112,369
27,131	26,701	26,469	26,422	26,236
1,617	1,504	953	953	953
19,263	18,958	18,793	18,873	18,740
71	65	56	49	58
10.00	13.00	13.00	15.50	8.60
21,513	21,315	15,724	16,000	16,180
3	3	3	7	10
44,314	44,452	44,350	44,840	44,790
261	260	262	244	233
32	35	38	36	40
(138)	102	(490)	50	20
250	232	258	225	169
10,467,059	14,431,978	13,462,570	10,615,500	11,339,279
3,229	2,801	2,801	2,801	2,983

CITY OF JOLIET, ILLINOIS

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Public Safety					
Police					
Stations	2	2	2	2	2
Substations	-	1	1	1	1
Patrol Units	309	321	334	341	350
Fire					
Active Stations	9	9	9	9	9
Vehicles	78	59	60	60	60
Streets and Bridges					
Miles of Streets	596	594	594	516	516
Bridges	41	40	40	40	35
Traffic Signals	122	122	122	123	123
Warning Flashers	38	38	38	38	38
Public Works					
Vehicles	151	151	135	139	136
Water and Sewer					
Vehicles	65	94	93	95	87
Water					
Water Mains (Miles)	647	626	619	609	620
Fire Hydrants	8,151	7,991	7,917	7,782	7,655
Storage Capacity in Gallons	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Sewer					
Sanitary Sewers (Miles)	579	569	567	569	560
Storm Sewers (Miles)	550	548	558	558	557
Parking Facilities					
Lots	9	9	9	9	9
Decks	2	2	2	2	2

Source of Information: Various City Offices.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
2	2	2	2	2
1	1	1	1	1
335	334	334	334	339
9	9	9	9	9
57	55	60	60	60
513	512	510	510	510
31	31	31	31	31
123	123	123	123	119
38	38	38	38	38
110	114	117	137	138
92	77	93	93	95
550	540	437	437	436
8,476	7,500	7,500	6,850	6,822
16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
520	406	406	406	405
557	557	557	557	557
11	10	10	10	9
2	2	2	2	2

CITY OF JOLIET, ILLINOIS

Miscellaneous Statistics

December 31, 2018

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:	47,385 - 2016 data
Number of Registered Voters:	44,711
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