

CITY OF JOLIET, ILLINOIS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012**

PREPARED BY THE FINANCE DEPARTMENT

This Page Intentionally Left Blank

INTRODUCTORY SECTION

Table Of Contents

	Page
INTRODUCTORY SECTION:	
Table Of Contents	i-iii
Letter Of Transmittal From Director Of Management And Budget	iv-vii
Mayor And City Council Members	viii
Organizational Chart	ix
Certificate Of Achievement For Excellence In Financial Reporting	x
FINANCIAL SECTION:	
Independent Auditor's Report	1-3
Management's Discussion And Analysis	4-15
Basic Financial Statements	
Statement Of Net Position	16-17
Statement Of Activities	18-19
Balance Sheet - Governmental Funds	20
Reconciliation Of Governmental Funds Balance Sheet To Statement Of Net Position	21
Statement Of Revenues, Expenditures, And Changes In Fund Balances - Governmental Funds	22
Reconciliation Of The Statement Of Revenues, Expenditures, And Changes In Fund Balances Of Governmental Funds To Statement Of Activities	23
Statement Of Net Position – Proprietary Funds	24-25
Statement Of Revenues, Expenses And Changes In Net Position - Proprietary Funds	26
Statement Of Cash Flows – Proprietary Funds	27-28
Statement Of Fiduciary Net Position – Fiduciary Funds	29
Statement Of Changes In Fiduciary Net Position – Fiduciary Funds	30
Combining Statement Of Net Position - Component Units	31-32
Combining Statement Of Activities - Component Units	33-34
Notes To Basic Financial Statements	35-69
Required Supplementary Information:	
Schedule Of Funding Progress – Illinois Municipal Retirement Fund	70

Table Of Contents, Continued

	Page
FINANCIAL SECTION, Continued:	
Schedule Of Funding Progress – Retiree Healthcare And Life Insurance Benefit Programs	71
Schedules Of Funding Progress – Police And Firefighters' Pension Plans	72
Schedules Of Employer Contributions – Police And Firefighters' Pension Plans	73
Major Funds:	
Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis) – General Fund	74-77
Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis) – Motor Fuel Tax Fund	78-79
Notes To Required Supplementary Information	80
Other Supplementary Information:	
Detailed Schedule Of Expenditures – Budget And Actual (Budgetary Basis) - General Fund	81-100
Combining Balance Sheet – All Nonmajor Governmental Funds	101-102
Combining Statement Of Revenue, Expenditures And Changes In Fund Balances – All Nonmajor Governmental Funds	103-104
Nonmajor Special Revenue Funds:	
Schedule Of Revenue, Expenditures And Changes In Fund Balance – Budget And Actual (Budgetary Basis):	
Community Development Block Grant Fund	105-106
Special Service Area Fund	107-108
Tax Incremental Financing Fund #2	109-110
Grants And Special Accounts Fund	111-112
Nonmajor Debt Service Fund:	
Schedule Of Revenue, Expenditures And Changes In Fund Balance – Budget And Actual (Budgetary Basis): Corporate Bond And Interest Fund	113-114
Nonmajor Capital Projects Fund:	
Schedule Of Revenue, Expenditures And Changes In Fund Balance – Budget And Actual (Budgetary Basis): General Capital Fund	115-116

Table Of Contents, Continued

	Page
FINANCIAL SECTION, Continued:	
Pension Trust Funds:	
Combining Statement Of Net Position	117
Combining Statement Of Changes In Net Position	118
Other Schedules:	
General Obligation Bonds - Schedule Of Debt Service Requirements	119
Waterworks And Sewerage Fund Revenue Bonds - Schedule Of Debt Service Requirements	120-121
STATISTICAL SECTION – (UNAUDITED)	
Financial Trends:	
Net Position By Component - Last Ten Fiscal Years	122-123
Changes In Net Position - Last Ten Fiscal Years	124-127
Fund Balances, Governmental Funds - Last Ten Fiscal Years	128-129
Changes In Fund Balances, Governmental Funds - Last Ten Fiscal Years	130-131
Revenue Capacity:	
Gaming Tax Collections - Last Ten Fiscal Years	132
Principal Gaming Taxpayers In The City – Taxes Collected Last Ten Fiscal Years	133
Equalized Assessed Valuation And Estimated Actual Valuation - Last Ten Tax Years	134-135
Direct And Overlapping Property Tax Rates - Last Ten Tax Years	136
Principal Property Taxpayers In The City - Most Current Year Available And Nine Years Prior	137
Property Tax Rates - Levies And Collections - Last Ten Tax Years	138-139
Debt Capacity:	
Ratio Of Outstanding Debt By Type - Last Ten Fiscal Years	140
Computation Of Direct And Overlapping Bonded Debt	141
Legal Debt Margin Information	142
Pledged Revenue Coverage - Last Ten Fiscal Years	143
Demographic And Economic Information:	
Demographic And Economic Statistics - Last Ten Years	144
Principal Employers In The City - Most Current Year Available And Nine Years Ago	145
Operating Information:	
City Employment Statistics - Last Ten Fiscal Years	146
Operating Indicators By Function - Last Seven Fiscal Years	147-148
Capital Asset Statistics By Function - Last Seven Fiscal Years	149-150
Miscellaneous Statistics	151

FINANCE DEPARTMENT

**RACHEL L. MAYER
DIRECTOR OF FINANCE
ASSISTANT CITY TREASURER
PHONE: 815/724-3900
FAX: 815/724-3990**

rmayer@jolietcity.org



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

June 26, 2013

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, 2012 is hereby submitted. This report provides a broad view of the City's financial activities and its financial position as of December 31, 2012. Illinois statutes and local ordinances require all general purpose local governments to publish annually, a complete set of financial statements presented in conformance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants.

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

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

As a recipient of various federal and state grant funds, the City of Joliet is required to undergo an annual single audit in conformity with the provisions of the *Single Audit Act Amendments of 1996* and the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*. The audit contains information as to whether activities related to grant funds are presented fairly in the general purpose financial statements; internal controls are sufficient to provide reasonable assurance that the funds are managed properly; and compliance with grant requirements. The single audit report is issued as a separate report.

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

Profile of Government

The government, incorporated in 1852, is a home rule unit of government, located in the northeastern part of the Illinois, which has long been considered to be the top growth area in the state. The City currently has a land area of 63 square miles and a population of 147,433, as of the 2010 U.S. Census. The government is empowered to levy a property tax on real estate property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

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

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

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

Accounting System and Budgeting

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

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

At the end of 2012, the City Council moved from the appropriation procedure of financial planning and management to the budget system. The purpose of the budget system is to replace the annual appropriation ordinance with a budget that more truly reflects anticipated receipts and disbursements. In addition to creating a system for authorizing municipal expenditures that is more in-line with modern accounting principles, the budget system provides the following two specific improvements over the appropriation ordinance. First it allows the corporate authorities to delete, add to, change and create classes within the budget. Second, unlike the appropriation procedure, the budget system contains specific provisions authorizing the accumulation of funds over a period of years to be used to construct capital improvements along with a specific provision authorizing a fund for contingency purposes.

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

Factors Affecting Financial Condition

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

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

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

The award of a \$30 million grant in 2010 from the State of Illinois for the construction of a new multimodal transportation center in downtown will make Joliet the first stop on the new high-speed rail line from Chicago to St. Louis. The total project is estimated at nearly \$50 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. Significant design work was completed in 2012 and will continue through 2013. A new commuter parking lot was constructed in 2012, as one of the initial phases of this large scale project.

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 2012, the City reported several additions in the commercial sector, including; a HomeDepot distribution center, Interstate Warehouse, and HD Clarius distribution center. The City is also home to the Chicagoland Speedway, whose events bring in additional hotel/motel tax receipts annually.

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

The City continues to work towards beginning the development of a long-term strategic plan. New opportunities for business growth are continually being sought and a renewed focus has been placed on developing long term strategies for growing as a community. The City provides leadership and encourages the private sector in the development of the downtown footprint as well as new opportunities throughout the City. Evidence of this growth shows in the value of commercial building permits issued in 2012 of \$123.7 million, up from \$66.7 million in 2011.

Long-Term Financial Planning: The City is currently re-evaluating its long-term capital financing plan; no new debt issues are anticipated in the immediate future. 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 only one outstanding general obligation bond series, with outstanding principal of \$8.5 million. The total principal outstanding on the Water & Sewer Revenue bonds is \$41.1 million. In 2012, the City did execute an advance refunding of its 2003 and a portion of the 2004 Water and Sewer Revenue Bonds. Additionally, the City secured two low interest loans from the Illinois Environmental Protection Agency totaling approximately \$11.7 million, for improvements to the City's water and sewer infrastructure. The City also entered into a lease purchase agreement in the amount of \$4.8 million during 2012 for the purchase of a new public safety radio system.

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, 2011. This was the thirteenth 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,

A handwritten signature in black ink that reads "Rachel Mayer". The signature is written in a cursive, flowing style.

Rachel Mayer
Finance Director

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

MAYOR
Thomas C. Giarrante

COUNCILMAN, DISTRICT #1
Larry Hug

COUNCILMAN, DISTRICT #2
Bob O'Dekirk

COUNCILMAN, DISTRICT #3
John Gerl

COUNCILWOMAN, DISTRICT #4
Susie Barber

COUNCILMAN, DISTRICT #5
Terry Morris

COUNCILMAN AT LARGE
Don Fisher

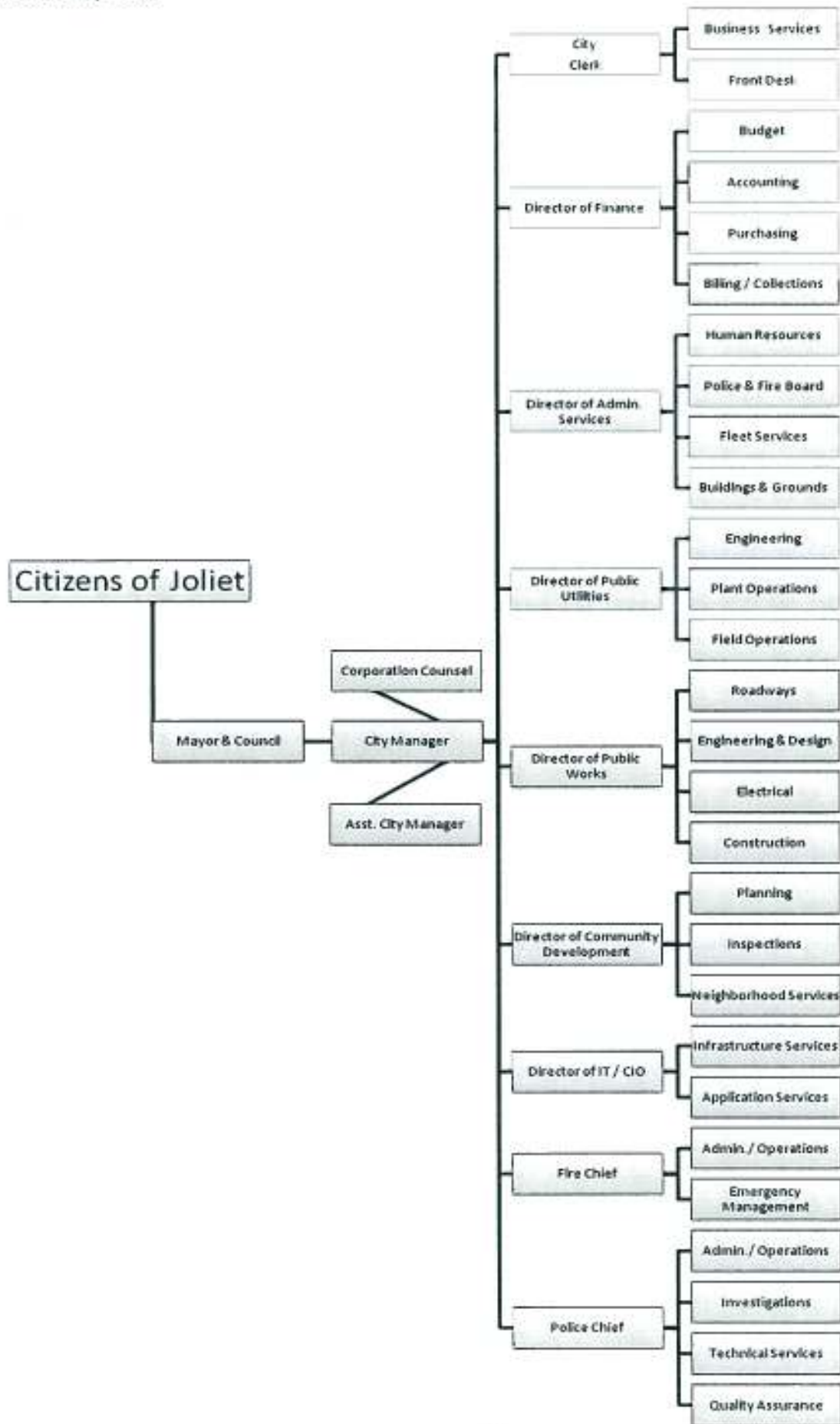
COUNCILWOMAN AT LARGE
Jan Hallums-Quillman

COUNCILMAN AT LARGE
Michael F. Turk

CITY MANAGER
Thomas A. Thanas

FINANCE DIRECTOR/ASSISTANT CITY TREASURER
Rachel Mayer

City of Joliet
 Organizational Chart
 December 31, 2012



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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moynell

President

Jeffrey R. Enos

Executive Director

This Page Intentionally Left Blank

FINANCIAL SECTION



WERMER, ROGERS, DORAN & RUZON LLC CERTIFIED PUBLIC ACCOUNTANTS

755 ESSINGTON ROAD, JOLIET, ILLINOIS 60435 • 815/730-6250 • FAX 815/730-6257 • WWW.WRDR.COM

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, 2012, 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, 2012, which represent 72 percent, 79 percent, and 51 percent, 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, 2012, which represent 3 percent, 2 percent, and 12 percent, 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, 2012, 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.

As discussed in Note 1 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and the related GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*, in 2012. 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, schedules of funding progress, schedules of employer contributions, and budgetary comparison information on pages 4 through 15, 70 through 72, 73, and 74 through 80, 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 26, 2013, 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 26, 2013

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

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, 2012. Please read it in conjunction with the transmittal letter beginning on page iv and the City's financial statements, which begin on page 16.

Financial Highlights

- The assets of the City exceeded the liabilities at year-end by \$597.7 million (net position). Of this amount, unrestricted net assets (those that may be used to meet the City's on-going obligations to citizens and creditors) totaled a negative \$39.2 million, restricted assets accounted for \$28.3 million and the net investment in capital assets totaled \$608.6 million. Total net position for Governmental activities was \$336.1 million and Business-type activities totaled \$261.6 million.
- The total primary government-wide expenses for the year ending December 31, 2012 were \$224.7 million and total primary government-wide taxes and other revenues for governmental functions were \$221.1 million, resulting in a decrease of in net position of \$3.6 million.
- Revenues in the governmental activities increased \$10.4 million or 6.3 percent, while expenses increased \$4.0 million or 2.2 percent.
- Business-type activities generated \$44.6 million in revenues, up \$1.1 million or 2.5 percent and expenses totaled \$38.8 million, a \$400 thousand decrease or 1.0 percent.
- The combined fund balances for the City's governmental funds at year-end totaled \$69.5 million, a decrease of \$1.0 million or 1.4 percent in comparison to the prior year.
- At year-end the unassigned fund balance in the General Fund was \$40.0 million, or 26 percent of the total General Fund expenditures of \$152.7 million.
- Total General Fund revenues for the year were \$152.9 million, while total expenditures before transfers were \$152.7 million.
- As a mechanism to better designate between recurring, capital, and one-time expenses; two new non-major funds were created in 2012, a Capital Improvement Fund and a Grants and Special Accounts Fund. A total of \$17.3 million of restricted fund balance was transferred from the General Fund to these two new funds.

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, 2012

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, and 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 financials 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, and community development. Business-like activities of the City include water, sewer, storm sewer, and parking.

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

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

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

Fund Financial Statements

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

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

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

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 eleven individual governmental funds. The City considers the General 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 (Community Development Block Grant Fund, Special Service Area Fund, Tax Increment Financing Fund # 2, Tax Increment Financing Fund #3, Grants And Special Accounts Fund, Corporate Bond and Interest Fund, the Property Improvement Fund, Capital Improvement Fund, and Neighborhood Improvement 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 101–116).

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 two fiduciary funds, the Police Pension Fund and the Fire Pension Fund. The City is the trustee for these 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 obligations, budgetary comparison schedules for the City's funds, and the combining statements for the nonmajor governmental funds mentioned previously. This information begins on page 70 of this report.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

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, 2012.

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	
	2012	2011	2012	2011	2012	2011
Assets						
Current And Other	\$ 126.4	\$ 129.9	\$ 50.9	\$ 48.2	\$ 177.3	\$ 178.1
Capital Assets	<u>387.7</u>	<u>379.5</u>	<u>275.6</u>	<u>272.7</u>	<u>663.3</u>	<u>652.2</u>
Total Assets	<u>514.1</u>	<u>509.4</u>	<u>326.5</u>	<u>320.9</u>	<u>840.6</u>	<u>830.3</u>
Deferred Outflows Of Resources	<u>0.1</u>	<u>0.2</u>	<u>1.6</u>	<u>1.3</u>	<u>1.7</u>	<u>1.5</u>
Liabilities						
Current And Other	13.5	19.7	3.7	7.4	17.2	27.1
Long-term	<u>129.7</u>	<u>110.3</u>	<u>62.8</u>	<u>59.0</u>	<u>192.5</u>	<u>169.3</u>
Total Liabilities	<u>143.2</u>	<u>130.0</u>	<u>66.5</u>	<u>66.4</u>	<u>209.7</u>	<u>196.4</u>
Deferred Inflows Of Resources	<u>34.9</u>	<u>34.1</u>	<u>-</u>	<u>-</u>	<u>34.9</u>	<u>34.1</u>
Net Position						
Net Investment						
In Capital Assets	374.6	379.5	234.0	222.5	608.6	602.0
Restricted	20.3	19.4	8.0	9.6	28.3	29.0
Unrestricted	(<u>58.8</u>)	(<u>53.4</u>)	<u>19.6</u>	<u>23.7</u>	<u>(39.2)</u>	<u>(29.7)</u>
Total Net Position	<u>\$ 336.1</u>	<u>\$ 345.5</u>	<u>\$ 261.6</u>	<u>\$ 255.8</u>	<u>\$ 597.7</u>	<u>\$ 601.3</u>

The City's combined net position decreased \$3.6 million from \$601.3 million to \$597.7 million during 2012.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

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 \$10.3 million primarily due to an additional \$11.1 million in capital assets, which includes a new public safety radio system, improvements to the water and sewer system, and the purchase of new vehicles for the police, fire and public works departments. Total liabilities increased \$13.3 million. Primarily due to a \$23.2 million increase in long-term debt, resulting from two environmental revolving loans for improvements to the water and sewer system, and the capitalized lease agreement used to purchase the new public safety radio system. Additionally, increases in the liabilities included \$18.6 million in other postemployment benefits reduced by \$4.8 million in general and revenue bonds. The City provides excellent health care and life insurance benefits for retirees, which is 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, 2012, the City's total assets and deferred outflows exceeded total liabilities and deferred inflows. However, a significant portion of the total net position (\$608.6 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 page 16 for the full Statement of Net Position.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

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

	Governmental Activities		Business Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges For Services	\$ 23.7	\$ 21.8	\$ 43.8	\$ 43.3	\$ 67.5	\$ 65.1
Operating Grants And Contributions	0.8	6.7	-	-	0.8	6.7
Capital Grants And Contributions	19.5	9.3	0.8	0.2	20.3	9.5
General Revenues:						
Property Taxes	34.7	36.2	-	-	34.7	36.2
Gaming Taxes	20.8	21.8	-	-	20.8	21.8
State Sales Taxes	18.9	20.6	-	-	18.9	20.6
Home Rule Sales Taxes	22.1	15.4	-	-	22.1	15.4
Utility Taxes	9.1	7.1	-	-	9.1	7.1
State Income Taxes	11.2	13.7	-	-	11.2	13.7
Other Taxes	13.3	10.5	-	-	13.3	10.5
Interest And Investment Earnings	0.1	0.1	-	-	0.1	0.1
Other	2.3	2.9	-	-	2.3	2.9
Total Revenues	176.5	166.1	44.6	43.5	221.1	209.6
Program Expenses*						
General Government	17.3	22.0	-	-	17.3	22.0
Public Safety	116.7	109.0	-	-	116.7	109.0
Public Works	27.9	31.9	-	-	27.9	31.9
Refuse Disposal	11.0	10.6	-	-	11.0	10.6
Culture And Recreation	2.8	3.3	-	-	2.8	3.3
Community Development	9.6	4.7	-	-	9.6	4.7
Interest On Long-Term Debt	0.6	0.4	-	-	0.6	0.4
Water And Sewer	-	-	37.2	37.8	37.2	37.8
Parking Facilities	-	-	1.6	1.4	1.6	1.4
Total Expenses	185.9	181.9	38.8	39.2	224.7	221.1
Excess Revenues Over Expenses						
Before Transfers	(9.4)	(15.8)	5.8	4.3	(3.6)	(11.5)
Transfers	-	1.9	-	(1.9)	-	-
Change In Net Position	(9.4)	(13.9)	5.8	2.4	(3.6)	(11.5)
Net Position Beginning	345.5	359.4	255.8	253.4	601.3	612.8
Net Position Ending	\$ 336.1	\$ 345.5	\$ 261.6	\$ 255.8	\$ 597.7	\$ 601.3

*Includes indirect expense allocation

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

Primary Government Activities

The preceding table shows overall consistency in the City's expenses from year to year. With primary government revenues increasing by \$11.5 million or 5.5 percent and primary government expenses increasing by \$3.6 million or 1.6 percent.

A closer look shows a \$6.7 million or a 43.5 percent increase in Home Rule Sales Taxes primarily due to a rate increase that took effect on January 1, 2012, changing the rate from 1.25 percent to 1.75 percent. Additionally, total Charges for Services increased \$2.5 million due to an increase in the revenues generated from public safety services. Capital grants and contributions also increased \$10.2 million due to private grant funds received to build the multi-modal transportation facility in the City's downtown and State grant funds received for roadways improvements. Gaming Taxes, however, decreased year over year by \$1.0 million as a result of an overall decline in consumer activity within the gaming industry, as well as, the opening of a new casino in the Chicagoland area.

Total primary government expenses increased \$3.6 million from \$221.1 million to \$224.7 million. Governmental activities' expenses increased \$4.0. The most significant increase was a \$7.7 million increase in public safety expenses due to increases in payroll and related costs and new equipment purchases. Community Development costs increased due to capital outlays for the multi-modal transportation center project. These increases were partially offset by a decrease in public works expenses of \$4.0 million which came in the area of capital outlay.

Business-type activities' expenses decreased by only \$0.4 million as continued personnel, utility and maintenance expenses were necessary to maintain the City's vast and aging utility system.

Governmental Activities

Table 3a
Governmental Activities
(In Millions)

	Total Cost Of Services		Net Cost Of (Surplus From) Services	
	2012	2011	2012	2011
General Government	\$ 17.3	\$ 22.0	\$ 14.3	\$ 17.7
Public Safety	116.7	109.0	107.0	99.2
Public Works	27.9	31.9	11.6	22.8
Refuse Disposal	11.0	10.6	(1.3)	(1.6)
Culture And Recreation	2.8	3.3	2.3	3.1
Community Development	9.6	4.7	7.3	2.5
All Others	0.6	0.4	0.6	0.4
Total	\$ 185.9	\$ 181.9	\$ 141.8	\$ 144.1

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

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

The general government category includes general administrative functions as well as various employee benefit programs. Public safety includes police and fire protections, 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, costs of the tax incremental financing activities, neighborhood improvement program, 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, and activities supported by the community development block grant.

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) increased by \$1.1 million or 2.5 percent while expenses decreased by \$0.4 million. The City's business-type activities are comprised of two separate and distinct activities: Water/Wastewater Utility and Parking Facilities.

Revenues from parking activities decreased by 3.4 percent (from \$1.45 million to \$1.40 million), while expenses increased 22.4 percent (from \$1.34 million from \$1.64 million). The decrease in revenues was due to lower usage of the facilities, and the increase in expenses was mostly attributable to increased payroll and related costs.

Water and wastewater utility revenues increased by \$0.6 million or 1.3 percent (from \$41.9 million to \$42.5 million) the result of increased usage offset by decreases in fines charged. As shown in Table 3b, the overall net cost of providing water and wastewater services is a positive \$6.0 million; with the positive year over year increase coming from a slight increase in system usage, as well as, an additional \$758,000 in capital grants.

Table 3b
Business-Type Activities
(In Millions)

	Total Cost Of Services		Net Cost Of (Surplus From) Services	
	2012	2011	2012	2011
Water And Sewer	\$ 37.2	\$ 37.8	(\$ 6.0)	(\$ 4.1)
Parking Facilities	1.6	1.4	0.2	(0.2)
Total	\$ 38.8	\$ 39.2	(\$ 5.8)	(\$ 4.3)

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.

Governmental Funds

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

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

Governmental Funds reported a combined fund balance of \$69.5 million; \$1.1 million lower than last year's balance of \$70.6 million. Unassigned fund balance was \$40.0 million and is available for spending at the government's discretion. The remainder \$30.6 million is for a variety of nonspendable, restricted or assigned purposes and is not available for new spending.

The General Fund is the chief operating fund of the City. At year end it reported a fund balance of \$40.7 million, a decrease of \$17.1 as compared to last year's total of \$57.8 million. Although revenues over expenses for the year showed a positive \$203,000, the \$17.3 million in transfers out to Other Governmental Funds contributed to the large decrease in fund balance. Overall General Fund revenues decreased by \$2.7 million or 1.8 percent. The \$5.9 million increase in home rule sales tax revenues was offset by a \$1.0 million decrease in gaming tax revenues, a \$2.9 million decrease in income tax revenues and a \$3.8 million decrease in federal grant revenue. Transfers out were increased by \$15.9 million to establish the Grants and Special Accounts Fund and the Capital Improvement Fund and transfers in were reduced by \$4.0 million as benefits were charged directly to enterprise funds, where as in previous years a transfer was completed.

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 \$4.8 million in revenues during 2012 and spent \$3.2 million on citywide roadway improvements. Revenues were higher in 2012 than 2011 by \$0.2 million as a result of increased taxes available from the state of Illinois. The year-end balance for the Motor Fuel Tax Fund is \$11.0 million a \$1.6 million increase from the prior year.

Other governmental funds is comprised of the Community Development Block Grant Fund, Special Service Area Fund, Tax Increment Financing Fund # 2, Tax Increment Financing Fund #3, Grants And Special Accounts Fund, Corporate Bond and Interest Fund, the Property Improvement Fund, Capital Improvement Fund, and Neighborhood Improvement Fund. The primary activity for this year occurred in the Grants and Special Accounts Fund which accounts for the revenues and expensed associated with the multi-modal transportation project that is funded through private and state grants. Some significant activity was also seen in the Capital Improvement Fund as the City purchased a new public safety radio systems and new vehicles and equipment to replace aging models.

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.

As shown in Table 4 at the top of the next page, actual General Fund revenues of \$152.9 exceeded budgeted revenues by \$4.5 million or 3.0 percent; while actual expenditures were below budget by \$3.2 million or 2.1 percent. The City worked with the employee unions to delay wage increases, reduce the employee compliment 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, the rising costs of healthcare and pension obligations continue to put pressure on the long-term financial trend of the City.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

Table 4
General Fund - Budget To Actual
(In Millions)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues	\$ 186.9	\$ 148.4	\$ 152.9	\$ 4.5
Expenditures	202.7	152.8	149.7	3.1
Excess of Revenues Over Expenditures	(15.8)	(4.4)	3.2	7.6
Other Financing Sources And Uses:				
Transfers To Other Funds	4.8	4.8	-	(4.8)
Transfers From Other Funds	-	-	17.3	17.3
Net Change In Fund Balance	(\$ 11.0)	\$ 0.4	(\$ 14.1)	(\$ 14.5)

Capital Assets And Debt Administration

Capital Assets

At the end of 2012, the City had \$663.3 million invested in a broad range of capital assets, including police and fire equipment, buildings, roads, bridges, parking decks, and water and sewer facilities. (See Table 5 below.) This amount represents a net increase (including additions, deductions and depreciation) of approximately \$11.1 million or 1.7 percent over last year.

Table 5
Capital Assets At Year-End
(Net Of Depreciation, In Millions)

	Governmental Activities		Business Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land And Land Improvements	\$ 20.4	\$ 16.9	\$ 4.1	\$ 4.1	\$ 24.5	\$ 21.0
Buildings	46.2	45.9	-	-	46.2	45.9
Waterworks And Sewerage System	-	-	234.8	241.4	234.8	241.4
Parking Facilities	-	-	2.6	2.8	2.6	2.8
Equipment	10.6	7.8	9.1	4.6	19.7	12.4
Infrastructure	301.0	307.6	-	-	301.0	307.6
Construction In Progress	9.5	1.3	25.0	19.8	34.5	21.1
Totals	\$ 387.7	\$ 379.5	\$ 275.6	\$ 272.7	\$ 663.3	\$ 652.2

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

- \$3.5 million to migrate to a Motorola-owned statewide digital public safety radio system StarCom21;
- \$2.9 million in land purchase costs associated with the downtown Multi-Modal Transportation Center;
- \$2.5 million towards upgrades in the aeration system at the Eastside Waste Water Treatment Plant;
- \$1.6 million in roadways resurfacing; and
- \$1.4 million to purchase water meters and SmartPoint radios to continue the city-wide implementation of an automatic water meter reading system.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

More detailed information about the City's capital assets is presented in note 6 to the financial statements.

Debt

At year-end, the City had \$68.1 million in bonds and loans outstanding versus \$59.7 million last year – an increase of 14.1 percent – as shown in Table 6.

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

	Governmental Activities		Business Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds (Backed By The City)	\$ 8.6	\$ 9.2	\$ -	\$ -	\$ 8.6	\$ 9.2
Revenue Bonds (Backed By Specific Fee Revenues)	-	-	43.2	47.1	43.2	47.1
IEPA Loan	-	-	11.5	3.4	11.5	3.4
Equipment Loan	4.8	-	-	-	4.8	-
Totals	\$ 13.4	\$ 9.2	\$ 54.7	\$ 50.5	\$ 68.1	\$ 59.7

During the year, the City issued \$13.2 million in Revenue bonds to refund earlier issues. This resulted in overall future interest savings of approximately \$164,438. While general and revenue bond principal outstanding decreased due to timely repayment of principal, the overall outstanding debt increased by 8.4 million. The decrease in bond principal being offset by the increase in Illinois Environmental Protection Agency loans outstanding used for improvements to the aging water and sewer system and an equipment loan used to purchase the new public safety radio system.

As of the year ended December 31, 2012, 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 2013 budget. The 2013 budget of \$280.9 million represents a decrease of \$20.3 million or 6.7 percent as compared to the 2012 budget of \$301.2 million. The budget decrease was primarily due to a decrease in the Water & Sewer Capital Improvement Fund.

The 2013 budget focused on three main goals: filling 10 vacant police officer positions; continuing the City's effort to raise the funding levels for the police and fire pension funds; and continuing the commitment made to maintaining at least two months of operating expenses as a reserve balance. The 2013 annual budget contained no tax increases. It covers additional expenses by making further personnel cuts by not filling some vacant employee positions and continuing the reduction of discretionary spending in all departments.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2012

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 2013 budget includes funding for the \$30.0 million multi-modal transportation center funded through state grant funds, as well as, private contributions, and restricted City revenues. Additional improvements in the water and sewer infrastructure have been funded through low interest state loans.

Overall, the budget has a limited amount allocated for other capital needs, which in most cases are being postponed until the economy and funding levels allow. As future budgets are discussed and approved, the City will look at addressing additional capital projects as funding comes available and priorities demand. The City will continue to work with Federal, State, and private partners to ensure the City's tax dollars are invested wisely and provide for a better tomorrow.

One item which was not presented as part of the 2013 budget is a projection of future operating revenues and expenditures beyond 2013. 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.

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 2013 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 City of Joliet, 150 West Jefferson Street, Joliet, Illinois 60432-4158.

Component Units

Joliet Public Library

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

Will County Metropolitan Exposition and Auditorium Authority

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

The Joliet Area Historical Museum

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

Basic Financial Statements

CITY OF JOLIET, ILLINOIS

Statement Of Net Position
December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current Assets:				
Cash	\$ 5,751,670	\$ 1,233,097	\$ 6,984,767	\$ 4,795,575
Escrow Deposits	-	6,216,688	6,216,688	-
Investments	89,732,388	6,948,831	96,681,219	912,351
Receivables				
Property Taxes, Net Of Allowance For Uncollectible Amounts	34,918,249	-	34,918,249	5,700,642
Intergovernmental	21,281,751	-	21,281,751	-
Accrued Interest	18,958	3,192	22,150	4
Customer Accounts, Net	-	3,813,555	3,813,555	50,934
Estimated Unbilled Usage	-	3,817,252	3,817,252	-
Special Assessments	318,546	-	318,546	-
Other	2,409,736	-	2,409,736	11,244
Inventory	912,101	-	912,101	57,417
Prepaid Expenses	-	30,150	30,150	270,350
Grant Advance	-	-	-	9,455
Internal Balances	(28,838,465)	28,838,465	-	-
Total Current Assets	<u>126,504,934</u>	<u>50,901,230</u>	<u>177,406,164</u>	<u>11,807,972</u>
Noncurrent Assets:				
Other Receivables	-	-	-	11,003
Capital Assets (Net)				
Land	18,151,388	4,110,120	22,261,508	-
Infrastructure	300,994,659	-	300,994,659	-
Land Improvements	2,218,126	-	2,218,126	-
Buildings	46,219,168	-	46,219,168	-
Waterworks And Sewerage System	-	234,792,619	234,792,619	-
Parking Decks And Lots	-	2,611,431	2,611,431	-
Equipment	10,594,446	9,081,506	19,675,952	-
Library	-	-	-	14,591,318
W.C.M.E.A.A.	-	-	-	6,742,358
Historical Museum	-	-	-	499,022
Construction In Progress	9,478,267	25,033,696	34,511,963	54,937
Total Noncurrent Assets	<u>387,656,054</u>	<u>275,629,372</u>	<u>663,285,426</u>	<u>21,898,638</u>
Total Assets	<u>514,160,988</u>	<u>326,530,602</u>	<u>840,691,590</u>	<u>33,706,610</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount On Refunding Of Debt	149,106	1,506,359	1,755,465	-
Total Assets And Deferred Outflows Of Resources	<u>\$ 514,310,094</u>	<u>\$ 328,136,961</u>	<u>\$ 842,447,055</u>	<u>\$ 33,706,610</u>

See Accompanying Notes To Basic Financial Statements.

LIABILITIES	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Current Liabilities:				
Vouchers Payable	\$ 5,020,433	\$ 1,805,044	\$ 6,826,477	\$ 399,932
Accrued Payroll	3,643,921	494,328	4,138,249	-
Accrued Compensated Absences - Current	838,085	49,880	887,965	267,950
Health Claims Payable	1,122,300	-	1,122,300	-
Accrued Interest	72,037	875,180	947,217	56,355
Loans And Leases Payable - Current Portion	420,503	377,692	798,195	32,548
Bonds Payable - Current Portion	790,000	5,345,000	6,135,000	-
Customer Deposits And Credits	658,609	1,364,072	2,022,681	-
Estimated Liability For Self-Insured Losses - Current	2,598,563	-	2,598,563	-
Unearned Revenue	3,060,752	4,000	3,064,752	506,970
Due To Primary Government	-	-	-	579,510
Due To Volunteers	-	-	-	144,181
Other	14,008	-	14,008	256,584
Total Current Liabilities	18,239,211	10,316,196	28,555,407	2,244,030
Noncurrent Liabilities:				
Accrued Compensated Absences	17,302,288	1,065,297	18,367,585	-
Net Pension Obligation	15,754,283	-	15,754,283	-
Estimated Liability For Self-Insured Losses	3,400,000	-	3,400,000	-
Other Postemployment Benefits	76,589,403	5,939,191	82,528,594	-
General Obligation Bonds	7,801,076	-	7,801,076	-
Revenue Bonds	-	37,856,265	37,856,265	-
Loans And Leases Payable	4,157,739	11,337,064	15,494,803	2,606,913
Total Noncurrent Liabilities	125,004,789	56,197,817	181,202,606	2,606,913
Total Liabilities	143,244,000	66,514,013	209,758,013	4,850,943
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	34,918,249	-	34,918,249	5,700,642
Total Deferred Inflows Of Resources	34,918,249	-	34,918,249	5,700,642
NET POSITION				
Net Investment In Capital Assets	374,635,842	234,034,466	608,670,308	19,248,174
Restricted For:				
Expendable Purposes:				
Temporary Funds	-	-	-	313,018
Debt Service	-	6,216,688	6,216,688	-
Road/Capital Projects	17,386,049	1,802,466	19,188,515	-
Multi-Modal Transportation Center	1,447,005	-	1,447,005	-
Police Purposes	944,914	-	944,914	-
Tax Incremental Financing Projects	474,155	-	474,155	-
Community Development Projects	11,086	-	11,086	-
Nonexpendable Purposes:				
Permanent Funds	-	-	-	781,217
Unrestricted	(58,751,206)	19,569,328	(39,181,878)	2,812,616
Total Net Position	336,147,845	261,622,948	597,770,793	23,155,025
Total Liabilities, Deferred Inflows Of Resources, And Net Position	\$ 514,310,094	\$ 328,136,961	\$ 842,447,055	\$ 33,706,610

CITY OF JOLIET, ILLINOIS

Statement Of Activities For The Year Ended December 31, 2012

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Indirect Expense Allocation</u>	<u>Program Charges For Services</u>
Primary Government:			
Governmental Activities:			
General Government	\$ 35,025,196	(\$ 17,726,731)	\$ 2,880,989
Public Safety	101,738,691	14,956,315	7,164,844
Public Works	26,155,290	1,752,632	926,339
Refuse Disposal	10,978,538	-	12,240,215
Culture And Recreation	2,646,995	141,468	476,079
Community Development	8,786,916	876,316	24,569
Interest On Long-Term Debt	561,864	-	-
Total Governmental Activities	<u>185,893,490</u>	<u>-</u>	<u>23,713,035</u>
Business-Type Activities:			
Water And Sewer	37,202,721	-	42,480,156
Parking Facilities	1,639,633	-	1,405,190
Total Business-Type Activities	<u>38,842,354</u>	<u>-</u>	<u>43,885,346</u>
Total Primary Government	<u>\$ 224,735,844</u>	<u>\$ -</u>	<u>\$ 67,598,381</u>
Component Units:			
Public Library	\$ 6,319,609	\$ -	\$ 143,614
W.C.M.E.A.A.	4,806,048	-	3,506,232
The Joliet Area Historical Museum	1,384,323	-	218,995
Total Component Units	<u>\$ 12,509,980</u>	<u>\$ -</u>	<u>\$ 3,870,841</u>

See Accompanying Notes To Basic Financial Statements.

Revenues		Net (Expense) Revenue And Changes In Net Position			
Operating Grants And Contributions	Capital Grants And Contributions	Primary Government			Component Units
		Governmental Activities	Business-Type Activities	Total	
\$ 2,464	\$ 79,170	(\$ 14,335,842)	\$ -	(\$ 14,335,842)	\$ -
590,190	1,952,893	(106,987,079)	-	(106,987,079)	-
181,338	15,206,485	(11,593,760)	-	(11,593,760)	-
-	-	1,261,677	-	1,261,677	-
-	-	(2,312,384)	-	(2,312,384)	-
50,308	2,267,983	(7,320,372)	-	(7,320,372)	-
-	-	(561,864)	-	(561,864)	-
<u>824,300</u>	<u>19,506,531</u>	<u>(141,849,624)</u>	<u>-</u>	<u>(141,849,624)</u>	<u>-</u>
-	757,740	-	6,035,175	6,035,175	-
-	-	-	(234,443)	(234,443)	-
-	<u>757,740</u>	-	<u>5,800,732</u>	<u>5,800,732</u>	-
<u>\$ 824,300</u>	<u>\$ 20,264,271</u>	<u>(141,849,624)</u>	<u>5,800,732</u>	<u>(136,048,892)</u>	<u>-</u>
\$ 201,803	\$ -	-	-	-	(\$ 5,974,192)
984,951	1,455	-	-	-	(311,410)
1,149,642	-	-	-	-	(15,686)
<u>\$ 2,336,396</u>	<u>\$ 1,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,301,288)</u>
General Revenues:					
Property Taxes		34,661,294	-	34,661,294	5,673,489
Gaming Taxes		20,827,811	-	20,827,811	-
State Sales Taxes		18,966,737	-	18,966,737	-
Home Rule Sales Taxes		22,095,309	-	22,095,309	-
Utility Taxes		9,109,210	-	9,109,210	-
State Income Taxes		11,214,456	-	11,214,456	-
Other Taxes		13,260,209	-	13,260,209	-
Interest And Investment Earnings		94,512	30,819	125,331	24,951
Contributions To Permanent Funds		-	-	-	7,902
Other General Revenues		2,289,276	-	2,289,276	37,857
Total General Revenues		<u>132,518,814</u>	<u>30,819</u>	<u>132,549,633</u>	<u>5,744,199</u>
Change In Net Position		(9,330,810)	5,831,551	(3,499,259)	(557,089)
Net Position - Beginning		345,478,655	255,791,397	601,270,052	23,712,114
Net Position - Ending		<u>\$ 336,147,845</u>	<u>\$ 261,622,948</u>	<u>\$ 597,770,793</u>	<u>\$ 23,155,025</u>

CITY OF JOLIET, ILLINOIS

Governmental Funds
Balance Sheet
December 31, 2012

	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 2,143,959	\$ 241,621	\$ 3,366,090	\$ 5,751,670
Investments	63,783,292	10,370,145	15,578,951	89,732,388
Receivables				
Property Taxes, Net Of Allowance For Uncollectible Amounts	32,779,495	-	2,138,754	34,918,249
Intergovernmental	20,471,031	420,826	389,894	21,281,751
Accrued Interest	2,169	14,677	2,112	18,958
Special Assessments	-	-	318,546	318,546
Other	1,070,149	-	1,339,587	2,409,736
Inventory	-	-	912,101	912,101
Internal Receivables	519,820	-	100	519,920
Total Assets	<u>\$ 120,769,915</u>	<u>\$ 11,047,269</u>	<u>\$ 24,046,135</u>	<u>\$ 155,863,319</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Vouchers Payable	\$ 4,453,796	\$ 5,973	\$ 560,664	\$ 5,020,433
Customer Deposits And Credits	640,626	-	17,983	658,609
Health Claims Payable	1,122,300	-	-	1,122,300
Unearned Revenue	1,330,322	3,629	1,726,801	3,060,752
Internal Payables	29,000,000	-	358,385	29,358,385
Other	3,657,929	-	-	3,657,929
Total Liabilities	<u>40,204,973</u>	<u>9,602</u>	<u>2,663,833</u>	<u>42,878,408</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	32,779,495	-	2,138,754	34,918,249
Deferred Other Income	7,057,687	-	1,474,557	8,532,244
Total Deferred Inflows Of Resources	<u>39,837,182</u>	<u>-</u>	<u>3,613,311</u>	<u>43,450,493</u>
FUND BALANCES				
Nonspendable	-	-	912,101	912,101
Restricted	-	11,037,667	9,225,542	20,263,209
Assigned	733,274	-	7,631,348	8,364,622
Unassigned	39,994,486	-	-	39,994,486
Total Fund Balances	<u>40,727,760</u>	<u>11,037,667</u>	<u>17,768,991</u>	<u>69,534,418</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 120,769,915</u>	<u>\$ 11,047,269</u>	<u>\$ 24,046,135</u>	<u>\$ 155,863,319</u>

See Accompanying Notes To Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Reconciliation Of Governmental Funds Balance Sheet To Statement Of Net Position December 31, 2012

Total fund balances - governmental funds \$ 69,534,418

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation of \$193,940,330 used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. 387,656,054

Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities/deferred inflows of resources in governmental funds. These activities consist of:

Deferred revenues collected after sixty days	8,532,244
Accrued interest payable on debt	(72,037)
General obligation bonds	(8,500,000)
Deferred amount on refunding of bonds	149,106
Unamortized premium on bonds	(91,076)
Net pension obligation	(15,754,283)
Estimated liability for self-insured losses	(5,998,563)
Other postemployment benefits	(76,589,403)
Accrued compensated absences	(18,140,373)
Loans and leases payable	(4,578,242)

Net position of governmental activities \$ 336,147,845

CITY OF JOLIET, ILLINOIS

Statement Of Revenues, Expenditures, And Changes In Fund Balances Governmental Funds For The Year Ended December 31, 2012

	General Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Property Taxes	\$ 32,721,443	\$ -	\$ 1,939,851	\$ 34,661,294
Other Taxes	92,143,857	-	-	92,143,857
Federal, State And Private Grants And Allotments	499,935	4,732,890	8,112,429	13,345,254
Charges For Services	6,562,043	-	119,277	6,681,320
Interest Earnings	62,806	21,390	10,316	94,512
Licenses, Permits, Rentals And Fees	17,251,789	-	16,439	17,268,228
Fines And Forfeitures	968,786	-	345,286	1,314,072
Special Assessments	-	-	53,370	53,370
Other	2,645,611	12,514	5,196,555	7,854,680
Total Revenue	<u>152,856,270</u>	<u>4,766,794</u>	<u>15,793,523</u>	<u>173,416,587</u>
Expenditures				
Current:				
General Government	10,318,555	-	7,340	10,325,895
Public Safety	60,893,328	-	1,660,422	62,553,750
Public Works	14,398,216	-	660,474	15,058,690
Refuse Disposal	10,978,538	-	-	10,978,538
Culture And Recreation	3,169,416	-	-	3,169,416
Employee Benefits And Pension Plans	48,571,619	-	-	48,571,619
Community Development	3,518,688	-	123,442	3,642,130
Capital Outlay	524,190	3,213,434	19,760,655	23,498,279
Debt Service - Principal	200,435	-	755,000	955,435
Debt Service - Interest	80,213	-	398,169	478,382
Total Expenditures	<u>152,653,198</u>	<u>3,213,434</u>	<u>23,365,502</u>	<u>179,232,134</u>
Revenue Over (Under) Expenditures	<u>203,072</u>	<u>1,553,360</u>	<u>(7,571,979)</u>	<u>(5,815,547)</u>
Other Financing Sources (Uses)				
Sale Of Capital Assets	5,998	-	2,234	8,232
Issuance Of Loans And Leases	-	-	4,778,677	4,778,677
Transfers In	-	-	17,300,955	17,300,955
Transfers Out	<u>(17,300,955)</u>	<u>-</u>	<u>-</u>	<u>(17,300,955)</u>
Total Other Financing Sources (Uses)	<u>(17,294,957)</u>	<u>-</u>	<u>22,081,866</u>	<u>4,786,909</u>
Net Change In Fund Balance	<u>(17,091,885)</u>	<u>1,553,360</u>	<u>14,509,887</u>	<u>(1,028,638)</u>
Fund Balances, Beginning Of Year	<u>57,819,645</u>	<u>9,484,307</u>	<u>3,259,104</u>	<u>70,563,056</u>
Fund Balances, End Of Year	<u>\$ 40,727,760</u>	<u>\$ 11,037,667</u>	<u>\$ 17,768,991</u>	<u>\$ 69,534,418</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, 2012

Net change in fund balances - governmental funds (\$ 1,028,638)

*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 2011 to 2012 consists of:

Sales, income and use taxes received from the state of Illinois	1,536,194	
Utility and auto rental taxes received from the state of Illinois	90,241	
Grants received from the state of Illinois and other grantors	(648,325)	

Total change in unavailable revenues	978,110
--------------------------------------	---------

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.

This is the amount of depreciation recorded in the current period.	(23,498,279)	8,183,080
--	---------------	-----------

Governmental funds only report the disposal of assets to the extent proceeds are received. In the Statement of Activities, a gain or loss is reported for each disposal. This is the basis in the capital assets that were disposed.

(58,451)

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

955,435

In governmental funds, the proceeds from long-term debt is considered an other financing source, but in the Statement of Net Position, debt is reported as a liability. In the current period, proceeds were received from the issuance of a lease.

(4,778,677)

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:

Increase in interest payable	(72,037)
Increase in compensated absences	(1,366,920)
Decrease in claims liabilities	336,190
Increase in net pension obligation	(1,857,096)
Increase in other postemployment benefits	(12,682,238)

The City amortized bond premium of (\$17,963); amortized the deferred amount on refunding of bonds of \$29,408; and expensed bond issue costs of \$96,106, in the Statement of Net Position.

(107,551)

Change in net position of governmental activities

(\$ 11,498,793)

See Accompanying Notes To Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Statement Of Net Position
Proprietary Funds
December 31, 2012

	Business-Type Activities		
	Waterworks And Sewage Fund	(Nonmajor) Parking Meter Fund	Total
ASSETS			
Current Assets			
Unrestricted Assets			
Cash	\$ 665,522	\$ 567,244	\$ 1,232,766
Escrow Deposits	6,216,688	-	6,216,688
Investments	3,101,423	431,935	3,533,358
Receivables			
Customer Accounts, Net Of \$1,817,947			
Allowance For Uncollectible Amounts	3,809,555	4,000	3,813,555
Estimated Unbilled Usage	3,817,252	-	3,817,252
Prepaid Expenses	30,150	-	30,150
Internal Receivables	29,000,000	-	29,000,000
Total Unrestricted Assets	<u>46,640,590</u>	<u>1,003,179</u>	<u>47,643,769</u>
Restricted Assets (2003 And 2004 Bond Accounts)			
Cash	331	-	331
Investments	3,415,473	-	3,415,473
Accrued Interest	3,192	-	3,192
Total Restricted Assets	<u>3,418,996</u>	<u>-</u>	<u>3,418,996</u>
Total Current Assets	<u>50,059,586</u>	<u>1,003,179</u>	<u>51,062,765</u>
Noncurrent Assets			
Capital Assets			
Land And Land Improvements	1,759,091	2,351,029	4,110,120
Waterworks And Sewerage System	369,508,401	-	369,508,401
Parking Decks And Lots	-	6,983,154	6,983,154
Equipment	16,283,834	622,994	16,906,828
Construction In Progress	25,033,696	-	25,033,696
	<u>412,585,022</u>	<u>9,957,177</u>	<u>422,542,199</u>
Accumulated Depreciation	<u>141,953,739</u>	<u>4,959,088</u>	<u>146,912,827</u>
Total Noncurrent Assets	<u>270,631,283</u>	<u>4,998,089</u>	<u>275,629,372</u>
Total Assets	<u>320,690,869</u>	<u>6,001,268</u>	<u>326,692,137</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount On Refunding Of Debt	<u>1,606,359</u>	<u>-</u>	<u>1,606,359</u>
Total Assets And Deferred Outflows Of Resources	<u>\$ 322,297,228</u>	<u>\$ 6,001,268</u>	<u>\$ 328,298,496</u>

See Accompanying Notes To Basic Financial Statements.

	Business-Type Activities		
	Waterworks And Sewage Fund	(Nonmajor) Parking Meter Fund	Total
LIABILITIES			
Current Liabilities			
Payable From Unrestricted Assets			
Vouchers Payable	\$ 1,774,468	\$ 31,576	\$ 1,806,044
Accrued Payroll	463,417	30,911	494,328
Accrued Compensated Absences - Current	45,736	4,144	49,880
Accrued Interest Payable	875,180	-	875,180
Bonds Payable - Current Portion	5,345,000	-	5,345,000
Loans Payable - Current Portion	377,692	-	377,692
Customer Deposits And Credits	1,364,072	-	1,364,072
Internal Payables	-	160,535	160,535
Unearned Revenue	-	4,000	4,000
Payable From Restricted Assets			
Internal Payables	1,000	-	1,000
Total Current Liabilities	<u>10,246,565</u>	<u>231,166</u>	<u>10,477,731</u>
Noncurrent Liabilities			
Long Term Debt			
Accrued Compensated Absences	984,355	80,942	1,065,297
Other Postemployment Benefits	5,473,163	466,028	5,939,191
Revenue Bonds Payable	37,856,265	-	37,856,265
Loans Payable	<u>11,337,064</u>	<u>-</u>	<u>11,337,064</u>
Total Noncurrent Liabilities	<u>55,650,847</u>	<u>546,970</u>	<u>56,197,817</u>
Total Liabilities	<u>65,897,412</u>	<u>778,136</u>	<u>66,675,548</u>
NET POSITION			
Net Investment In Capital Assets	229,036,377	4,998,089	234,034,466
Restricted For:			
Expendable Purposes:			
Debt Service	6,216,688	-	6,216,688
Capital Projects	1,802,466	-	1,802,466
Unrestricted	<u>19,344,285</u>	<u>225,043</u>	<u>19,569,328</u>
Total Net Position	<u>256,399,816</u>	<u>5,223,132</u>	<u>261,622,948</u>
Total Liabilities And Net Position	<u>\$ 322,297,228</u>	<u>\$ 6,001,268</u>	<u>\$ 328,298,496</u>

This Page Intentionally Left Blank

CITY OF JOLIET, ILLINOIS

Statement Of Revenues, Expenses And
Changes In Net Position
Proprietary Funds
For The Year Ended December 31, 2012

	Business-Type Activities		
	Waterworks And Sewage Fund	(Nonmajor) Parking Meter Fund	Total
Operating Revenue *			
Charges For Services - Water	\$ 18,845,601	\$ -	\$ 18,845,601
Charges For Services - Sewer	22,775,475	-	22,775,475
Charges For Services - Other	55,030	1,263,488	1,318,518
Tap On/Turn On Fees	805,343	-	805,343
Fines And Other	198,707	141,702	340,409
	<u>42,480,156</u>	<u>1,405,190</u>	<u>43,885,346</u>
Operating Expense			
Personnel Services	10,769,799	844,419	11,614,218
Personnel Services - Benefits	4,498,812	377,213	4,876,025
Purchased Professional Services	1,124,145	61,053	1,185,198
Purchased Property Services	2,045,645	54,370	2,100,015
Other Purchased Services	63,707	42,062	105,769
Supplies	6,096,198	88,235	6,184,433
Repairs And Rehabilitation	4,085	-	4,085
Depreciation	10,868,449	172,281	11,040,730
Other	549,457	-	549,457
	<u>36,020,297</u>	<u>1,639,633</u>	<u>37,659,930</u>
Operating Income (Loss)	<u>6,459,859</u>	<u>(234,443)</u>	<u>6,225,416</u>
Nonoperating Revenue (Expense)			
State Grants	757,740	-	757,740
Interest Earnings	29,768	1,051	30,819
Amortization Of Bond Discounts And Premiums	630,487	-	630,487
Interest Expense	(1,812,911)	-	(1,812,911)
Total Nonoperating Revenue (Expense)	<u>(394,916)</u>	<u>1,051</u>	<u>(393,865)</u>
Change In Net Position	6,064,943	(233,392)	5,831,551
Total Net Position, Beginning Of Year	<u>250,334,873</u>	<u>5,456,524</u>	<u>255,791,397</u>
Total Net Position, End Of Year	<u>\$ 256,399,816</u>	<u>\$ 5,223,132</u>	<u>\$ 261,622,948</u>

* All operating revenue of the Waterworks And Sewerage Fund is used as security for the Series 2004, 2006, 2010, 2011, and 2012 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, 2012

	Business-Type Activities		
	Waterworks And Sewerage Fund	(Nonmajor) Parking Meter Fund	Total
Cash Flows From Operating Activities			
Receipts From Customers	\$ 42,656,414	\$ 1,475,016	\$ 44,131,430
Payments To Suppliers	(17,579,735)	(613,561)	(18,193,296)
Payments To Employees	(10,862,874)	(756,165)	(11,619,039)
Net Cash Provided By Operating Activities	<u>14,213,805</u>	<u>105,290</u>	<u>14,319,095</u>
Cash Flows From Noncapital Financing Activities			
Payments To Other Funds	(17,135,529)	-	(17,135,529)
Payments From Other Funds	-	159,312	159,312
Operating Grants Received	757,740	-	757,740
Net Cash (Used In) Noncapital Financing Activities	<u>(16,377,789)</u>	<u>159,312</u>	<u>(16,218,477)</u>
Cash Flows From Capital And Related Financing Activities			
Purchases Of Capital Assets	(13,974,914)	-	(13,974,914)
Payments To Bond Paying Agent	(5,050,000)	-	(5,050,000)
Loan Proceeds	8,277,684	-	8,277,684
Issuance Of Refunding Bonds	13,160,000	-	13,160,000
Premium Received From Refunding Bonds	1,005,427	-	1,005,427
Payments To Bond Escrow Agent	(14,000,989)	-	(14,000,989)
Payments For Bond Issue Costs	(164,438)	-	(164,438)
Payment Of Bond Interest	(1,294,899)	-	(1,294,899)
Net Cash (Used In) Capital And Related Financing Activities	<u>(12,042,129)</u>	<u>-</u>	<u>(12,042,129)</u>
Cash Flows From Investing Activities			-
Investment Sales Or Maturities	27,187,330	430,857	27,618,187
Investment Purchases	(12,733,584)	(431,935)	(13,165,519)
Income Received On Investments	26,595	1,078	27,673
Net Cash Provided By Investing Activities	<u>14,480,341</u>	<u>-</u>	<u>14,480,341</u>
Net Increase In Cash	274,228	264,602	538,830
Cash And Restricted Cash, Beginning Of Year	<u>391,625</u>	<u>302,642</u>	<u>694,267</u>
Cash And Restricted Cash, End Of Year	<u>\$ 665,853</u>	<u>\$ 567,244</u>	<u>\$ 1,233,097</u>

See Accompanying Notes To Basic Financial Statements.

	Business-Type Activities		
	Waterworks And Sewerage Fund	(Nonmajor) Parking Meter Fund	Total
Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities:			
Operating Income (Loss)	\$ 6,459,859	(\$ 234,443)	\$ 6,225,416
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By Operating Activities:			
Depreciation Expense	10,868,449	172,281	11,040,730
Changes In Assets And Liabilities			
Receivables	(1,450)	69,826	68,376
Vouchers Payable	(3,197,686)	9,372	(3,188,314)
Accrued Payroll	68,147	(1,251)	66,896
Accrued Compensated Absences	35,871	(44,609)	(8,738)
Other Postemployment Benefits	(197,093)	134,114	(62,979)
Customer Deposits And Credits	177,708	-	177,708
Total Adjustments	7,753,946	339,733	8,093,679
Net Cash Provided By Operating Activities	\$ 14,213,805	\$ 105,290	\$ 14,319,095

CITY OF JOLIET, ILLINOIS

Statement Of Fiduciary Net Position Fiduciary Funds December 31, 2012

	Pension Trust Funds
ASSETS	
Cash	\$ 16,341
Investments, At Fair Value	
U.S. Government And Agency Securities	28,812,708
U.S. Government Sponsored Agency Securities	47,135,879
State And Local Government Securities	902,101
Certificates Of Deposit	240,403
Money Market Mutual Funds	16,524,475
Mutual Funds	87,024,848
Common Stock	29,591,887
Corporate Bonds	14,334,573
Total Investments	<u>224,566,874</u>
Accrued Interest Receivable	<u>626,866</u>
Total Assets	<u>225,210,081</u>
LIABILITIES	
Accrued Investment Expenses	67,841
Miscellaneous Payable	80,901
Total Liabilities	<u>148,742</u>
NET POSITION	
Held In Trust For Pension Benefits	<u>\$ 225,061,339</u>

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, 2012

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer Contributions	\$ 22,139,935
Plan Member Contributions	<u>4,534,552</u>
Total Contributions	<u>26,674,487</u>
Investment Income	
Net Depreciation In Fair Value Of Investments	11,013,358
Interest And Dividends	<u>5,246,170</u>
	16,259,528
Less Investment Expenses	<u>549,087</u>
Net Investment Income	<u>15,710,441</u>
Miscellaneous Income	<u>172,856</u>
Total Additions	<u>42,557,784</u>
Deductions	
Pension Expense, Benefit Payments	18,684,746
Administrative And Other Expenses	<u>179,850</u>
Total Deductions	<u>18,864,596</u>
Net Increase	23,693,188
Net Position Held In Trust For Pension Benefits	
Beginning Of Year	<u>201,368,151</u>
End Of Year	<u>\$ 225,061,339</u>

See Accompanying Notes To Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Combining Statement Of Net Position
Component Units
June 30, 2012 And December 31, 2012

	December 31, 2012	June 30, 2012		Total
	Joliet Public Library	Will County Metropolitan Exposition And Auditorium Authority	The Joliet Area Historical Museum	
ASSETS				
Current Assets:				
Cash	\$ 3,964,033	\$ 369,398	\$ 323,950	\$ 4,657,381
Investments	-	182,229	25,581	207,810
Receivables				
Property Taxes, Net Of Allowance For Uncollectible Amounts	5,700,642	-		5,700,642
Accrued Interest	-	4	-	4
Customer Accounts, Net	-	46,814	4,120	50,934
Pledges Receivable	-	11,244	-	11,244
Inventory	-	36,464	20,953	57,417
Prepaid Expenses	125,869	137,986	6,495	270,350
Grant Advance	-	9,455	-	9,455
Restricted Assets (Endowment Funds)				
Cash	-	122,968	15,226	138,194
Investments	-	620,393	84,148	704,541
Total Current Assets	<u>9,790,544</u>	<u>1,536,955</u>	<u>480,473</u>	<u>11,807,972</u>
Noncurrent Assets:				
Pledges Receivable	-	11,003	-	11,003
Capital Assets (Net)				
Library	14,591,318	-	-	14,591,318
W.C.M.E.A.A.	-	6,742,358	-	6,742,358
Historical Museum	-	-	499,022	499,022
Construction In Progress	-	54,937	-	54,937
Total Noncurrent Assets	<u>14,591,318</u>	<u>6,808,298</u>	<u>499,022</u>	<u>21,898,638</u>
Total Assets	<u>\$ 24,381,862</u>	<u>\$ 8,345,253</u>	<u>\$ 979,495</u>	<u>\$ 33,706,610</u>

See Accompanying Notes To Basic Financial Statements.

	December 31, 2012		June 30, 2012	
	Joliet Public Library	Will County Metropolitan Exposition And Auditorium Authority	The Joliet Area Historical Museum	Total
LIABILITIES				
Current Liabilities:				
Vouchers Payable	\$ 85,972	\$ 311,505	\$ 2,455	\$ 399,932
Accrued Compensated Absences	164,820	72,042	31,088	267,950
Accrued Interest	-	56,355	-	56,355
Loans Payable - Current Portion	-	32,548	-	32,548
Unearned Revenue - Advance Ticket Sales	-	505,907	1,063	506,970
Due To Primary Government	-	-	579,510	579,510
Due To Volunteers	-	144,181	-	144,181
Other	157,437	99,147	-	256,584
Total Current Liabilities	<u>408,229</u>	<u>1,221,685</u>	<u>614,116</u>	<u>2,244,030</u>
Noncurrent Liabilities:				
Loans Payable	-	2,606,913	-	2,606,913
Total Noncurrent Liabilities	<u>-</u>	<u>2,606,913</u>	<u>-</u>	<u>2,606,913</u>
Total Liabilities	<u>408,229</u>	<u>3,828,598</u>	<u>614,116</u>	<u>4,850,943</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	<u>5,700,642</u>	<u>-</u>	<u>-</u>	<u>5,700,642</u>
Total Deferred Inflows Of Resources	<u>5,700,642</u>	<u>-</u>	<u>-</u>	<u>5,700,642</u>
NET POSITION				
Net Investment In Capital Assets Restricted For:	14,591,318	4,157,834	499,022	19,248,174
Expendable Purposes:				
Temporary Funds	-	47,013	266,005	313,018
Nonexpendable Purposes:				
Permanent Funds	-	681,843	99,374	781,217
Unrestricted	<u>3,681,673</u>	<u>(370,035)</u>	<u>(499,022)</u>	<u>2,812,616</u>
Total Net Position	<u>18,272,991</u>	<u>4,516,655</u>	<u>365,379</u>	<u>23,155,025</u>
Total Liabilities, Deferred Inflows Of Resources, And Net Position	<u>\$ 24,381,862</u>	<u>\$ 8,345,253</u>	<u>\$ 979,495</u>	<u>\$ 33,706,610</u>

CITY OF JOLIET, ILLINOIS

Combining Statement Of Activities
 Component Units
 For The Year Ended June 30, 2012 And December 31, 2012

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Charges For Services</u>
Joliet Public Library		
Library Operations	\$ 6,319,609	\$ 143,614
W.C.M.E.A.A.		
Culture And Recreation	39,498	-
Theatre And Rental Operations	4,766,550	3,508,232
The Joliet Area Historical Museum		
Culture And Recreation	<u>1,384,323</u>	<u>218,995</u>
 Total Component Units	 <u>\$ 12,509,980</u>	 <u>\$ 3,870,841</u>

See Accompanying Notes To Basic Financial Statements.

**Net (Expense) Revenue And
Changes In Net Position**

		December 31, 2012		June 30, 2012		Total
		Joliet Public Library	Will County Metropolitan Exposition And Auditorium Authority	The Joliet Area Historical Museum		
Revenues						
Operating Grants And Contributions	Capital Grants And Contributions					
\$ 201,803	\$ -	(\$ 5,974,192)	\$ -	\$ -	(\$ 5,974,192)	
253,443	1,455	-	215,400	-	215,400	
731,508	-	-	(526,810)	-	(526,810)	
<u>1,149,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,686)</u>	<u>(15,686)</u>	
<u>2,336,396</u>	<u>1,455</u>	<u>(5,974,192)</u>	<u>(311,410)</u>	<u>(15,686)</u>	<u>(6,301,288)</u>	
General Revenues:						
Property Taxes		5,673,489	-	-	5,673,489	
Interest And Investment Earnings		3,947	14,198	6,806	24,951	
Contributions To Permanent Funds		-	7,902	-	7,902	
Other General Revenues		<u>36,977</u>	<u>-</u>	<u>880</u>	<u>37,857</u>	
Total General Revenues		<u>5,714,413</u>	<u>22,100</u>	<u>7,686</u>	<u>5,744,199</u>	
Change In Net Position		(259,779)	(289,310)	(8,000)	(557,089)	
Net Position - Beginning		<u>18,532,770</u>	<u>4,805,965</u>	<u>373,379</u>	<u>23,712,114</u>	
Net Position - Ending		<u>\$ 18,272,991</u>	<u>\$ 4,516,655</u>	<u>\$ 365,379</u>	<u>\$ 23,155,025</u>	

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

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 Firefighters' Pension Fund and Police 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 firefighters and police officers and their beneficiaries. The financial statements of the Pension Funds as of and for the fiscal year ended December 31, 2012, are reported as pension trust funds - fiduciary funds. Each pension fund prepared separately issued component unit financial statements. Those separate financial statements may be obtained at 150 W. Jefferson St., 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, 2012

1. Summary Of Significant Accounting Policies

Joliet Public Library

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

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

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

Will County Metropolitan Exposition And Auditorium Authority

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

The Joliet Area Historical Museum

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

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2012

1. Summary Of Significant Accounting Policies

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

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

Basis Of Presentation

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Governmental Funds

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

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

1. Summary Of Significant Accounting Policies

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

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

The City's major special revenue fund is the following:

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

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

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

Proprietary Funds

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

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

The City's major enterprise fund is the following:

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

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

1. Summary Of Significant Accounting Policies

Fiduciary Funds (Not Included In Government-wide Statements)

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds.

Pension Trust 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.

Measurement Focus And Basis Of Accounting

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

Measurement Focus

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

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

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position. Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since preservation of capital is critical.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

1. Summary Of Significant Accounting Policies

Basis Of Accounting

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

1. Summary Of Significant Accounting Policies

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

1. Summary Of Significant Accounting Policies

Budgets And Budgetary Accounting

Annual budgets are legally adopted and separately reported for all funds of the City of Joliet. 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 1. The annual budget includes proposed expenditures and the means of financing them. All budgets are adopted on a modified accrual basis except for the following modifications:

- Encumbrances are treated as expenditures in the year in which the purchase commitment is made.
- 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 the principal and interest is shown as expenditures.
- For report presentation purposes, actual revenues and expenditures and other financing sources and uses have been adjusted to incorporate these modifications with 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.

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 fair value at the time of acquisition. The City has established a capitalization threshold of \$20,000 for infrastructure improvements, \$5,000 for land improvements, buildings, waterworks and sewerage systems, and parking decks. The capitalization threshold for equipment was changed to \$5,000 as of January 1, 2012.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

1. Summary Of Significant Accounting Policies

Depreciation Of Capital Assets

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

Infrastructure	40 Years
Land Improvements	8 To 15 Years
Buildings	50 Years
Waterworks And Sewerage Systems	40 Years
Parking Decks	50 Years
Equipment	10 To 15 Years

Assets of the Waterworks and Sewerage 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. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Encumbrances

Encumbrances are recorded when purchase orders are issued for goods or services. Actual expenditures are recognized when the goods or services are received. Encumbrances do not lapse at the close of the fiscal year.

Investments

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

Employee Compensated Absences

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

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

1. Summary Of Significant Accounting Policies

Customer Accounts And Unbilled Receivables

Estimated sales for 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 general fund consists of commercial real estate held for resale and residential real estate purchased for rehabilitation and subsequent sale under the Home Loan Program and Neighborhood Stabilization Grant. This inventory is recorded at cost.

Fund Balances

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

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

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

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

Assigned fund balance - Amounts that are constrained by the City's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the City Council, Mayor, or another body (such as a Finance Committee), or by an official to whom that authority has been given. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned are reported as assigned fund balance. With the exception of the General Fund, assigned fund balance is the residual fund balance classification for all governmental funds with positive balances.

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 overspending for specific purposes for which amounts had been restricted, committed or assigned.

Note 17 provides details of fund balances.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

1. Summary Of Significant Accounting Policies

Restricted Net Position – Proprietary Funds

Certain cash and investments along with related accrued interest receivable in the Waterworks and Sewerage Fund are restricted for debt service and capital improvements in accordance with the ordinances authorizing the issuance of the Series 2004, Series 2006, Series 2010, Series 2011 and Series 2012 revenue bonds. These assets are reflected as restricted assets and 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.

GASB Pronouncements

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and the related GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in 2012. Adoption of the provisions of these statements resulted in changes to the classifications of the components of the financial statements and changes in terminology.

The City adopted the provisions of GASB Statement No. 62 "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*" during the fiscal year ended December 31, 2012, thereby eliminating the need to disclose accounting pronouncement election provisions under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*.

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, and deferred inflows of resources and disclosure of contingent assets liabilities, 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, 2012

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 2012 represent the taxes from the 2011 and prior year levies. The budget anticipates that the 2012 property tax levy will be used to finance the 2013 expenditures. The 2012 levy has been recognized as a receivable as of December 31, 2012 but recognition as revenue has been deferred to 2013 because the revenue is not considered available to finance 2012 expenditures.

Net property taxes receivable reflect the estimated collectible portion of the 2012 levies as of December 31, 2012. Property taxes receivable for prior years are immaterial and are not recorded.

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

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

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

3. Cash And Investments

Primary Government

The City is authorized by the Illinois Compiled Statutes to invest in: obligations of the U.S. Treasury, its agencies and instrumentalities; savings accounts, certificates of deposit, or time deposits that are direct obligations of any bank that is insured by the Federal Deposit Insurance Corporation; commercial paper noted within the three highest classifications by at least two standard rating services; obligations of states and their political subdivisions; shares or other securities issued by savings and loan associations which are insured by the Federal Savings and Loan Insurance Corporation; insured accounts of a credit union whose principal office is located in the State of Illinois; Illinois Funds Money Market Fund; money market mutual funds where the portfolio is limited to U.S. Government Securities; and repurchase agreements where the City or its authorized third party agent takes possession of the securities. In addition, the fiduciary component units, the Police and Firefighters' Pension Trust Funds, can invest in 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 65 percent of total net position of each Fund.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

3. Cash And Investments

Deposits

In addition to checking accounts, the City maintains an investment pool comprised of certificates of deposit and an Illinois Funds Money Market Fund account that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Investments". The year-end carrying amounts and bank balances for the City and Pension Trust Funds (excluding cash on hand of \$3,947 are as follows:

	Carrying Amount			Total Bank Balance
	Checking Accounts	Certificates Of Deposit	Total	
All City Funds Except Pension Trust Funds	\$ 13,197,608	\$ 24,923,238	\$ 38,120,846	\$ 41,506,203
Police Pension Fund	15,125	240,403	255,528	255,528
Firefighters' Pension Fund	1,116	-	1,116	1,116
Total	\$ 13,213,849	\$ 25,163,641	\$ 38,377,490	\$ 41,762,847

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 percent of all deposits and investments. The Pension Funds' investment policies do not require collateralization of deposits or investments. 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.

Investments

The City maintains an investment in the Illinois Funds Money Market Fund. The balance at December 31, 2012 was \$71,757,981. 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 is 34 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.

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, 2012

3. 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 percent of total City investments. The Police Pension Fund had investments (other than U.S. Government and Agency securities and mutual funds) in Federal Home Loan Banks of \$8,497,650 (6.23%), Federal Home Loan Mortgage Corporation of \$13,485,224 (9.89%) and Federal National Mortgage Association of \$14,771,830 (10.83%) which represented 5 percent or more of total Police Pension Fund net position at December 31, 2012 of \$136,413,412. The Firefighter's Pension Fund had an investment (other than U.S. Government and Agency securities and mutual funds) in Federal National Mortgage Association of \$4,561,296 (5.15%) which represented 5 percent or more of total plan net position at December 31, 2012 of \$88,647,927.

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, 2012, the Pension Funds' fixed income investments, maturities (using the segmented time distribution method) and fair values were as follows:

Police Pension Fund

Investment Description	Total Fair Value 12/31/2012	Investment Maturities			
		Less Than One Year	One To Five Years	Five To Ten Years	Over Ten Years
US Treasury Notes	\$ 15,151,436	\$ 1,524,960	\$ 9,079,696	\$ 4,546,780	\$ -
GNMA	779,925	-	-	523	779,402
FFCB	2,166,628	651,352	521,110	994,166	-
FHLB	8,497,651	1,787,463	5,603,518	1,106,670	-
FHLMC	13,485,223	400,704	10,166,881	2,916,520	1,118
FNMA	14,771,830	1,801,837	10,432,584	1,752,658	784,751

Firefighters' Pension Fund

Investment Description	Total Fair Value 12/31/2012	Investment Maturities			
		Less Than One Year	One To Five Years	Five To Ten Years	Over Ten Years
U.S. Treasury Bonds	\$ 176,099	\$ -	\$ -	\$ 176,099	\$ -
U.S. Treasury Notes	10,630,469	2,551,961	4,223,398	3,637,486	217,624
GNMA	1,670,744	393,270	459,576	-	817,898
TVA	404,035	-	-	185,357	218,678
FFCB	282,842	-	178,375	104,467	-
FHLMC	3,370,409	-	2,223,329	980,529	166,551
FNMA	4,561,296	502,990	1,723,550	738,198	1,596,558
Corporate Bonds	14,334,573	-	14,334,573	-	-
State And Local Bonds	902,101	198,371	-	153,394	550,336

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2012

3. Cash And Investments

Credit Risk - The City's and Pension Funds' investment policies do not further limit their investment choices beyond those referred to in the Public Funds Investment Act and/or the Illinois Pension Code. As of December 31, 2012, the City's investment in the Illinois Funds was rated AAAm by Standard & Poor's rating agency. The Pension Trust Funds' investments, fair values, and credit ratings as described by Standard & Poor's rating agency were as follows:

Investment Description	Police Pension		Firefighters' Pension		Credit Rating
	Total Fair Value 12/31/2012	% of Total Investments	Total Fair Value 12/31/2012	% of Total Investments	
U.S. Government And Agency Securities					
US Treasury Bonds	\$ -	0.00%	\$ 176,099	0.20%	N/A
US Treasury Notes	15,151,436	11.15%	10,630,469	12.02%	N/A
Government National Mortgage Association	779,925	0.57%	1,670,744	1.89%	N/A
Tennessee Valley Authority	-	0.00%	404,035	0.46%	N/A
Subtotal	<u>15,931,361</u>	<u>11.72%</u>	<u>12,881,347</u>	<u>14.57%</u>	
U.S. Government Sponsored Agency Securities					
Federal Farm Credit Banks	2,166,628	1.60%	282,842	0.32%	AA+
Federal Home Loan Banks	8,497,650	6.25%	-	0.00%	AA+
Federal Home Loan Mortgage Corporation	13,485,224	9.93%	3,370,409	3.81%	AA+
Federal National Mortgage Association	14,771,830	10.87%	4,561,296	5.16%	AA+
Subtotal	<u>38,921,332</u>	<u>28.65%</u>	<u>8,214,547</u>	<u>9.29%</u>	
State And Local Government Securities	-	0.00%	902,101	1.02%	AAA/AA+
Money Market Mutual Funds					
First Midwest Bank	4,288,512	3.16%	11,966,147	13.53%	AAAm
Midland States Bank	269,816	0.20%	-	0.00%	AAAm
Subtotal	<u>4,558,328</u>	<u>3.36%</u>	<u>11,966,147</u>	<u>13.53%</u>	
Mutual Funds					
American Funds	76,007,967	55.94%	-	0.00%	N/A
First Midwest Bank	-	0.00%	10,567,334	11.95%	N/A
Midland States Bank	449,547	0.33%	-	0.00%	N/A
Subtotal	<u>76,457,514</u>	<u>56.27%</u>	<u>10,567,334</u>	<u>11.95%</u>	
Common Stock	-	0.00%	29,591,887	33.45%	N/A
Corporate Bonds	-	0.00%	14,334,573	16.19%	AAA/BBB+
Total Investments	<u>\$ 135,868,535</u>	<u>100.00%</u>	<u>\$ 88,457,936</u>	<u>100.00%</u>	

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

3. Cash And Investments

Foreign Currency Risk - the Firefighters' Pension Fund held \$176,316 of investments in common stocks of companies based in foreign countries. The Pension Fund's investments in foreign stocks were denominated in U.S. currency and therefore are not subject to foreign currency risk.

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

Reconciliation of notes to financial statements:

Cash And Investments (Note Above)

Cash - Carrying Amount Of Deposits	\$ 38,377,490
Cash On Hand	3,947
Investments - City Investment In Illinois Funds	71,757,981
Investments - Police Pension Fund	135,868,535
Investments - Firefighters' Pension Fund	88,457,936
Total	<u>\$ 334,465,889</u>

Cash And Investments (Basic Financial Statements)

Primary Government Cash - Statement Of Net Position	\$ 6,984,767
Primary Government Escrow Deposits - Statement Of Net Position	6,216,688
Primary Government Investments - Statement Of Net Position	96,681,219
Pension Trust Funds Cash - Statement Of Fiduciary Net Position	16,341
Pension Trust Funds Investments - Statement Of Fiduciary Net Position	224,566,874
Total	<u>\$ 334,465,889</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, 2012, the Library's cash consisted of demand deposits held at local financial institutions. The carrying amount of the Library's deposits was \$3,964,033 and the bank balance was \$3,969,665.

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.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

3. Cash And Investments

Will County Metropolitan Exposition And Auditorium Authority:

At June 30, 2012, the Authority's cash consisted of \$7,000 of petty cash on hand and demand deposits held at local financial institutions. The carrying amount of the Authority's deposits was \$423,848 and the bank balance was \$538,717 all of which were insured or fully collateralized. The Authority had investments in money market mutual funds of \$72,697, which were rated AAAM by Standard & Poors. The Authority also had investments in mutual funds held by First Midwest of \$791,443.

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, 2012, the Museum maintained cash of \$339,176 and investments of \$109,729. Deposit and investment risk disclosures were not available.

4. Budgetary Reporting

The budget is prepared on the same basis and uses the same accounting principles as are used to prepare the financial statements except for the effects of encumbrances. No supplemental appropriations were made during the year. The budget information is presented in this report in all cases where annual appropriations are required. Unexpended budgeted amounts lapse at the end of the budget year. Spending control for most funds is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line item levels. Expenditures exceeded budgeted expenditures in the Grants And Special Accounts Fund and the General Capital Fund by \$8,222,169 and \$2,535,576, respectively, during the year ended December 31, 2012.

The City did not prepare budgets for the following funds for the year ended December 31, 2012. These funds' revenue and expenditures were as follows:

	Revenues	Expenditures
<u>Special Revenue Fund</u>		
Tax Incremental Financing Fund #3	\$ 8,738	\$ -
<u>Capital Projects Funds</u>		
Neighborhood Improvement Fund	-	585,220
Property Improvement Fund	5,177,382	1,767,234

5. Interfund Balances And Transfers

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 all 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.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

5. Interfund Balances And Transfers

Interfund balances at December 31, 2012 were as follows:

Fund	Internal Balances	
	Receivable	Payable
General Fund:		
Nonmajor Governmental Funds	\$ 519,820	\$ -
Waterworks And Sewerage Fund	-	29,000,000
Total General Fund	519,820	29,000,000
Nonmajor Governmental Funds:		
General Fund	100	358,385
Total Nonmajor Governmental Funds	100	358,385
Waterworks And Sewerage Fund:		
General Fund	29,000,000	1,000
Total Waterworks And Sewerage Fund	29,000,000	1,000
Nonmajor Enterprise Fund:		
Waterworks And Sewerage Fund	-	160,535
Total Nonmajor Enterprise Fund	-	160,535
Grand Total	\$ 29,519,920	\$ 29,519,920

Due To Primary Government

The Museum's June 30, 2012 financial statements show a liability to the City for \$579,510. 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, 2012 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.

Interfund transfers during the year ended December 31, 2012 were as follows:

Fund	Interfund	
	Transfers In	Transfers Out
General Fund:		
Nonmajor Governmental Funds	\$ -	\$ 17,300,955
Total General Fund	-	17,300,955
Nonmajor Governmental Funds		
General Fund	17,300,955	-
Total Nonmajor Governmental Funds	17,300,955	-
Grand Total	\$ 17,300,955	\$ 17,300,955

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

5. Interfund Balances And Transfers

Routine Transfers

The above transfers were made to move monies between funds to finance operations and various programs in accordance with budgetary authorizations approved by the City Council. For example, the General Fund transferred \$18,673 to the Corporate Bond And Interest Fund (a nonmajor debt service fund) as part of the annual funding of debt service.

6. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

<u>Primary Government</u>	<u>Balance 12/31/2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2012</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 15,193,337	\$ 2,958,051	\$ -	\$ 18,151,388
Construction In Progress	1,335,666	8,178,588	35,987	9,478,267
Subtotal	<u>16,529,003</u>	<u>11,136,639</u>	<u>35,987</u>	<u>27,629,655</u>
<i>Depreciable Capital Assets:</i>				
Infrastructure	430,635,233	4,444,484	-	435,079,717
Land Improvements	2,992,236	810,150	-	3,802,386
Buildings	67,726,053	2,119,459	409,620	69,435,892
Equipment	44,226,213	5,023,534	3,601,013	45,648,734
Subtotal	<u>545,579,735</u>	<u>12,397,627</u>	<u>4,010,633</u>	<u>553,966,729</u>
Total At Historical Cost	<u>562,108,738</u>	<u>23,534,266</u>	<u>4,046,620</u>	<u>581,596,384</u>
<i>Less Accumulated Depreciation For:</i>				
Infrastructure	123,021,597	11,063,461	-	134,085,058
Land Improvements	1,304,041	280,219	-	1,584,260
Buildings	21,871,418	1,753,408	408,102	23,216,724
Equipment	36,380,257	2,218,111	3,544,080	35,054,288
Total Accumulated Depreciation	<u>182,577,313</u>	<u>15,315,199</u>	<u>3,952,182</u>	<u>193,940,330</u>
Governmental Activities Capital Assets, Net	<u>\$ 379,531,425</u>	<u>\$ 8,219,067</u>	<u>\$ 94,438</u>	<u>\$ 387,656,054</u>

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

General Government	\$ 1,428,755
Public Safety	1,947,229
Public Works	11,834,444
Culture And Recreation	35,416
Community Development	<u>69,355</u>
Total Depreciation Expense	<u>\$ 15,315,199</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

6. Capital Assets

<u>Primary Government</u>	<u>Balance 12/31/2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2012</u>
Business-Type Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 4,110,120	\$ -	\$ -	\$ 4,110,120
Construction In Progress	19,753,071	6,195,536	914,911	25,033,696
Subtotal	<u>23,863,191</u>	<u>6,195,536</u>	<u>914,911</u>	<u>29,143,816</u>
<i>Depreciable Capital Assets:</i>				
Waterworks And Sewerage System	366,015,834	3,492,567	-	369,508,401
Parking Decks And Lots	6,983,154	-	-	6,983,154
Equipment	12,146,027	5,201,722	440,921	16,906,828
Subtotal	<u>385,145,015</u>	<u>8,694,289</u>	<u>440,921</u>	<u>393,398,383</u>
Total At Historical Cost	<u>409,008,206</u>	<u>14,889,825</u>	<u>1,355,832</u>	<u>422,542,199</u>
<i>Less Accumulated Depreciation For:</i>				
Waterworks And Sewerage System	124,556,740	10,159,042	-	134,715,782
Parking Decks And Lots	4,204,902	166,821	-	4,371,723
Equipment	7,532,031	714,867	421,576	7,825,322
Total Accumulated Depreciation	<u>136,293,673</u>	<u>11,040,730</u>	<u>421,576</u>	<u>146,912,827</u>
Business-Type Capital Assets, Net	<u>\$ 272,714,533</u>	<u>\$ 3,849,095</u>	<u>\$ 934,256</u>	<u>\$ 275,629,372</u>
<u>Component Units</u>	<u>Balance 12/31/2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2012</u>
Joliet Public Library	\$ 26,869,293	\$ 428,455	\$ 605,001	\$ 26,692,747
Less Accumulated Depreciation	<u>11,647,749</u>	<u>1,058,681</u>	<u>605,001</u>	<u>12,101,429</u>
Joliet Public Library Capital Assets, Net	<u>\$ 15,221,544</u>	<u>(\$ 630,226)</u>	<u>\$ -</u>	<u>\$ 14,591,318</u>
<u>W.C.M.E.A.A.</u>	<u>Balance 6/30/2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2012</u>
W.C.M.E.A.A.	\$ 22,045,624	\$ -	\$ -	\$ 22,045,624
Construction In Progress	10,926	44,011	-	54,937
Less Accumulated Depreciation	<u>14,844,760</u>	<u>458,506</u>	<u>-</u>	<u>15,303,266</u>
W.C.M.E.A.A. Capital Assets, Net	<u>\$ 7,211,790</u>	<u>(\$ 414,495)</u>	<u>\$ -</u>	<u>\$ 6,797,295</u>
Joliet Area Historical Museum	\$ 625,596	\$ 1,650	\$ -	\$ 627,246
Less Accumulated Depreciation	<u>92,475</u>	<u>35,749</u>	<u>-</u>	<u>128,224</u>
Joliet Area Historical Museum Capital Assets, Net	<u>\$ 533,121</u>	<u>(\$ 34,099)</u>	<u>\$ -</u>	<u>\$ 499,022</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

7. 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 City plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the City's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City annual required contribution rate for calendar year 2012 was 17.12 percent. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2012 was \$5,564,648.

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/12	\$ 5,564,648	100%	\$ -
12/31/11	5,278,415	100%	-
12/31/10	4,932,693	100%	-

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3 percent annually. The actuarial value of the City's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The City's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 35.25 percent funded. The actuarial accrued liability for benefits was \$91,209,929 and the actuarial value of assets was \$32,151,058, resulting in an underfunded actuarial accrued liability (UAAL) of \$59,058,871. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$32,503,788 and the ratio of the UAAL to the covered payroll was 181.70 percent.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

7. Pension And Retirement Fund Commitments

The schedule of funding progress presented as RSI following the notes to basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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. The Joliet Police Pension Fund issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to the City of Joliet Administrative Office, 150 West Jefferson Street, Joliet, Illinois 60432-4156. The Joliet Firefighters' Pension Fund is administered by the Joliet Firefighters' Pension Board of Trustees. The Joliet Firefighters' Pension Fund issues a separate financial report which may be obtained by writing to the Joliet Firefighters' administrative office, 101 East Clinton Street, Joliet, Illinois 60432.

At January 1, 2012 (the date of the latest actuarial valuation) membership in each plan consisted of the following:

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Retirees And Beneficiaries Currently Receiving Benefits	161	129
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	7	1
Active Plan Members	<u>253</u>	<u>205</u>
	<u>421</u>	<u>335</u>

Summary Of Significant Accounting Polices 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.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

7. Pension And Retirement Fund Commitments

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.

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, 2012 are levied for the 2013 tax levy and will be collected during the fiscal year ending December 31, 2014.

The City's annual pension cost and net pension obligation for the police and firefighter's pension plans for the fiscal year ended December 31, 2012 were based on actuarial valuations performed. Details were as follows:

	Police Pension Plan	Firefighter's Pension Plan
Annual Required Contribution	\$ 12,605,549	\$ 11,097,584
Interest On Net Pension Obligation	561,173	411,630
Adjustment To Annual Required Contribution	(391,634)	(287,271)
Annual Pension Cost	12,775,088	11,221,943
Contributions Made	(11,689,752)	(10,450,183)
Increase (Decrease) In Net Pension Obligation	1,085,336	771,760
Net Pension Obligation At January 1, 2012	8,016,758	5,880,429
Net Pension Obligation At December 31, 2012	\$ 9,102,094	\$ 6,652,189

The net pension obligation of \$15,754,283 has been recorded as a liability of the primary government in the Statement of Net Position.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

7. Pension And Retirement Fund Commitments

	Police Pension Plan	Firefighter's Pension Plan
Contribution Rates		
City	47.490%	48.161%
Plan Members	9.910%	9.455%
Actuarial Valuation Date	1/1/2012	1/1/2012
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage Of Pay, Open	Level Percentage Of Pay, Open
Amortization Period	30 Years	30 Years
Asset Valuation Method	Market	Market
Actuarial Assumptions		
Investment Rate of Return	7.00%	7.00%
Projected Salary Increases	5.25%	5.25%
Cost Of Living Adjustments	4.00%	4.00%
Post-Retirement Benefit Increases	3.00%	3.00%
Inflation Rate	3.00%	3.00%

The following is a three year presentation of trend information of the Pension Funds' annual pension cost, percentage of annual pension cost contributed, and net pension obligation.

Three-Year Trend Information:

	Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
Police Pension Plan:	12/31/2012	\$ 12,775,088	91.5%	\$ 9,102,094
	12/31/2011	11,821,717	92.7%	8,016,758
	12/31/2010	10,436,471	97.6%	7,147,685
Firefighters' Pension Plan:	12/31/2012	\$ 11,221,943	93.1%	\$ 6,652,189
	12/31/2011	10,617,917	102.8%	5,880,429
	12/31/2010	10,291,862	92.1%	6,178,463

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2012

7. Pension And Retirement Fund Commitments

Funded Status And Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the Police Pension Plan was 46.68 percent funded. The actuarial accrued liability for benefits was \$277,730,117 and the actuarial value of assets was \$129,638,304, resulting in an underfunded actuarial accrued liability (UAAL) of \$148,091,813. The covered payroll (annual payroll of active employees covered by the plan) was \$25,893,398 and the ratio of the UAAL to the covered payroll was 571.93 percent.

As of January 1, 2012, the most recent actuarial valuation date, the Firefighters' Pension Plan was 39.00 percent funded. The actuarial accrued liability for benefits was \$205,192,787 and the actuarial value of assets was \$80,031,690, resulting in an underfunded actuarial accrued liability (UAAL) of \$125,161,097. The covered payroll (annual payroll of active employees covered by the plan) was \$21,949,202 and the ratio of the UAAL to the covered payroll was 570.23 percent.

The schedules of funding progress presented as RSI following the notes to basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

8. Postemployment Benefits Other Than Pensions

Plan Description

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

Funding Policy

Contribution requirements are also negotiated between the City and union representatives. All plan funding is done on a pay-as-you-go basis. Currently, the retired employees pay the blended 1988 premium rate for healthcare insurance and the City pays the difference between the current blended rate and the 1988 blended rate. Additionally, the City pays 100 percent of the premiums to provide group term life insurance of \$12,500 for qualifying retired police officers and \$10,000 for all other qualifying retired employees. For fiscal year 2012, the City contributed \$6,171,923 to the plan, total retiree contributions were \$403,971.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

8. Postemployment Benefits Other Than Pensions

Annual OPEB Cost And Net OPEB Obligation

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

Annual Required Contribution	\$ 18,138,526
Interest On Net OPEB Obligation	3,145,920
Adjustment To Annual Required Contribution	<u>(2,493,264)</u>
Annual OPEB Cost	18,791,182
Contributions Made	<u>(6,171,923)</u>
Increase In Net OPEB Obligation	12,619,259
Net OPEB Obligation - Beginning Of Year	69,909,335
Net OPEB Obligation - End Of Year	<u>\$ 82,528,594</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2012, 2011, and 2010 was as follows:

	Year Ended	Annual OPEB Cost (AOC)	Percentage Of AOC Contributed	Net OPEB Obligation
RHLIP Plan:	12/31/2012	\$ 18,791,182	32.8%	\$ 82,528,594
	12/31/2011	19,668,000	33.4%	69,909,335
	12/31/2010	18,592,855	36.1%	56,812,744

The total net OPEB obligation of \$82,528,594 has been recorded in the Statement of Net Position. Payments to liquidate the liability have typically been made by the General and Waterworks And Sewerage Funds.

Funded Status And Funding Progress

As of January 1, 2012, the actuarial accrued liability for benefits was \$229,010,000, all of which was unfunded. There has been no change in funding this program. The covered payroll (annual payroll of active employees covered by the plan) was \$70,369,756 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 325.44 percent.

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

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

8. Postemployment Benefits Other Than Pensions

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

Methods and Assumptions

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

Significant methods and assumptions were as follows:

Actuarial valuation date:	January 1, 2012.		
Actuarial cost method:	Entry Age Normal		
Amortization method:	Level Percentage Of Payroll, Open		
Remaining amortization period:	30 years		
Actuarial assumptions:			
Discount Rate	4.5%	Wage Inflation	4.0%
Price Inflation	4.0%	Healthcare Trend Rate	10.0% per year graded down to 5.0% per year

9. Commitments And Contingencies

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 has recorded \$654,000 for such claims during 2012. The City is currently a defendant in several other 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.

Evergreen Terrace Litigation

The City is currently in a lawsuit in regard to Evergreen Terrace a Housing And Urban Development (HUD) sponsored housing project. The City has brought an eminent domain suit and is calling for demolition of the project. HUD has counter sued the City claiming racial bias. HUD has frozen all HUD federal funding to the City until this suit is resolved. The outcome of these lawsuits are not presently determinable, therefore no liability has been recorded as of December 31, 2012. The City has recorded \$2,000,000 for legal costs related to this suit during 2012.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

9. Commitments And Contingencies

Fund Commitments

Purchase commitments as of December 31, 2012 amounted to \$7,821,285 and \$337,661 in the Waterworks And Sewerage Fund and the Parking Meter Fund, respectively. These commitments primarily relate to capital projects. Additional encumbrances at year end were \$733,274 in the General Fund, \$6,758,306 in the Motor Fuel Tax Fund, and \$5,672,694 in the nonmajor governmental funds.

10. 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, 2012 is as follows:

	Balance 12/31/2011	Additions	Reductions	Balance 12/31/2012	Amount Due Within One Year
Governmental Activities	\$ 16,773,453	\$ 2,141,854	\$ 774,934	\$ 18,140,373	\$ 838,085
Business-Type Activities:					
Waterworks And					
Sewerage Fund	994,220	80,014	44,143	1,030,091	45,736
Parking Meter Fund	129,695	-	44,609	85,086	4,144
Total Business-Type	<u>1,123,915</u>	<u>80,014</u>	<u>88,752</u>	<u>1,115,177</u>	<u>49,880</u>
Total Liability	<u>\$ 17,897,368</u>	<u>\$ 2,221,868</u>	<u>\$ 863,686</u>	<u>\$ 19,255,550</u>	<u>\$ 887,965</u>

11. Risk Management

The City is exposed to various risks of loss related to torts: theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City accounts for its risk financing activities in the General Fund. The General Fund pays all general liabilities, unemployment and workers' compensation, and auto and collision claims for which the City is held liable. The City's Consolidated Property & Casualty Insurance Program consists of primary package insurance coverage consists of excess specific coverage for General, Auto, Police / Law Enforcement, Public Official / Employment Practices Liability (EPL), and Employee Benefit Liability (EMT). The coverage limit on the primary package policy is \$10,000,000 per occurrence and aggregate with an additional \$10,000,000 umbrella extending over the initial \$10,000,000 package limit. The Self-Insured Retention (SIR) is \$1,000,000 for all package components. Worker's Compensation Excess Specific coverage is to statutory limits with \$1,000,000 of employer's liability. The SIR for this line is \$650,000. The City's property coverage is all risk, repair or replacement Full Limit Value (FLV) with a \$100,000 deductible.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

11. Risk Management

This coverage includes Extra Expense (\$6,500,000 per named location), EDP equipment (\$2,500,000 per named location), Valuable Papers (\$2,500,000 per named location), Blanket Auto Physical Damage (\$2,500,000 all locations, ACV), Property in Transit and Builder's Risk coverage at various limits as well as Earthquake (\$50,000,000 with a \$100,000 deductible) coverage for a Total Insured Value (TIV) of \$283,875,449.

The City's Boiler and Machinery coverage has a full-limit value per occurrence 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 program for workers' compensation, unemployment compensation, and medical claims. The City's group health insurance plans maintain specific stop loss coverage for claims in excess of \$200,000 and aggregate stop loss coverage for total plan losses in excess of 125 percent of projected claims. Dental coverage benefits are limited to \$1,000 per covered individual per year. The claims liability of \$5,998,563 for workers' compensation is reported as a liability in the Statement of Net Position; the amount is based on the estimated outcome of outstanding claims on a case-by-case basis. The amount estimated to be paid within one year is \$2,598,563. The claims are typically paid by the General Fund.

The liability for health claims of \$1,122,300 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.

Changes in the claims liability amounts in the fiscal years ended December 31, 2012 and 2011 were as follows:

	Workers' Compensation	Health Claims	Total
Claims Liability, December 31, 2010	\$ 5,027,222	\$ 761,700	\$ 5,788,922
Incurred Claims	2,676,708	18,252,051	20,928,759
Change In Estimates	1,307,531	(16,232)	1,291,299
Claim Payments	(2,676,708)	(17,660,419)	(20,337,127)
Claims Liability, December 31, 2011	6,334,753	1,337,100	7,671,853
Incurred Claims	2,552,362	19,250,219	21,802,581
Change In Estimates	(336,190)	37,733	(298,457)
Claim Payments	(2,552,362)	(19,502,752)	(22,055,114)
Claims Liability, December 31, 2012	<u>\$ 5,998,563</u>	<u>\$ 1,122,300</u>	<u>\$ 7,120,863</u>

12. Lease Purchase Agreement

The City has entered into a lease purchase agreement in the amount of \$4,778,677 for the purchase of radio equipment for police and fire operations. This lease purchase agreement has an effective interest rate of 3.172 percent and a balance outstanding on December 31, 2012 of \$4,578,242. The agreement requires two semi-annual payments of \$280,648 with a final payment on January 15, 2022.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements December 31, 2012

12. Lease Purchase Agreement

Annual debt service payments required to service outstanding lease purchase agreement at December 31, 2012 are as follows:

Lease Purchase Agreement Years Ending December 31,	Interest	Principal	Total
2013	\$ 140,792	\$ 420,503	\$ 561,295
2014	127,455	433,840	561,295
2015	113,695	447,600	561,295
2016	99,499	461,797	561,296
2017	84,852	476,444	561,296
2018-2021	<u>187,772</u>	<u>2,338,058</u>	<u>2,525,830</u>
	<u>\$ 754,065</u>	<u>\$ 4,578,242</u>	<u>\$ 5,332,307</u>

13. Long-Term Debt

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

	Balance December 31, 2011	Debt Issued	Debt Retired	Balance December 31, 2012	Amounts Due Within One Year
Primary Government					
Governmental Activities:					
General Obligation Bonds	\$ 9,255,000	\$ -	(\$ 755,000)	\$ 8,500,000	\$ 790,000
Premium on Bonds	109,039	-	(17,963)	91,076	-
Total G.O. Bonds	<u>9,364,039</u>	<u>-</u>	<u>(772,963)</u>	<u>8,591,076</u>	<u>790,000</u>
Lease Purchase Agreement	-	4,778,677	(200,435)	4,578,242	420,503
Total Governmental Activities	<u>9,364,039</u>	<u>4,778,677</u>	<u>(973,398)</u>	<u>13,169,318</u>	<u>1,210,503</u>
Business-Type Activities:					
Waterworks and Sewerage					
Revenue Bonds	46,365,000	13,160,000	(18,400,000)	41,125,000	5,345,000
Premium on Bonds	2,080,025	1,005,427	(990,135)	2,095,317	-
Discount on Bonds	(46,355)	-	27,303	(19,052)	-
Total Revenue Bonds	<u>48,398,670</u>	<u>14,165,427</u>	<u>(19,362,832)</u>	<u>43,201,265</u>	<u>5,345,000</u>
IEPA Loans Payable	<u>3,437,072</u>	<u>8,277,684</u>	<u>-</u>	<u>11,714,756</u>	<u>377,692</u>
Total Business-Type Activities	<u>51,835,742</u>	<u>22,443,111</u>	<u>(19,362,832)</u>	<u>54,916,021</u>	<u>5,722,692</u>
Total Primary Government	<u>\$ 61,199,781</u>	<u>\$ 27,221,788</u>	<u>(\$ 20,336,230)</u>	<u>\$ 68,085,339</u>	<u>\$ 6,933,195</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

13. Long-Term Debt

Annual debt service payments required to service outstanding bonds at December 31, 2012 are as follows:

Governmental Activities:

General Obligation Bonds:

Years Ending December 31,	Interest	Principal	Total
2013	\$ 369,856	\$ 790,000	\$ 1,159,856
2014	338,256	825,000	1,163,256
2015	305,256	860,000	1,165,256
2016	270,856	895,000	1,165,856
2017	232,819	935,000	1,167,819
2018-2021	<u>501,737</u>	<u>4,195,000</u>	<u>4,696,737</u>
	<u>\$ 2,018,780</u>	<u>\$ 8,500,000</u>	<u>\$ 10,518,780</u>

Business-Type Activities:

Revenue Bonds:

Years Ending December 31,	Interest	Principal	Total
2013	\$ 1,619,388	\$ 5,345,000	\$ 6,964,388
2014	1,377,000	5,920,000	7,297,000
2015	1,147,500	5,555,000	6,702,500
2016	914,400	5,070,000	5,984,400
2017	687,875	5,245,000	5,932,875
2018-2022	<u>1,064,975</u>	<u>13,990,000</u>	<u>15,054,975</u>
	<u>\$ 6,811,138</u>	<u>\$ 41,125,000</u>	<u>\$ 47,936,138</u>

General Obligation Bonds Payable

General obligation bonds outstanding at December 31, 2012 are summarized as follows:

	Series	Interest Rates	Dated	Principal
General Obligation Refunding Issue	2005	3.00-4.75%	5/1/2005	<u>\$ 8,500,000</u>

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

13. Long-Term Debt

2005 Series Bonds

The 2005 Series Bonds are General Obligation Refunding Bonds with an issue date of May 1, 2005 for \$12,855,000, issued to advance refund the majority of then outstanding 2002 Series Bonds. The 2005 Series Bonds are payable in varying amounts beginning December 15, 2005 until December 15, 2021. Interest is due semi-annually at rates ranging from 3.00 percent to 4.75 percent. Bonds due December 30, 2005-2014, inclusive, are non-callable. Bonds due December 30, 2015-2021, inclusive, are callable in whole or in part on any date on or after December 30, 2014, at a price of par and accrued interest. The 2005 bond issue has been paid from the Corporate Bond And Interest Fund through a transfer of Gaming Tax Revenue.

Revenue Bonds Payable

Revenue obligations outstanding at December 31, 2012 are summarized as follows:

	<u>Series</u>	<u>Interest Rates</u>	<u>Dated</u>	<u>Principal</u>
Revenue Bond	2004	5.00%	3/1/2004	\$ 4,050,000
Revenue Bond	2006	4.00%	12/1/2006	6,185,000
Revenue Bond	2010	2.00 - 5.00%	11/17/2010	8,610,000
Revenue Bond	2011	4.00%	12/20/2011	9,120,000
Revenue Bond	2012	2.00 - 5.00%	2/7/2012	13,160,000
				<u>\$ 41,125,000</u>

2003 Series Bonds

On December 1, 2003, the City issued \$10,000,000 Waterworks and Sewerage Revenue Bonds. The bond proceeds were used to finance the construction and improvement of water supply facilities, including the construction of hydrous manganese oxide radium removal facilities at ten locations throughout the existing water system. The interest rates on the bonds ranged from 3.80 percent to 4.00 percent. The City's remaining share of these bonds were retired in 2012.

2004 Series Bonds

The City issued \$25,000,000 of water revenue bonds dated March 1, 2004 to be used to finance the construction and improvement of water supply facilities. The bonds are payable in varying annual installments from January 1, 2009 through January 1, 2013. The bonds are callable in whole or in part on any date on or after January 1, 2013. The interest rate on the bonds is 5.00 percent.

2006 Series Bonds

The City issued \$6,290,000 of Waterworks and Sewerage Revenue Refunding Bonds dated December 1, 2006 to be used to advance refund \$5,920,000 of outstanding 2002A Series Bonds. The bonds are payable in varying annual installments from January 1, 2008 through January 1, 2022. Bonds due January 1, 2008-2015, inclusive, are non-callable. Bonds due January 1, 2016-2022, inclusive, are callable in whole or in part on any date on or after January 1, 2015, at a price of par and accrued interest. The interest rate on the bonds is 4.00 percent.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

13. Long-Term Debt

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 percent.

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 percent.

2012 Series Bonds

The City issued \$13,160,000 of Waterworks and Sewerage Revenue Refunding Bonds dated February 7, 2012 to be used to advance refund \$450,000 of outstanding Water and Sewerage Revenue Bond Series 2003 and \$12,900,000 of outstanding Water and Sewerage Revenue Bond Series 2004. The bonds are payable in varying annual installments from January 1, 2013 through January 1, 2017. The interest rates on the bonds range from 2.00 percent to 5.00 percent.

Current Year Advance Refunding

The City used bond proceeds of \$13,160,000 along with \$840,989 of bond premium from the issuance of the 2012 Series, Water and Sewerage Revenue Refunding Bonds to advance refund \$450,000 of outstanding Water and Sewerage Revenue Bond Series 2003 and \$12,900,000 of outstanding Water and Sewerage Revenue Bond Series 2004. The proceeds and premium, net of the issuance costs, were used to purchase U.S. Government securities (\$14,000,989). Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased portion of the above-mentioned bonds. As a result, that portion of the 2003 Series bonds and 2004 Series bonds are considered to be defeased and the liability for these bonds has been removed from the Proprietary Funds Statement of Net Position. The refunding of the bonds resulted in a decrease of total debt service for the City over the next six years of \$532,930 and an economic gain (the difference between the present value of the new and old debt) of \$164,438.

Current And Prior-Year Defeasance Of Debt

In the current and prior fiscal years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trusts account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2012, \$22,900,000 of bonds outstanding are considered defeased. The City has reported deferred amounts on refunding of debt related to the debt defeasances of \$149,106 and 1,606,359, in the governmental and business-type activities, respectively, as deferred outflows of resources in the Statement of Net Position.

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

14. Conduit Debt Obligations

On June 1, 1997, the City issued Economic Development Revenue Bond (Route 66 Project), Series 1997 in the amount of \$4,000,000 to Route 66 Raceway to provide for improvements to infrastructure around the facility. These bonds are special limited liability obligations of the City, payable solely and only from the revenues and receipts derived from the Construction Agreement and Tax Deferred Obligation. The bonds do not constitute a debt or pledge of the faith and credit of the City, and accordingly have not been reported in the accompanying financial statements. At December 31, 2012, the Economic Development Revenue Bond (Route 66 Project), Series 1997 outstanding balance was \$1,384,592; this represents the total conduit debt outstanding at December 31, 2012.

15. Inter-Entity Transactions

The City's expenses for the year ended December 31, 2012 include a total of \$296,378 paid to the Joliet Area Historical Museum and \$600,000 paid to Will County Metropolitan Exposition And Auditorium Authority (Component Units) as annual support payments. The City also paid \$292,091 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 \$623,146 from the Joliet Public Library during the year for reimbursement of Library employee pension costs.

16. Significant Waterworks And Sewage Fund Customers

Revenue from water and sewer service charges and annual usage in cubic feet from the ten largest users for the year ended December 31, 2012 are as follows:

	Annual Usage Cubic Feet	Revenues
Village of Shorewood	56,050,600	\$ 1,700,331
P Q Corporation	26,980,300	1,147,882
Ecolab, Inc.	16,643,700	947,082
Village of Rockdale	16,582,800	754,159
Village of Channahon	7,397,800	261,797
Will County Government	5,217,700	339,346
East Joliet Sanitary District	4,834,200	153,415
Joliet Junior College	4,700,100	161,693
Lockport Sanitary District	4,213,200	128,205
PLT LLC/Superior Health Linens	4,100,000	265,063
Total Ten Largest System Users	146,720,400	\$ 5,858,972
Total System Users	\$ 1,303,374,300	\$ 49,417,634
Ten Largest As A Percentage Of Total System Users	11.26%	11.86%

CITY OF JOLIET, ILLINOIS

Notes To Basic Financial Statements
December 31, 2012

17. Fund Balances

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	Motor Fuel Tax Fund		
Fund Balances:				
<i>Nonspendable For:</i>				
Inventory	\$ -	\$ -	\$ 912,101	\$ 912,101
<i>Restricted For:</i>				
Road Projects	-	11,037,667	6,348,382	17,386,049
Multi-Modal Transportation Center	-	-	1,447,005	1,447,005
Police Purposes	-	-	944,914	944,914
Tax Increment Financing Projects	-	-	474,155	474,155
Community Development Projects	-	-	11,086	11,086
Total Restricted	<u>-</u>	<u>11,037,667</u>	<u>9,225,542</u>	<u>20,263,209</u>
<i>Assigned To:</i>				
Encumbrances	733,274	-	-	733,274
Road Projects	-	-	58,840	58,840
Tax Increment Financing Projects	-	-	17,909	17,909
Capital Projects	-	-	7,554,599	7,554,599
Total Assigned	<u>733,274</u>	<u>-</u>	<u>7,631,348</u>	<u>8,364,622</u>
<i>Unassigned</i>	<u>39,994,486</u>	<u>-</u>	<u>-</u>	<u>39,994,486</u>
Total Fund Balances	<u>\$ 40,727,760</u>	<u>\$ 11,037,667</u>	<u>\$ 17,768,991</u>	<u>\$ 69,534,418</u>

Required Supplementary Information

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
December 31, 2012

Illinois Municipal Retirement Fund

Schedule Of Funding Progress

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
12/31/12	\$ 32,151,058	\$ 91,209,929	\$ 59,058,871	35.25%	\$ 32,503,788	181.70%
12/31/11	33,015,616	90,206,585	57,190,969	36.60%	32,363,057	176.72%
12/31/10	40,030,326	95,132,199	55,101,873	42.08%	33,194,433	166.00%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$35,126,011. On a market basis, the funded ratio would be 38.51%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the City of Joliet. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
December 31, 2012

Retiree Healthcare And Life Insurance Benefit Programs

Schedule Of Funding Progress

Retiree Healthcare And Life Insurance Benefit Programs

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
1/1/2012	\$ -	\$ 229,010,000	\$ 229,010,000	0.00%	\$ 70,369,756	325.44%
1/1/2011	-	219,723,000	219,723,000	0.00%	64,856,895	338.78%
1/1/2010	-	205,086,432	205,086,432	0.00%	71,889,093	285.28%

The City funds the benefits on a pay-as-you-go basis, therefore, there are no plan assets at year-end.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
December 31, 2012

Police And Firefighters' Pension Plans

Schedules Of Funding Progress

Police And Firefighters' Pension Plans

Actuarial Valuation Date	GASB Value Of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
POLICE PENSION PLAN:						
1/1/2012	\$ 129,638,304	\$ 277,730,117	\$ 148,091,813	46.68%	\$ 25,893,398	571.93%
1/1/2011	123,381,539	256,768,733	133,387,194	48.05%	24,847,562	536.82%
1/1/2010	116,137,856	226,844,622	110,706,766	51.20%	23,117,412	478.89%
1/1/2009	108,992,202	207,987,440	98,995,238	52.40%	24,731,587	400.28%
1/1/2008	103,850,735	195,400,478	91,549,743	53.15%	24,954,438	366.87%
1/1/2007	95,538,634	182,417,318	86,878,684	52.37%	23,422,967	370.91%
1/1/2006	88,006,571	152,294,592	64,288,021	57.79%	19,409,307	331.22%
1/1/2005	82,605,121	141,764,187	59,159,066	58.27%	18,832,734	314.13%
1/1/2004	77,971,655	125,824,687	47,853,032	61.97%	17,894,736	267.41%
1/1/2003	73,027,542	114,090,354	41,062,812	64.01%	16,455,079	249.54%
FIREFIGHTERS' PENSION PLAN:						
1/1/2012	\$ 80,031,690	\$ 205,192,787	\$ 125,161,097	39.00%	\$ 21,949,202	570.23%
1/1/2011	73,457,570	192,271,318	118,813,748	38.21%	20,431,852	581.51%
1/1/2010	68,158,236	176,212,143	108,053,907	38.68%	19,834,928	544.77%
1/1/2009	65,005,952	163,067,860	98,061,908	39.86%	17,828,326	550.03%
1/1/2008	64,196,270	151,255,803	87,059,533	42.44%	17,078,653	509.76%
1/1/2007	60,375,256	128,989,157	68,613,901	46.81%	16,024,475	428.18%
1/1/2006	56,913,080	112,702,142	55,789,062	50.50%	13,986,542	398.88%
1/1/2005	54,250,492	103,060,972	48,810,480	52.64%	13,582,893	359.35%
1/1/2004	52,632,503	87,093,270	29,438,190	60.43%	12,528,482	234.97%
1/1/2003	52,346,958	81,785,148	29,438,190	64.01%	11,889,353	247.60%

* The information is based on the actuarial value of plan assets per the Gabriel, Roeder, Smith & Company's most recently available actuarial valuation report. The asset value includes receivables for contributions not yet received but attributable to prior plan years.

** This amount is based on the Entry Age Normal Method. The Entry Age Normal is used to determine the required contribution.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
December 31, 2012

Police And Firefighters' Pension Plans

Schedules Of Employer Contributions

Year Ended December 31,	<u>Police Pension Plan</u>		<u>Firefighter's Pension Plan</u>	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2012	\$ 12,605,549	92.73%	\$ 11,097,584	94.17%
2011	11,670,558	93.85%	10,487,255	104.09%
2010	10,350,416	98.41%	10,224,930	92.69%
2009	9,749,187	97.19%	9,094,439	89.82%
2008	9,238,713	64.65%	8,198,450	66.29%
2007	7,363,057	71.86%	5,978,716	79.63%
2006	5,248,252	84.80%	4,828,886	79.58%
2005	4,699,264	82.77%	4,221,276	81.69%
2004	3,950,970	81.62%	3,417,986	85.11%
2003	3,416,752	91.76%	3,026,390	91.15%

As stated in the actuary's reports the required contributions are for the following tax levy year. Therefore, the required contributions for the year ended December 31, 2012 are levied for the 2013 tax levy and will be collected during the fiscal year ending December 31, 2014.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information General Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Local Taxes:				
Property Taxes	\$ 32,760,208	\$ 32,760,208	\$ 32,721,443	\$ -
Home Rule Sales Tax	19,450,000	19,450,000	21,355,956	-
Utility Tax	9,250,000	9,250,000	8,931,188	-
Real Estate Transfer Tax	800,000	800,000	1,301,261	-
Title And Registration Tax	110,000	110,000	127,404	-
Amusement Tax	120,000	120,000	99,416	-
Hotel Motel Tax	1,815,000	1,815,000	2,211,258	-
Food And Beverage Tax	2,487,000	2,487,000	2,634,524	-
Gasoline Privilege Tax	500,000	500,000	467,472	-
Payments In Lieu Of Taxes	70,000	70,000	111,940	-
State Shared Revenues:				
Income Taxes	10,500,000	10,500,000	10,464,316	-
Replacement Tax	2,500,000	2,500,000	2,221,681	-
Sales And Use Taxes	20,756,000	20,756,000	21,240,521	-
Gaming Tax	21,500,000	21,500,000	20,827,811	-
Para Mutual Tax	135,000	135,000	121,624	-
Automobile Rental Tax	32,000	32,000	27,485	-
Federal Grants	4,963,924	34,404	283,252	-
State Grants	31,130,559	130,000	216,683	-
Charges For Services	5,736,000	5,736,000	6,562,043	-
Licenses	441,040	441,040	480,132	-
Permits	730,300	730,300	1,118,724	-
Rentals	470,000	470,000	663,815	-
Franchise Fees	1,570,000	1,570,000	1,815,380	-
Municipal Waste Fees	12,353,000	12,353,000	12,236,425	-
Inspection Fees	140,000	140,000	167,755	-
Other Fees	649,900	649,900	769,558	-
Fines	1,031,691	930,000	968,786	-
Interest Earnings	95,000	75,000	62,806	-
Miscellaneous	4,799,756	2,398,210	2,645,611	-
Total Revenue	<u>186,896,378</u>	<u>148,443,062</u>	<u>152,856,270</u>	<u>-</u>

	<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$	-	\$ 32,721,443	(\$ 38,765)
	-	21,355,956	1,905,956
	-	8,931,188	(318,812)
	-	1,301,261	501,261
	-	127,404	17,404
	-	99,416	(20,584)
	-	2,211,258	396,258
	-	2,634,524	147,524
	-	467,472	(32,528)
	-	111,940	41,940
	-	10,464,316	(35,684)
	-	2,221,681	(278,319)
	-	21,240,521	484,521
	-	20,827,811	(672,189)
	-	121,624	(13,376)
	-	27,485	(4,515)
	-	283,252	248,848
	-	216,683	86,683
	-	6,562,043	826,043
	-	480,132	39,092
	-	1,118,724	388,424
	-	663,815	193,815
	-	1,815,380	245,380
	-	12,236,425	(116,575)
	-	167,755	27,755
	-	769,558	119,658
	-	968,786	38,786
	-	62,806	(12,194)
	-	2,645,611	247,401
	-	<u>152,856,270</u>	<u>4,413,208</u>
			<i>(Continued)</i>

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
General Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Expenditures				
Personnel Services	\$ 72,696,416	\$ 72,403,416	\$ 73,406,839	\$ -
Personnel Services - Benefits	51,168,452	51,168,452	48,332,291	-
Professional Services	14,658,367	14,032,881	15,904,171	(462,575)
Property Services	2,646,981	2,892,754	2,711,864	(35,446)
Other Services	1,232,630	1,219,303	1,097,061	(198)
Supplies	6,990,511	7,137,849	6,106,813	(645,212)
Property And Projects	52,322,431	3,124,549	4,149,948	(2,585,304)
Other	953,400	886,500	663,563	-
Debt Service - Principal	-	-	200,435	-
Debt Service - Interest	-	-	80,213	-
	<u>202,669,188</u>	<u>152,865,704</u>	<u>152,653,198</u>	<u>(3,728,735)</u>
Revenue Over (Under) Expenditures	(15,772,810)	(4,422,642)	203,072	3,728,735
Other Financing Sources (Uses)				
Sale Of Capital Assets	-	-	5,998	-
Transfers In	4,798,179	4,798,179	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>(17,300,955)</u>	<u>-</u>
Net Change in Fund Balance	<u>(\$ 10,974,631)</u>	<u>\$ 375,537</u>	<u>(17,091,885)</u>	<u>3,728,735</u>
Fund Balance, Beginning Of Year			<u>57,819,645</u>	<u>(3,728,735)</u>
Fund Balance, End Of Year			<u>\$ 40,727,760</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 73,406,839	(\$ 1,003,423)
-	48,332,291	2,836,161
193,269	15,634,865	(1,601,984)
72,546	2,748,964	143,790
126	1,096,989	122,314
282,894	5,744,495	1,393,354
161,498	1,726,142	1,398,407
22,941	686,504	199,996
-	200,435	(200,435)
-	80,213	(80,213)
<u>733,274</u>	<u>149,657,737</u>	<u>3,207,967</u>
(733,274)	3,198,533	7,621,175
-	5,998	5,998
-	-	(4,798,179)
<u>-</u>	<u>(17,300,955)</u>	<u>(17,300,955)</u>
(733,274)	(14,096,424)	(\$ 14,471,961)
<u>-</u>	<u>54,090,910</u>	
<u>(\$ 733,274)</u>	<u>\$ 39,994,486</u>	

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
Motor Fuel Tax Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
State Allotments	\$ 3,896,000	\$ 3,896,000	\$ 4,620,882	\$ -
Federal Grant	-	-	112,008	-
Interest Earnings	-	-	21,390	-
	<u>3,896,000</u>	<u>3,896,000</u>	<u>4,766,794</u>	<u>-</u>
Expenditures				
Capital Outlay	<u>4,593,480</u>	<u>12,626,266</u>	<u>3,213,434</u>	<u>(5,893,029)</u>
	<u>4,593,480</u>	<u>12,626,266</u>	<u>3,213,434</u>	<u>(5,893,029)</u>
Net Change In Fund Balance	<u>(\$ 697,480)</u>	<u>(\$ 8,730,266)</u>	1,553,360	5,893,029
Fund Balance, Beginning Of Year			<u>9,484,307</u>	<u>(5,893,029)</u>
Fund Balance, End Of Year			<u>\$ 11,037,667</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 4,620,882	\$ 724,882
-	112,008	112,008
<u>-</u>	<u>21,390</u>	<u>21,390</u>
-	4,766,794	870,794
<u>6,758,306</u>	<u>4,078,711</u>	<u>8,547,555</u>
<u>6,758,306</u>	<u>4,078,711</u>	<u>8,547,555</u>
(6,758,306)	688,083	<u>\$ 9,418,349</u>
<u>-</u>	<u>3,591,278</u>	
<u>(\$ 6,758,306)</u>	<u>\$ 4,279,361</u>	

CITY OF JOLIET, ILLINOIS

Notes To Required Supplementary Information December 31, 2012

Police And Firefighters' Pension Plans

The information presented in the required supplementary schedules for the Police and Firefighters' Pension Plans was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuations follows:

	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Actuarial Valuation Date	January 1, 2012	January 1, 2012
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percentage Of Pay, Open	Level Percentage Of Pay, Open
Amortization Period	30 Years	30 Years
Asset Valuation Method	Market	Market
Actuarial Assumptions:		
Investment Rate Of Return	7.00 percent	7.00 percent
Projected Salary Increases	5.25 percent	5.25 percent
Inflation Rate	3.00 percent	3.00 percent

Budgetary Basis Of Accounting

The City prepared the budget for the general fund and the major special revenue fund on the modified accrual basis of accounting except that encumbrances that do not lapse at the end of the year are included. Adjustments for these encumbrances are presented in the budgetary comparison schedules in order to reconcile the budgetary basis of accounting to the GAAP basis of accounting.

Other Supplementary Information

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Mayor And Council Department				
Mayor's Office				
Personnel Services	\$ 89,850	\$ 89,850	\$ 97,114	\$ -
Professional Services	325	325	617	-
Property Services	300	300	146	-
Other Services	2,100	2,517	3,541	-
Supplies	2,500	2,083	1,713	-
Property And Projects	-	83,307	30,336	(45,896)
Other	400	400	259	-
Total	<u>95,475</u>	<u>178,782</u>	<u>133,726</u>	<u>(45,896)</u>
Liquor Commission				
Personnel Services	51,263	51,263	41,320	-
Professional Services	650	650	325	-
Property Services	200	200	1,394	-
Other Services	1,050	1,050	900	-
Supplies	200	200	891	-
Total	<u>53,363</u>	<u>53,363</u>	<u>44,830</u>	<u>-</u>
City Clerk's Office				
Personnel Services	211,979	211,979	318,288	-
Professional Services	600	600	3,242	-
Property Services	1,000	1,000	799	-
Other Services	5,650	5,650	5,227	-
Supplies	15,300	15,300	5,521	-
Total	<u>234,529</u>	<u>234,529</u>	<u>333,077</u>	<u>-</u>
City Council				
Personnel Services	153,578	153,578	153,998	-
Professional Services	1,000	1,000	-	-
Property Services	500	500	4	-
Other Services	1,800	1,800	2,717	-
Total	<u>156,878</u>	<u>156,878</u>	<u>156,719</u>	<u>-</u>
Total Mayor And Council Department	<u>540,245</u>	<u>623,552</u>	<u>668,352</u>	<u>(45,896)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 97,114	(\$ 7,264)
-	617	(292)
-	146	154
-	3,541	(1,024)
-	1,713	370
15,560	-	83,307
-	259	141
<u>15,560</u>	<u>103,390</u>	<u>75,392</u>
-	41,320	9,943
-	325	325
-	1,394	(1,194)
-	900	150
-	891	(691)
<u>-</u>	<u>44,830</u>	<u>8,533</u>
-	318,288	(106,309)
-	3,242	(2,642)
-	799	201
-	5,227	423
428	5,949	9,351
<u>428</u>	<u>333,505</u>	<u>(98,976)</u>
-	153,998	(420)
-	-	1,000
-	4	496
-	2,717	(917)
<u>-</u>	<u>156,719</u>	<u>159</u>
<u>15,988</u>	<u>638,444</u>	<u>(14,892)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Department Of The City Manager				
City Manager's Office				
Personnel Services	\$ 257,598	\$ 257,598	\$ 258,825	\$ -
Professional Services	2,800	2,260	2,874	-
Property Services	300	300	82	-
Other Services	770	770	274	-
Supplies	450	450	730	-
Total	<u>261,918</u>	<u>261,378</u>	<u>262,785</u>	<u>-</u>
Bi-Centennial Park Division				
Personnel Services	139,055	139,055	161,865	-
Professional Services	600	600	-	-
Property Services	4,100	4,640	9,608	-
Other Services	3,600	3,600	4,405	-
Supplies	49,850	56,210	41,518	-
Total	<u>197,205</u>	<u>204,105</u>	<u>217,396</u>	<u>-</u>
Marketing & Communications Division				
Personnel Services	194,503	194,503	193,240	-
Professional Services	95,650	96,190	93,524	(49,498)
Property Services	10,000	10,000	12,712	-
Other Services	81,500	81,500	81,188	-
Supplies	9,900	9,900	10,776	(525)
Property And Projects	48,500	48,500	42,585	-
Total	<u>440,053</u>	<u>440,593</u>	<u>434,025</u>	<u>(50,023)</u>
Total Department Of The City Manager	<u>899,176</u>	<u>906,076</u>	<u>914,206</u>	<u>(50,023)</u>
Department Of Management And Budget				
Management And Budget Administration				
Personnel Services	311,935	311,935	312,780	-
Professional Services	1,700	1,700	5,563	-
Property Services	500	500	106	-
Other Services	310	310	312	-
Supplies	1,400	1,400	662	-
Total	<u>315,845</u>	<u>315,845</u>	<u>319,423</u>	<u>-</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 258,825	(\$ 1,227)
-	2,874	(614)
-	82	218
-	274	496
-	730	(280)
<u>-</u>	<u>262,785</u>	<u>(1,407)</u>
-	161,865	(22,810)
-	-	600
-	9,608	(4,968)
-	4,405	(805)
-	41,518	14,692
<u>-</u>	<u>217,396</u>	<u>(13,291)</u>
-	193,240	1,263
4,800	48,826	47,364
-	12,712	(2,712)
-	81,188	312
-	10,251	(351)
-	42,585	5,915
<u>4,800</u>	<u>388,802</u>	<u>51,791</u>
<u>4,800</u>	<u>868,983</u>	<u>37,093</u>
-	312,780	(845)
-	5,563	(3,863)
-	106	394
-	312	(2)
-	662	738
<u>-</u>	<u>319,423</u>	<u>(3,578)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Department Of Management And Budget				
Accounting Division				
Personnel Services	\$ 346,221	\$ 346,221	\$ 352,366	\$ -
Professional Services	98,270	97,670	100,386	-
Property Services	2,600	2,600	3,741	-
Other Services	4,600	3,400	2,245	-
Supplies	300	2,100	1,963	-
Total	<u>451,991</u>	<u>451,991</u>	<u>460,701</u>	<u>-</u>
City Collector's Office				
Personnel Services	493,470	492,470	436,810	-
Professional Services	-	1,000	782	-
Property Services	2,000	2,000	2,172	-
Other Services	2,550	2,550	2,213	-
Supplies	4,500	4,500	3,298	-
Total	<u>502,520</u>	<u>502,520</u>	<u>445,275</u>	<u>-</u>
Purchasing Division				
Personnel Services	381,843	381,843	302,032	-
Professional Services	2,085	2,085	1,941	-
Property Services	46,500	46,500	36,474	(83)
Other Services	3,130	3,130	1,748	-
Supplies	18,000	18,000	15,374	-
Total	<u>451,558</u>	<u>451,558</u>	<u>357,569</u>	<u>(83)</u>
Information Technology Division				
Personnel Services	443,171	443,171	422,316	-
Professional Services	666,450	416,450	423,458	(24,974)
Property Services	330,100	580,100	572,877	(84)
Other Services	16,560	16,560	6,624	-
Supplies	3,850	3,850	6,717	(150)
Total	<u>1,460,131</u>	<u>1,460,131</u>	<u>1,431,992</u>	<u>(25,208)</u>

Plus Ending Encumbrances	Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
\$ -	\$ 352,366	(\$ 6,145)
-	100,386	(2,716)
-	3,741	(1,141)
-	2,245	1,155
-	1,963	137
-	460,701	(8,710)
-	436,810	55,660
-	782	218
-	2,172	(172)
-	2,213	337
266	3,564	936
266	445,541	56,979
-	302,032	79,811
-	1,941	144
-	36,391	10,109
-	1,748	1,382
-	15,374	2,626
-	357,486	94,072
-	422,316	20,855
32,043	430,527	(14,077)
31,413	604,206	(24,106)
-	6,624	9,936
-	6,567	(2,717)
63,456	1,470,240	(10,109)

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis) For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Department Of Management And Budget				
Motor Maintenance Administration				
Personnel Services	\$ 254,676	\$ 254,676	\$ 174,571	\$ -
Professional Services	1,050	1,050	550	-
Other Services	6,800	6,800	6,279	-
Supplies	13,200	13,200	5,607	-
Total	<u>275,726</u>	<u>275,726</u>	<u>187,007</u>	<u>-</u>
Motor Maintenance Division				
Personnel Services	1,796,897	1,796,897	1,431,851	-
Professional Services	6,800	6,800	5,262	-
Property Services	1,225,950	1,225,950	1,189,641	(7,679)
Other Services	500	500	429	-
Supplies	2,061,650	2,061,650	1,854,095	(3,130)
Total	<u>5,091,797</u>	<u>5,091,797</u>	<u>4,481,278</u>	<u>(10,809)</u>
Human Resources Division				
Personnel Services	296,288	296,288	266,241	-
Professional Services	130,504	130,504	128,678	(39,397)
Property Services	2,500	2,500	1,670	-
Other Services	7,300	7,300	9,995	-
Supplies	2,000	2,000	753	-
Total	<u>438,592</u>	<u>438,592</u>	<u>407,337</u>	<u>(39,397)</u>
Board Of Fire And Police				
Personnel Services	55,800	55,800	19,989	-
Professional Services	160,475	160,475	58,366	(99,417)
Property Services	1,000	1,000	38	-
Other Services	12,300	12,300	472	-
Supplies	300	300	24	-
Total	<u>229,875</u>	<u>229,875</u>	<u>78,889</u>	<u>(99,417)</u>
Buildings And Grounds Division				
Personnel Services	586,601	586,601	672,803	-
Professional Services	49,050	49,050	37,515	-
Property Services	155,000	155,000	187,679	(1,775)
Other Services	750	750	753	-
Supplies	52,350	52,350	53,277	-
Total	<u>843,751</u>	<u>843,751</u>	<u>952,027</u>	<u>(1,775)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 174,571	\$ 80,105
-	550	500
-	6,279	521
50	5,657	7,543
<u>50</u>	<u>187,057</u>	<u>88,669</u>
-	1,431,851	365,046
-	5,262	1,538
1,633	1,183,595	42,355
-	429	71
959	1,851,924	209,726
<u>2,592</u>	<u>4,473,061</u>	<u>618,736</u>
-	266,241	30,047
-	89,281	41,223
-	1,670	830
-	9,995	(2,695)
-	753	1,247
<u>-</u>	<u>367,940</u>	<u>70,652</u>
-	19,989	35,811
52,673	11,622	148,853
-	38	962
-	472	11,828
-	24	276
<u>52,673</u>	<u>32,145</u>	<u>197,730</u>
-	672,803	(86,202)
-	37,515	11,535
690	186,594	(31,594)
-	753	(3)
2,818	56,095	(3,745)
<u>3,508</u>	<u>953,760</u>	<u>(110,009)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Department Of Management And Budget				
Total Department Of Management And Budget	\$ 10,061,786	\$ 10,061,786	\$ 9,121,498	(\$ 176,689)
Department Of Public Works				
Public Works Administration				
Personnel Services	253,201	253,201	253,892	-
Professional Services	780	780	276	-
Other Services	1,300	1,300	784	-
Supplies	400	400	-	-
Total	<u>255,681</u>	<u>255,681</u>	<u>254,952</u>	<u>-</u>
Engineering & Construction Division				
Personnel Services	1,351,368	1,351,368	1,242,747	-
Professional Services	117,500	115,462	95,276	(1,871)
Property Services	13,300	13,300	12,491	-
Other Services	11,900	11,900	9,113	-
Supplies	11,500	72,133	49,313	-
Property And Projects	1,244,074	71,783	250,210	(245,777)
Total	<u>2,749,642</u>	<u>1,635,946</u>	<u>1,659,150</u>	<u>(247,648)</u>
Electrical Division				
Personnel Services	278,455	278,455	308,260	-
Professional Services	29,300	23,234	21,417	-
Property Services	5,400	6,233	17,120	(75)
Other Services	2,750	2,750	4,000	-
Supplies	80,500	85,100	142,243	(112,067)
Total	<u>396,405</u>	<u>395,772</u>	<u>493,040</u>	<u>(112,142)</u>
Roadways Division				
Personnel Services	4,014,066	4,014,066	3,785,887	-
Professional Services	323,750	323,750	270,792	(169,373)
Property Services	42,500	35,000	30,685	(105)
Other Services	6,500	6,500	8,564	-
Supplies	1,185,400	1,192,900	654,253	(498,777)
Total	<u>5,572,216</u>	<u>5,572,216</u>	<u>4,750,181</u>	<u>(668,255)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ 122,545	\$ 9,067,354	\$ 994,432
-	253,892	(691)
-	276	504
-	784	516
-	-	400
<u>-</u>	<u>254,952</u>	<u>729</u>
-	1,242,747	108,621
9,919	103,324	12,138
-	12,491	809
-	9,113	2,787
6,170	55,483	16,650
6,877	11,310	60,473
<u>22,966</u>	<u>1,434,468</u>	<u>201,478</u>
-	308,260	(29,805)
-	21,417	1,817
75	17,120	(10,887)
-	4,000	(1,250)
179,837	210,013	(124,913)
<u>179,912</u>	<u>560,810</u>	<u>(165,038)</u>
-	3,785,887	228,179
18,585	120,004	203,746
104	30,684	4,316
-	8,564	(2,064)
85,000	240,476	952,424
<u>103,689</u>	<u>4,185,615</u>	<u>1,386,601</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Department Of Public Works				
Street Lighting				
Supplies	\$ 3,100,000	\$ 3,100,000	\$ 2,776,908	\$ -
Total	<u>3,100,000</u>	<u>3,100,000</u>	<u>2,776,908</u>	<u>-</u>
Engineering - Design & Construction				
Property Services	-	-	89	-
Other Services	-	-	2,269	-
Supplies	-	-	307	-
Total	<u>-</u>	<u>-</u>	<u>2,665</u>	<u>-</u>
Total Department Of Public Works	<u>12,073,944</u>	<u>10,959,615</u>	<u>9,936,896</u>	<u>(1,028,045)</u>
Police Department				
Police Operations				
Personnel Services	31,634,023	31,634,023	32,505,846	-
Personnel Benefits	45,000	45,000	26,288	-
Professional Services	343,220	302,320	309,928	(26,335)
Property Services	561,631	563,031	428,884	(22,495)
Other Services	182,800	175,300	142,171	(198)
Supplies	128,361	175,361	178,669	(18,111)
Property And Projects	-	-	-	-
Other	3,000	3,000	3,088	-
Total	<u>32,898,035</u>	<u>32,898,035</u>	<u>33,594,874</u>	<u>(67,139)</u>
School Crossing Guard Operations				
Personnel Services	250,000	250,000	823,125	-
Total	<u>250,000</u>	<u>250,000</u>	<u>823,125</u>	<u>-</u>
Police Special Assignments				
Personnel Services	1,300,000	1,300,000	1,275,326	-
Total	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,275,326</u>	<u>-</u>
Police Grants And Other				
Personnel Services	292,000	-	-	-
Professional Services	311,364	-	-	-
Other Services	200	-	-	-
Property And Projects	1,415,200	-	-	-
Total	<u>2,018,764</u>	<u>-</u>	<u>-</u>	<u>-</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 2,776,908	\$ 323,092
<u>-</u>	<u>2,776,908</u>	<u>323,092</u>
-	89	(89)
-	2,269	(2,269)
<u>-</u>	<u>307</u>	<u>(307)</u>
<u>-</u>	<u>2,665</u>	<u>(2,665)</u>
<u>306,567</u>	<u>9,215,418</u>	<u>1,744,197</u>
-	32,505,846	(871,823)
-	26,288	18,712
-	283,593	18,727
31,732	438,121	124,910
-	141,973	33,327
7,223	167,781	7,580
3,694	3,694	(3,694)
<u>-</u>	<u>3,088</u>	<u>(88)</u>
<u>42,649</u>	<u>33,570,384</u>	<u>(672,349)</u>
<u>-</u>	<u>823,125</u>	<u>(573,125)</u>
<u>-</u>	<u>823,125</u>	<u>(573,125)</u>
<u>-</u>	<u>1,275,326</u>	<u>24,674</u>
<u>-</u>	<u>1,275,326</u>	<u>24,674</u>
-	-	-
-	-	-
<u>202</u>	<u>202</u>	<u>(202)</u>
<u>202</u>	<u>202</u>	<u>(202)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Police Department				
Total Police Department	\$ 36,466,799	\$ 34,448,035	\$ 35,693,325	(\$ 67,139)
Fire Department				
Fire Operations				
Personnel Services	22,968,913	22,968,913	23,840,363	-
Personnel Benefits	-	-	18,144	-
Professional Services	309,000	296,500	248,289	-
Property Services	189,000	188,500	159,549	(3,151)
Other Services	53,800	49,200	61,119	-
Supplies	194,200	219,800	253,225	(10,733)
Property And Projects	111,000	-	-	-
Total	<u>23,825,913</u>	<u>23,722,913</u>	<u>24,580,689</u>	<u>(13,884)</u>
Emergency Management Division				
Personnel Services	39,200	39,200	24,461	-
Professional Services	1,750	552	552	-
Property Services	16,000	16,880	15,018	-
Other Services	5,300	5,056	5,670	-
Supplies	1,600	2,162	1,633	-
Total	<u>63,850</u>	<u>63,850</u>	<u>47,334</u>	<u>-</u>
HAZMAT Operations				
Personnel Services	111,000	111,000	80,736	-
Professional Services	40,000	40,000	39,446	(43,517)
Supplies	12,000	4,000	2,191	-
Total	<u>163,000</u>	<u>155,000</u>	<u>122,373</u>	<u>(43,517)</u>
Arson Task Force				
Professional Services	1,500	1,500	625	-
Supplies	1,000	1,000	226	-
Total	<u>2,500</u>	<u>2,500</u>	<u>851</u>	<u>-</u>
Paramedic Division				
Personnel Services	-	-	369	-
Professional Services	51,000	51,000	40,004	(1,116)
Property Services	22,500	22,500	18,500	-
Total	<u>73,500</u>	<u>73,500</u>	<u>58,873</u>	<u>(1,116)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ 42,851	\$ 35,669,037	(\$ 1,221,002)

-	23,840,363	(871,450)
-	18,144	(18,144)
-	248,289	48,211
6,899	163,297	25,203
-	61,119	(11,919)
143	242,635	(22,835)
-	-	-
<u>7,042</u>	<u>24,573,847</u>	<u>(850,934)</u>

-	24,461	14,739
-	552	-
-	15,018	1,862
-	5,670	(614)
-	1,633	529
<u>-</u>	<u>47,334</u>	<u>16,516</u>

-	80,736	30,264
57,406	53,335	(13,335)
-	2,191	1,809
<u>57,406</u>	<u>136,262</u>	<u>18,738</u>

-	625	875
-	226	774
<u>-</u>	<u>851</u>	<u>1,649</u>

-	369	(369)
-	38,888	12,112
-	18,500	4,000
<u>-</u>	<u>57,757</u>	<u>15,743</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Fire Department				
Route 66 Raceway Division				
Personnel Services	\$ 120,000	\$ 120,000	\$ 99,038	\$ -
Total	<u>120,000</u>	<u>120,000</u>	<u>99,038</u>	<u>-</u>
Miscellaneous				
Personnel Services	-	-	329,344	-
Property And Projects	1,028,369	-	-	-
Total	<u>1,028,369</u>	<u>-</u>	<u>329,344</u>	<u>-</u>
Total Fire Department	<u>25,277,132</u>	<u>24,137,763</u>	<u>25,238,502</u>	<u>(58,517)</u>
Department Of Community And Economic Development				
Community And Economic Development Administration				
Personnel Services	202,694	202,694	203,247	-
Professional Services	19,450	19,450	18,858	-
Property Services	2,500	2,500	1,222	-
Other Services	600	600	291	-
Supplies	500	500	-	-
Total	<u>225,744</u>	<u>225,744</u>	<u>223,618</u>	<u>-</u>
Planning Division				
Personnel Services	258,598	258,598	350,476	-
Professional Services	27,600	26,200	13,444	-
Property Services	1,400	1,400	853	-
Other Services	26,810	26,810	8,098	-
Supplies	1,400	2,800	2,336	-
Total	<u>315,808</u>	<u>315,808</u>	<u>375,207</u>	<u>-</u>
Neighborhood Services Division				
Personnel Services	1,139,427	1,139,427	1,133,682	-
Professional Services	190,000	189,580	166,941	(2,276)
Property Services	7,000	7,120	5,162	-
Other Services	1,700	1,700	1,518	-
Supplies	1,200	1,500	2,293	-
Property And Projects	1,662,901	-	-	-
Total	<u>3,002,228</u>	<u>1,339,327</u>	<u>1,309,596</u>	<u>(2,276)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 99,038	\$ 20,962
-	99,038	20,962
-	329,344	(329,344)
-	-	-
-	329,344	(329,344)
64,448	25,244,433	(1,106,670)
-	203,247	(553)
-	18,858	592
-	1,222	1,278
-	291	309
-	-	500
-	223,618	2,126
-	350,476	(91,878)
7,035	20,479	5,721
-	853	547
-	8,098	18,712
-	2,336	464
7,035	382,242	(66,434)
-	1,133,682	5,745
10,655	175,320	14,260
-	5,162	1,958
-	1,518	182
-	2,293	(793)
-	-	-
10,655	1,317,975	21,352

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Department Of Community And Economic Development				
Inspectional Services Division				
Personnel Services	\$ 708,201	\$ 708,201	\$ 708,148	\$ -
Professional Services	4,000	4,000	8,404	(4,800)
Property Services	700	700	757	-
Other Services	4,200	4,200	4,266	-
Supplies	1,700	1,700	2,602	(1,719)
Total	<u>718,801</u>	<u>718,801</u>	<u>724,177</u>	<u>(6,519)</u>
Neighborhood Stabilization				
Property And Projects	<u>468,126</u>	-	-	-
Total	<u>468,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Department Of Community And Economic Development	<u>4,730,707</u>	<u>2,599,680</u>	<u>2,632,598</u>	<u>(8,795)</u>
Legal Department				
Office Of The Corporate Counsel				
Personnel Services	579,522	579,522	581,096	-
Professional Services	466,300	466,300	2,624,870	-
Property Services	2,500	2,500	2,372	-
Other Services	1,400	1,400	2,469	-
Supplies	35,000	35,000	35,894	-
Total	<u>1,084,722</u>	<u>1,084,722</u>	<u>3,246,701</u>	<u>-</u>
Total Legal Department	<u>1,084,722</u>	<u>1,084,722</u>	<u>3,246,701</u>	<u>-</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 708,148	\$ 53
-	3,604	396
-	757	(57)
-	4,266	(66)
-	883	817
<u>-</u>	<u>717,658</u>	<u>1,143</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>17,690</u>	<u>2,641,493</u>	<u>(41,813)</u>
-	581,096	(1,574)
-	2,624,870	(2,158,570)
-	2,372	128
-	2,469	(1,069)
-	35,894	(894)
<u>-</u>	<u>3,246,701</u>	<u>(2,161,979)</u>
<u>-</u>	<u>3,246,701</u>	<u>(2,161,979)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule Of Expenditures - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Miscellaneous				
Special Accounts				
Personnel Services	\$ 1,131,020	\$ 1,131,020	\$ 244,387	\$ -
Personnel Services - Benefits	22,857,000	22,857,000	20,133,252	-
Professional Services	223,844	223,844	203,447	-
Other Services	782,100	782,100	717,407	-
Supplies	-	-	1,801	-
Property And Projects	46,324,151	2,920,959	3,626,817	(2,293,631)
Other	950,000	883,100	660,216	-
Debt Service - Principal	-	-	200,435	-
Debt Service - Interest	-	-	80,213	-
Total	<u>72,268,115</u>	<u>28,798,023</u>	<u>25,867,975</u>	<u>(2,293,631)</u>
Pensions And Related				
Personnel Services - Benefits	28,266,452	28,266,452	28,154,607	-
Total	<u>28,266,452</u>	<u>28,266,452</u>	<u>28,154,607</u>	<u>-</u>
Refuse Disposal				
Professional Services	10,980,000	10,980,000	10,978,519	-
Property Services	-	-	19	-
Total	<u>10,980,000</u>	<u>10,980,000</u>	<u>10,978,538</u>	<u>-</u>
Non-Budget Expenditures				
Property And Projects	20,110	-	200,000	-
Total	<u>20,110</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Total Miscellaneous	<u>111,534,677</u>	<u>68,044,475</u>	<u>65,201,120</u>	<u>(2,293,631)</u>
Total General Fund	<u>\$ 202,669,188</u>	<u>\$ 152,865,704</u>	<u>\$ 152,653,198</u>	<u>(\$ 3,728,735)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 244,387	\$ 886,633
-	20,133,252	2,723,748
153	203,600	20,244
-	717,407	64,693
126	1,927	(1,927)
55,365	1,388,551	1,532,408
22,941	683,157	199,943
-	200,435	(200,435)
-	80,213	(80,213)
<u>78,585</u>	<u>23,652,929</u>	<u>5,145,094</u>
-	28,154,607	111,845
<u>-</u>	<u>28,154,607</u>	<u>111,845</u>
-	10,978,519	1,481
-	19	(19)
<u>-</u>	<u>10,978,538</u>	<u>1,462</u>
<u>79,800</u>	<u>279,800</u>	<u>(279,800)</u>
<u>79,800</u>	<u>279,800</u>	<u>(279,800)</u>
<u>158,385</u>	<u>63,065,874</u>	<u>4,978,601</u>
<u>\$ 733,274</u>	<u>\$ 149,657,737</u>	<u>\$ 3,207,967</u>

This Page Intentionally Left Blank

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.

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

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

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.

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

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.

Corporate Bond And Interest 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.

Neighborhood Improvement Fund - Accounts for expenditures of funds transferred in from the General Fund, and the Waterworks And Sewerage Fund for various neighborhood street improvements.

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

Property Improvement 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, 2012

	Special Revenue Funds				
	Community Development Block Grant Fund	Special Service Area Fund	Tax Incremental Financing Fund #2	Tax Incremental Financing Fund #3	Grants And Special Accounts Fund
ASSETS					
Cash	\$ -	\$ 159,447	\$ 282,593	\$ 8,738	\$ -
Investments	-	-	200,733	-	5,352,045
Receivables					
Property Taxes, Net Of Allowance For Uncollectible Amounts	-	493,946	492,500	9,850	-
Intergovernmental	16,410	-	-	-	373,484
Accrued Interest	-	-	-	-	-
Special Assessments	-	318,546	-	-	-
Other	-	-	-	-	1,300,000
Inventory	-	-	-	-	912,101
Internal Receivables	-	-	-	-	-
Total Assets	<u>\$ 16,410</u>	<u>\$ 971,939</u>	<u>\$ 975,826</u>	<u>\$ 18,588</u>	<u>\$ 7,937,630</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALNCES					
LIABILITIES					
Vouchers Payable	\$ -	\$ 20,518	\$ -	\$ -	\$ 493,261
Unearned Revenue	-	316,146	-	-	1,373,014
Customer Deposits And Credits	-	-	-	-	-
Internal Payables	5,324	100	-	-	352,961
Total Liabilities	<u>5,324</u>	<u>336,764</u>	<u>-</u>	<u>-</u>	<u>2,219,236</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	-	493,946	492,500	9,850	-
Deferred Other Income	-	-	-	-	1,474,557
Total Deferred Inflows Of Resources	<u>-</u>	<u>493,946</u>	<u>492,500</u>	<u>9,850</u>	<u>1,474,557</u>
FUND BALANCES					
Nonspendable	-	-	-	-	912,101
Restricted	11,086	141,133	465,417	8,738	3,331,736
Assigned	-	96	17,909	-	-
Total Fund Balances	<u>11,086</u>	<u>141,229</u>	<u>483,326</u>	<u>8,738</u>	<u>4,243,837</u>
 Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	 <u>\$ 16,410</u>	 <u>\$ 971,939</u>	 <u>\$ 975,826</u>	 <u>\$ 18,588</u>	 <u>\$ 7,937,630</u>

Total Special Revenue Funds	Debt Service Fund		Capital Projects Funds			Total
	Corporate Bond And Interest Fund	Neighborhood Improvement Fund	General Capital Fund	Property Improvement Fund	Total Capital Projects Funds	
\$ 450,778	\$ -	\$ 279,991	\$ 2,340,140	\$ 295,181	\$ 2,915,312	\$ 3,366,090
5,552,778	-	-	4,963,575	5,062,598	10,026,173	15,578,951
996,296	1,142,458	-	-	-	-	2,138,754
389,894	-	-	-	-	-	389,894
-	-	-	2,112	-	2,112	2,112
318,546	-	-	-	-	-	318,546
1,300,000	-	-	-	39,587	39,587	1,339,587
912,101	-	-	-	-	-	912,101
-	-	-	-	100	100	100
<u>\$ 9,920,393</u>	<u>\$ 1,142,458</u>	<u>\$ 279,991</u>	<u>\$ 7,305,827</u>	<u>\$ 5,397,466</u>	<u>\$ 12,983,284</u>	<u>\$ 24,046,135</u>
\$ 513,779	\$ -	\$ 31,315	\$ -	\$ 15,570	\$ 46,885	\$ 560,664
1,689,160	-	-	-	37,641	37,641	1,726,801
-	-	-	-	17,983	17,983	17,983
358,385	-	-	-	-	-	358,385
<u>2,561,324</u>	<u>-</u>	<u>31,315</u>	<u>-</u>	<u>71,194</u>	<u>102,509</u>	<u>2,663,833</u>
996,296	1,142,458	-	-	-	-	2,138,754
1,474,557	-	-	-	-	-	1,474,557
<u>2,470,853</u>	<u>1,142,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,613,311</u>
912,101	-	-	-	-	-	912,101
3,958,110	-	-	-	5,267,432	5,267,432	9,225,542
18,005	-	248,676	7,305,827	58,840	7,613,343	7,631,348
<u>4,888,216</u>	<u>-</u>	<u>248,676</u>	<u>7,305,827</u>	<u>5,326,272</u>	<u>12,880,775</u>	<u>17,768,991</u>
<u>\$ 9,920,393</u>	<u>\$ 1,142,458</u>	<u>\$ 279,991</u>	<u>\$ 7,305,827</u>	<u>\$ 5,397,466</u>	<u>\$ 12,983,284</u>	<u>\$ 24,046,135</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, 2012

	Special Revenue Funds				
	Community Development Block Grant Fund	Special Service Area Fund	Tax Incremental Financing Fund #2	Tax Incremental Financing Fund #3	Grants And Special Accounts Fund
Revenue					
Property Taxes	\$ -	\$ 309,319	\$ 487,334	\$ 8,738	\$ -
Federal, State And Private Grants And Allotments	50,308	-	-	-	7,962,121
Charges For Services	8,130	-	-	-	111,147
Interest Earnings	-	10	140	-	6,509
Rentals And Fees	16,439	-	-	-	-
Fines And Forfeitures	-	-	-	-	345,286
Special Assessments	-	18,959	-	-	-
Other	249	-	-	-	53,549
Total Revenue	<u>75,126</u>	<u>328,288</u>	<u>487,474</u>	<u>8,738</u>	<u>8,478,612</u>
Expenditures					
Current:					
General Government	-	-	-	-	7,340
Public Safety	-	-	-	-	1,660,422
Streets And Bridges	-	269,000	374,065	-	267
Community Development	77,360	-	-	-	42,161
Capital Outlay	-	46,140	-	-	11,878,841
Debt Service - Principal	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-
Total Expenditures	<u>77,360</u>	<u>315,140</u>	<u>374,065</u>	<u>-</u>	<u>13,589,031</u>
Revenue Over (Under) Expenditures	(2,234)	13,148	113,409	8,738	(5,110,419)
Other Financing Sources					
Sale Of Capital Assets	2,234	-	-	-	-
Proceeds From Capital Leases	-	-	-	-	-
Transfers In	-	-	-	-	9,354,256
Net Change In Fund Balance	<u>-</u>	<u>13,148</u>	<u>113,409</u>	<u>8,738</u>	<u>4,243,837</u>
Fund Balances, Beginning Of Year	<u>11,086</u>	<u>128,081</u>	<u>369,917</u>	<u>-</u>	<u>-</u>
Fund Balances, End Of Year	<u>\$ 11,086</u>	<u>\$ 141,229</u>	<u>\$ 483,326</u>	<u>\$ 8,738</u>	<u>\$ 4,243,837</u>

Total Special Revenue Funds	Debt Service Fund	Capital Projects Funds				Total
	Corporate Bond And Interest Fund	Neighborhood Improvement Fund	General Capital Fund	Property Improvement Fund	Total Capital Projects Funds	
\$ 805,391	\$ 1,134,460	\$ -	\$ -	\$ -	\$ -	\$ 1,939,851
8,012,429	-	-	100,000	-	100,000	8,112,429
119,277	-	-	-	-	-	119,277
6,659	36	-	3,408	213	3,621	10,316
16,439	-	-	-	-	-	16,439
345,286	-	-	-	-	-	345,286
18,959	-	-	-	34,411	34,411	53,370
53,798	-	-	-	5,142,757	5,142,757	5,196,555
<u>9,378,238</u>	<u>1,134,496</u>	<u>-</u>	<u>103,408</u>	<u>5,177,381</u>	<u>5,280,789</u>	<u>15,793,523</u>
7,340	-	-	-	-	-	7,340
1,660,422	-	-	-	-	-	1,660,422
643,332	-	-	-	17,142	17,142	660,474
119,521	-	3,921	-	-	3,921	123,442
11,924,981	-	581,299	5,504,284	1,750,091	7,835,674	19,760,655
-	755,000	-	-	-	-	755,000
-	398,169	-	-	-	-	398,169
<u>14,355,596</u>	<u>1,153,169</u>	<u>585,220</u>	<u>5,504,284</u>	<u>1,767,233</u>	<u>7,856,737</u>	<u>23,365,502</u>
(4,977,358)	(18,673)	(585,220)	(5,400,876)	3,410,148	(2,575,948)	(7,571,979)
2,234	-	-	-	-	-	2,234
-	-	-	4,778,677	-	4,778,677	4,778,677
<u>9,354,256</u>	<u>18,673</u>	<u>-</u>	<u>7,928,026</u>	<u>-</u>	<u>7,928,026</u>	<u>17,300,955</u>
4,379,132	-	(585,220)	7,305,827	3,410,148	10,130,755	14,509,887
509,084	-	833,896	-	1,916,124	2,750,020	3,259,104
<u>\$ 4,888,216</u>	<u>\$ -</u>	<u>\$ 248,676</u>	<u>\$ 7,305,827</u>	<u>\$ 5,326,272</u>	<u>\$ 12,880,775</u>	<u>\$ 17,768,991</u>

CITY OF JOLIET, ILLINOIS

Community Development Block Grant Fund
 Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
 For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Federal Grants	\$ 1,438,244	\$ 1,438,244	\$ 50,308	\$ -
Charges For Services	-	-	8,130	-
Rentals And Fees	-	-	16,439	-
Other	-	-	249	-
	<u>1,438,244</u>	<u>1,438,244</u>	<u>75,126</u>	<u>-</u>
Total Revenue				
Expenditures				
Community Development				
Professional Services	145,600	145,600	52,441	(26,680)
Property Services	8,300	8,300	251	-
Other Services	23,380	23,380	14,265	(7,348)
Supplies	11,500	11,500	10,403	-
Property And Projects	<u>1,249,464</u>	<u>1,249,464</u>	<u>-</u>	<u>-</u>
	<u>1,438,244</u>	<u>1,438,244</u>	<u>77,360</u>	<u>(34,028)</u>
Total Expenditures				
Revenue Over (Under) Expenditures	-	-	(2,234)	34,028
Other Financing Sources				
Sale Of Capital Assets	<u>-</u>	<u>-</u>	<u>2,234</u>	<u>-</u>
Net Change In Fund Balance				
	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>34,028</u>
Fund Balance (Deficit), Beginning Of Year			<u>11,086</u>	<u>(34,028)</u>
Fund Balance (Deficit), End Of Year			<u>\$ 11,086</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 50,308	(\$ 1,387,936)
-	8,130	8,130
-	16,439	16,439
<u>-</u>	<u>249</u>	<u>249</u>
<u>-</u>	<u>75,126</u>	<u>(1,363,118)</u>
-	25,761	119,839
-	251	8,049
-	6,917	16,463
-	10,403	1,097
<u>-</u>	<u>-</u>	<u>1,249,464</u>
<u>-</u>	<u>43,332</u>	<u>1,394,912</u>
-	31,794	31,794
<u>-</u>	<u>2,234</u>	<u>2,234</u>
-	34,028	<u>\$ 34,028</u>
<u>-</u>	<u>(22,942)</u>	
<u>\$ -</u>	<u>\$ 11,086</u>	

CITY OF JOLIET, ILLINOIS

Special Service Area Fund
 Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
 For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 351,390	\$ 351,390	\$ 309,319	\$ -
Interest Earnings	-	-	10	-
Special Assessments	-	-	18,959	-
	<u>351,390</u>	<u>351,390</u>	<u>328,288</u>	<u>-</u>
Total Revenue				
Expenditures				
Streets And Bridges				
Supplies	-	-	1,750	-
Property And Projects	<u>361,390</u>	<u>351,390</u>	<u>313,390</u>	<u>(14,400)</u>
	<u>361,390</u>	<u>351,390</u>	<u>315,140</u>	<u>(14,400)</u>
Total Expenditures				
Net Change In Fund Balance	<u>(\$ 10,000)</u>	<u>\$ -</u>	13,148	14,400
Fund Balance, Beginning Of Year			<u>128,081</u>	<u>(14,400)</u>
Fund Balance, End Of Year			<u>\$ 141,229</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 309,319	(\$ 42,071)
-	10	10
<u>-</u>	<u>18,959</u>	<u>18,959</u>
-	328,288	(23,102)
-	1,750	(1,750)
<u>16,050</u>	<u>315,040</u>	<u>36,350</u>
<u>16,050</u>	<u>316,790</u>	<u>34,600</u>
(16,050)	11,498	<u>\$ 11,498</u>
<u>-</u>	<u>113,681</u>	
<u>(\$ 16,050)</u>	<u>\$ 125,179</u>	

CITY OF JOLIET, ILLINOIS

Tax Incremental Financing Fund #2
 Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
 For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 420,000	\$ 420,000	\$ 487,334	\$ -
Interest Earnings	-	-	140	-
Total Revenue	<u>420,000</u>	<u>420,000</u>	<u>487,474</u>	<u>-</u>
Expenditures				
Community Development Property And Projects	<u>350,000</u>	<u>420,000</u>	<u>374,065</u>	<u>-</u>
Total Expenditures	<u>350,000</u>	<u>420,000</u>	<u>374,065</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ 70,000</u>	<u>\$ -</u>	113,409	-
Fund Balance, Beginning Of Year			<u>369,917</u>	<u>-</u>
Fund Balance, End Of Year			<u>\$ 483,326</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 487,334	\$ 67,334
<u>-</u>	<u>140</u>	<u>140</u>
-	487,474	67,474
<u>-</u>	<u>374,065</u>	<u>45,935</u>
<u>-</u>	<u>374,065</u>	<u>45,935</u>
-	113,409	<u>\$ 113,409</u>
<u>-</u>	<u>369,917</u>	
<u>\$ -</u>	<u>\$ 483,326</u>	

CITY OF JOLIET, ILLINOIS

Grants And Special Accounts Fund
 Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
 For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Federal, State And Private Grants And Allotments	-	4,082,041	7,962,121	\$ -
Charges For Services	-	467,373	111,147	-
Interest Earnings	-	20,000	6,509	-
Fines And Forfeitures	-	778,217	345,286	-
Other	-	99,048	53,549	-
	-	5,446,679	8,478,612	-
Total Revenue	-	5,446,679	8,478,612	-
Expenditures				
Grants And Special Accounts				
Personnel Services	-	147,980	371,159	-
Personnel Benefits	-	-	66,238	-
Professional Services	-	1,689,267	892,006	(3,095)
Property Services	-	-	9,110	-
Other Services	-	111,892	14,642	-
Supplies	-	380,935	357,035	(37,976)
Capital Outlay	-	6,215,676	11,878,841	(527,181)
	-	8,545,750	13,589,031	(568,252)
Total Expenditures	-	8,545,750	13,589,031	(568,252)
Revenue Over (Under) Expenditures	-	(3,099,071)	(5,110,419)	568,252
Other Financing Sources				
Transfers In	-	-	9,354,256	-
	-	-	9,354,256	-
Net Change In Fund Balance	\$ -	(\$ 3,099,071)	4,243,837	568,252
Fund Balance, Beginning Of Year			-	(568,252)
Fund Balance, End Of Year			\$ 4,243,837	\$ -

The City transferred certain beginning of the year encumbrances from the General Fund to the Grants And Special Accounts Fund.

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 7,962,121	\$ 3,880,080
-	111,147	(356,226)
-	6,509	(13,491)
-	345,286	(432,931)
-	53,549	(45,499)
<u>-</u>	<u>8,478,612</u>	<u>3,031,933</u>
-	371,159	(223,179)
-	66,238	(66,238)
24,425	913,336	775,931
-	9,110	(9,110)
-	14,642	97,250
43,350	362,409	18,526
<u>3,680,185</u>	<u>15,031,845</u>	<u>(8,816,169)</u>
<u>3,747,960</u>	<u>16,768,739</u>	<u>(8,222,989)</u>
(3,747,960)	(8,290,127)	(5,191,056)
<u>-</u>	<u>9,354,256</u>	<u>9,354,256</u>
(3,747,960)	1,064,129	<u>\$ 4,163,200</u>
<u>-</u>	<u>(568,252)</u>	
<u>(\$ 3,747,960)</u>	<u>\$ 495,877</u>	

CITY OF JOLIET, ILLINOIS

Corporate Bond And Interest Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 1,153,169	\$ 1,153,169	\$ 1,134,460	\$ -
Interest Earnings	-	-	36	-
Total Revenue	<u>1,153,169</u>	<u>1,153,169</u>	<u>1,134,496</u>	<u>-</u>
Expenditures				
Debt Service				
Principal	755,000	755,000	755,000	-
Interest	<u>398,169</u>	<u>398,169</u>	<u>398,169</u>	<u>-</u>
Total Expenditures	<u>1,153,169</u>	<u>1,153,169</u>	<u>1,153,169</u>	<u>-</u>
Revenue Over (Under) Expenditures	-	-	(18,673)	-
Other Financing Sources				
Transfers In	<u>-</u>	<u>-</u>	<u>18,673</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning Of Year			<u>-</u>	<u>-</u>
Fund Balance, End Of Year			<u>\$ -</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 1,134,460	(\$ 18,709)
<u>-</u>	<u>36</u>	<u>36</u>
<u>-</u>	<u>1,134,496</u>	<u>(18,673)</u>
<u>-</u>	<u>755,000</u>	<u>-</u>
<u>-</u>	<u>398,169</u>	<u>-</u>
<u>-</u>	<u>1,153,169</u>	<u>-</u>
<u>-</u>	<u>(18,673)</u>	<u>(18,673)</u>
<u>-</u>	<u>18,673</u>	<u>18,673</u>
<u>-</u>	<u>-</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	
<u>\$ -</u>	<u>\$ -</u>	

CITY OF JOLIET, ILLINOIS

General Capital Fund

Schedule Of Revenue, Expenditures And Changes In Fund Balance - Budget And Actual (Budgetary Basis)
For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Federal, State And Private Grants And Allotments	\$ -	\$ -	\$ 100,000	\$ -
Interest Earnings	-	-	3,408	-
Total Revenue	-	-	103,408	-
Expenditures				
General Government Professional Services	-	-	-	-
Capital Outlay	-	3,764,668	5,504,284	(198,787)
Total Expenditures	-	3,764,668	5,504,284	(198,787)
Revenue Over (Under) Expenditures	-	(3,764,668)	(5,400,876)	198,787
Other Financing Sources				
Transfers In	-	-	7,928,026	-
Proceeds From Capital Leases	-	-	4,778,677	-
Net Change In Fund Balance	\$ -	(\$ 3,764,668)	7,305,827	198,787
Fund Balance, Beginning Of Year			-	(198,787)
Fund Balance, End Of Year			\$ 7,305,827	\$ -

The City transferred certain beginning of the year encumbrances from the General Fund to the General Capital Fund.

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 100,000	\$ 100,000
<u>-</u>	<u>3,408</u>	<u>3,408</u>
-	103,408	103,408
19,675	19,675	(19,675)
<u>975,072</u>	<u>6,280,569</u>	<u>(2,515,901)</u>
994,747	6,300,244	(2,535,576)
(994,747)	(6,196,836)	(2,432,168)
-	7,928,026	7,928,026
<u>-</u>	<u>4,778,677</u>	<u>4,778,677</u>
(994,747)	6,509,867	<u>\$ 10,274,535</u>
<u>-</u>	<u>(198,787)</u>	
<u>(\$ 994,747)</u>	<u>\$ 6,311,080</u>	

PENSION TRUST 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.

CITY OF JOLIET, ILLINOIS

Pension Trust Funds Combining Statement Of Net Position December 31, 2012

	<u>Joliet Police Pension Fund</u>	<u>Joliet Firefighters' Pension Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 15,125	\$ 1,216	\$ 16,341
Investments, At Fair Value			
U.S. Government And Agency Securities	15,931,361	12,881,347	28,812,708
U.S. Government Sponsored Agency Securities	38,921,332	8,214,547	47,135,879
State And Local Government Securities	-	902,101	902,101
Certificates Of Deposit	240,403	-	240,403
Money Market Mutual Funds	4,558,328	11,966,147	16,524,475
Mutual Funds	76,457,514	10,567,334	87,024,848
Common Stock	-	29,591,887	29,591,887
Corporate Bonds	-	14,334,573	14,334,573
Total Investments	<u>136,108,938</u>	<u>88,457,936</u>	<u>224,566,874</u>
Accrued Interest Receivable	<u>300,017</u>	<u>326,849</u>	<u>626,866</u>
Total Assets	<u>136,424,080</u>	<u>88,786,001</u>	<u>225,210,081</u>
LIABILITIES			
Accrued Investment Expenses	10,668	57,173	67,841
Miscellaneous Payable	<u>-</u>	<u>80,901</u>	<u>80,901</u>
Total Liabilities	<u>10,668</u>	<u>138,074</u>	<u>148,742</u>
NET POSITION			
Held In Trust For Pension Benefits	<u>\$ 136,413,412</u>	<u>\$ 88,647,927</u>	<u>\$ 225,061,339</u>

CITY OF JOLIET, ILLINOIS

Pension Trust Funds Combining Statement Of Changes In Net Position For The Year Ended December 31, 2012

	<u>Joliet Police Pension Fund</u>	<u>Joliet Firefighters' Pension Fund</u>	<u>Total</u>
Additions			
Contributions			
Employer Contributions	\$ 11,689,752	\$ 10,450,183	\$ 22,139,935
Plan Member Contributions	<u>2,478,202</u>	<u>2,056,350</u>	<u>4,534,552</u>
Total Contributions	<u>14,167,954</u>	<u>12,506,533</u>	<u>26,674,487</u>
Investment Income			
Net Depreciation In Fair Value Of Investments	6,169,997	4,843,361	11,013,358
Interest And Dividends	<u>3,241,379</u>	<u>2,004,791</u>	<u>5,246,170</u>
	9,411,376	6,848,152	16,259,528
Less Investment Expenses	<u>129,184</u>	<u>419,903</u>	<u>549,087</u>
Net Investment Income	<u>9,282,192</u>	<u>6,428,249</u>	<u>15,710,441</u>
Miscellaneous Income	<u>172,856</u>	-	<u>172,856</u>
Total Additions	<u>23,623,002</u>	<u>18,934,782</u>	<u>42,557,784</u>
Deductions			
Pension Expense, Benefit Payments	10,441,427	8,243,319	18,684,746
Administrative And Other Expenses	<u>85,185</u>	<u>94,665</u>	<u>179,850</u>
Total Deductions	<u>10,526,612</u>	<u>8,337,984</u>	<u>18,864,596</u>
Net Increase	13,096,390	10,596,798	23,693,188
Net Position Held In Trust For Pension Benefits			
Beginning Of Year	<u>123,317,022</u>	<u>78,051,129</u>	<u>201,368,151</u>
End Of Year	<u>\$ 136,413,412</u>	<u>\$ 88,647,927</u>	<u>\$ 225,061,339</u>

Other Schedules

This Page Intentionally Left Blank

CITY OF JOLIET, ILLINOIS

General Obligation Bonds
Schedule Of Debt Service Requirements
December 31, 2012

	Series 2005		Total
	Interest	Principal	
2013	\$ 369,856	\$ 790,000	\$ 1,159,856
2014	338,256	825,000	1,163,256
2015	305,256	860,000	1,165,256
2016	270,856	895,000	1,165,856
2017	232,819	935,000	1,167,819
2018	193,081	980,000	1,173,081
2019	151,431	1,025,000	1,176,431
2020	104,025	1,070,000	1,174,025
2021	53,200	1,120,000	1,173,200
	<u>\$ 2,018,780</u>	<u>\$ 8,500,000</u>	<u>\$ 10,518,780</u>

CITY OF JOLIET, ILLINOIS

Waterworks And Sewerage Fund Revenue Bonds
 Schedule Of Debt Service Requirements
 December 31, 2012

	Series 2004		Series 2006		Series 2010		Series 2011	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2013	\$ 101,250	\$ 4,050,000	\$ 246,800	\$ 30,000	\$ 346,238	\$ 1,265,000	\$ 364,800	\$ -
2014	-	-	245,600	30,000	291,500	1,630,000	364,800	-
2015	-	-	244,400	30,000	236,700	1,110,000	364,800	-
2016	-	-	243,200	30,000	196,100	920,000	364,800	-
2017	-	-	242,000	30,000	148,225	1,310,000	294,000	3,540,000
2018	-	-	240,700	35,000	81,625	1,485,000	141,400	4,090,000
2019	-	-	225,800	710,000	22,250	890,000	29,800	1,490,000
2020	-	-	177,800	1,690,000	-	-	-	-
2021	-	-	108,800	1,760,000	-	-	-	-
2022	-	-	36,800	1,840,000	-	-	-	-
	<u>\$ 101,250</u>	<u>\$ 4,050,000</u>	<u>\$ 2,011,900</u>	<u>\$ 6,185,000</u>	<u>\$ 1,322,638</u>	<u>\$ 8,610,000</u>	<u>\$ 1,924,400</u>	<u>\$ 9,120,000</u>

Series 2012		Total		
Interest	Principal	Interest	Principal	Total
\$ 560,300	\$ -	\$ 1,619,388	\$ 5,345,000	\$ 6,964,388
475,100	4,260,000	1,377,000	5,920,000	7,297,000
301,600	4,415,000	1,147,500	5,555,000	6,702,500
-	-	-	-	-
110,300	4,120,000	914,400	5,070,000	5,984,400
3,650	365,000	687,875	5,245,000	5,932,875
-	-	463,725	5,610,000	6,073,725
-	-	277,850	3,090,000	3,367,850
-	-	177,800	1,690,000	1,867,800
-	-	108,800	1,760,000	1,868,800
-	-	36,800	1,840,000	1,876,800
<u>\$ 1,450,950</u>	<u>\$ 13,160,000</u>	<u>\$ 6,811,138</u>	<u>\$ 41,125,000</u>	<u>\$ 47,936,138</u>

This Page Intentionally Left Blank

**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

	2012	2011	2010	2009
Governmental Activities				
Net Investment In Capital Assets	\$ 374,635,842	\$ 379,531,425	\$ 373,509,063	\$ 381,901,309
Restricted	20,263,209	19,314,093	244,185	414,923
Unrestricted	(58,751,206)	(53,366,863)	(14,349,723)	(9,890,018)
Total Governmental Activities				
Net Position	<u>\$ 336,147,845</u>	<u>\$ 345,478,655</u>	<u>\$ 359,403,525</u>	<u>\$ 372,426,214</u>
 Business-Type Activities				
Net Investment In Capital Assets	\$ 234,034,466	\$ 222,493,984	\$ 220,816,972	\$ 222,692,317
Restricted	8,019,154	9,594,342	8,655,872	9,548,247
Unrestricted	19,569,328	23,703,071	23,903,213	20,064,730
Total Business-Type Activities				
Net Position	<u>\$ 261,622,948</u>	<u>\$ 255,791,397</u>	<u>\$ 253,376,057</u>	<u>\$ 252,305,294</u>
 Primary Government				
Net Investment In Capital Assets	\$ 608,670,308	\$ 602,025,409	\$ 594,326,035	\$ 604,593,626
Restricted	28,282,363	28,908,435	8,900,057	9,963,170
Unrestricted	(39,181,878)	(29,663,792)	9,553,490	10,174,712
Total Primary Government				
Net Position	<u>\$ 597,770,793</u>	<u>\$ 601,270,052</u>	<u>\$ 612,779,582</u>	<u>\$ 624,731,508</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 377,669,877	\$ 364,334,790	\$ 352,424,325	\$ 326,102,181	\$ 360,152,976	\$ 86,309,887
1,370,429	2,091,174	73,947	443,153	2,378,691	5,996,002
<u>6,508,615</u>	<u>37,208,326</u>	<u>39,660,871</u>	<u>37,003,935</u>	<u>22,455,510</u>	<u>28,368,585</u>
<u>\$ 385,548,921</u>	<u>\$ 403,634,290</u>	<u>\$ 392,159,143</u>	<u>\$ 363,549,269</u>	<u>\$ 384,987,177</u>	<u>\$ 120,674,474</u>
\$ 216,776,933	\$ 209,109,400	\$ 191,243,475	\$ 160,926,084	\$ 126,911,957	\$ 125,476,392
9,414,994	13,756,137	21,801,551	30,329,666	41,967,557	57,455,772
<u>28,122,539</u>	<u>39,139,071</u>	<u>45,382,111</u>	<u>45,536,983</u>	<u>54,667,037</u>	<u>33,159,362</u>
<u>\$ 254,314,466</u>	<u>\$ 262,004,608</u>	<u>\$ 258,427,137</u>	<u>\$ 236,792,733</u>	<u>\$ 223,546,551</u>	<u>\$ 216,091,526</u>
\$ 594,446,810	\$ 573,444,190	\$ 543,667,800	\$ 487,028,265	\$ 487,064,933	\$ 211,786,279
10,785,423	15,847,311	21,875,498	30,772,819	44,346,248	63,451,774
<u>34,631,154</u>	<u>76,347,397</u>	<u>85,042,982</u>	<u>82,540,918</u>	<u>77,122,547</u>	<u>61,527,947</u>
<u>\$ 639,863,387</u>	<u>\$ 665,638,898</u>	<u>\$ 650,586,280</u>	<u>\$ 600,342,002</u>	<u>\$ 608,533,728</u>	<u>\$ 336,766,000</u>

CITY OF JOLIET, ILLINOIS

Changes In Net Position Last Ten Fiscal Years

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses				
Governmental Activities:				
General Government	\$ 17,298,465	\$ 22,061,979	\$ 17,545,676	\$ 23,144,672
Public Safety	116,695,006	108,979,553	105,344,768	105,967,623
Public Works	27,907,922	31,889,815	34,953,065	30,827,138
Refuse Disposal	10,978,538	10,546,940	10,588,260	10,222,673
Culture And Recreation	2,788,463	3,249,607	3,697,898	3,491,107
Community Development	9,663,232	4,708,194	7,841,765	8,325,682
Interest On Long-Term Debt	561,864	439,371	469,555	498,314
Total Governmental Activities Expenses	<u>185,893,490</u>	<u>181,875,459</u>	<u>180,440,987</u>	<u>182,477,209</u>
Business-type Activities:				
Water And Sewer	37,202,721	37,821,535	35,704,270	33,661,521
Parking Facilities	1,639,633	1,422,352	1,588,954	1,393,857
Total Business-type Activities Expenses	<u>38,842,354</u>	<u>39,243,887</u>	<u>37,293,224</u>	<u>35,055,378</u>
 Total Primary Government Expenses	 <u>\$ 224,735,844</u>	 <u>\$ 221,119,346</u>	 <u>\$ 217,734,211</u>	 <u>\$ 217,532,587</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 2,880,989	\$ 2,495,764	\$ 2,703,606	\$ 2,168,967
Public Safety	7,164,844	6,023,522	6,983,331	8,240,120
Public Works	926,339	906,232	1,175,970	836,177
Refuse Disposal	12,240,215	12,162,774	12,112,871	10,518,900
Culture And Recreation	476,079	171,270	135,430	306,679
Community Development	24,569	6,623	5,335	22,860
Operating Grants And Contributions	824,300	6,670,230	7,613,958	10,794,819
Capital Grants And Contributions	19,506,531	9,345,254	7,621,589	14,916,322
Total Governmental Activities Program Revenues	<u>44,043,866</u>	<u>37,781,669</u>	<u>38,352,090</u>	<u>47,804,844</u>
Business-Type Activities:				
Charges For Services				
Water And Sewer	42,480,156	41,929,836	38,851,226	30,192,054
Parking Facilities	1,405,190	1,448,573	1,514,746	1,124,409
Capital Grants And Contributions	757,740	174,674	157,782	5,005,153
Total Business-Type Activities Program Revenues	<u>44,643,086</u>	<u>43,553,083</u>	<u>40,523,754</u>	<u>36,321,616</u>
Total Primary Government Program Revenues	<u>\$ 88,686,952</u>	<u>\$ 81,334,752</u>	<u>\$ 78,875,844</u>	<u>\$ 84,126,460</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 27,069,722	\$ 22,932,619	\$ 21,878,761	\$ 19,138,670	\$ 15,001,445	\$ 27,563,441
98,063,825	90,944,778	85,980,530	71,598,074	64,222,851	50,026,244
51,196,479	37,908,724	32,034,838	28,333,225	28,716,423	24,743,579
9,852,028	9,459,051	8,266,788	7,607,550	7,042,401	6,265,563
4,481,841	6,372,833	4,593,641	3,195,445	4,333,036	1,133,923
8,775,716	8,890,826	8,098,295	7,437,589	6,294,071	4,899,997
522,772	546,196	552,000	361,466	756,466	1,253,236
<u>199,962,383</u>	<u>177,055,027</u>	<u>161,404,853</u>	<u>137,672,019</u>	<u>126,366,693</u>	<u>115,885,983</u>
36,651,247	36,640,643	27,438,111	28,365,348	25,057,297	23,517,764
1,423,655	1,458,763	1,136,609	1,122,023	1,095,445	943,199
<u>38,074,902</u>	<u>38,099,406</u>	<u>28,574,720</u>	<u>29,487,371</u>	<u>26,152,742</u>	<u>24,460,963</u>
<u>\$ 238,037,285</u>	<u>\$ 215,154,433</u>	<u>\$ 189,979,573</u>	<u>\$ 167,159,390</u>	<u>\$ 152,519,435</u>	<u>\$ 140,346,946</u>
\$ 2,682,279	\$ 4,264,712	\$ 5,118,941	\$ 6,020,650	\$ 4,359,196	\$ 7,160,406
6,437,350	6,863,317	5,361,136	4,228,209	5,057,092	3,611,304
1,550,996	2,741,548	3,208,114	3,015,508	2,058,855	361
9,072,301	7,302,364	5,458,214	3,959,888	2,977,891	1,971,150
304,173	452,068	387,962	461,577	300,303	31,156
140,922	208,240	121,832	316,044	165,511	95,345
3,983,962	5,081,147	4,521,406	4,564,759	4,071,466	4,715,521
18,849,370	18,088,538	31,230,684	20,681,752	4,025,595	4,923,647
<u>43,021,353</u>	<u>45,001,934</u>	<u>55,408,289</u>	<u>43,248,387</u>	<u>23,015,909</u>	<u>22,508,890</u>
27,975,227	32,504,462	34,758,371	34,240,733	31,146,539	29,425,795
1,135,680	1,164,001	1,051,746	1,023,457	1,059,721	992,997
2,504,453	7,377,108	10,831,934	7,752,232	4,976,942	4,276,788
<u>31,615,360</u>	<u>41,045,571</u>	<u>46,642,051</u>	<u>43,016,422</u>	<u>37,183,202</u>	<u>34,695,580</u>
<u>\$ 74,636,713</u>	<u>\$ 86,047,505</u>	<u>\$ 102,050,340</u>	<u>\$ 86,264,809</u>	<u>\$ 60,199,111</u>	<u>\$ 57,204,470</u>

(Continued)

CITY OF JOLIET, ILLINOIS

Changes In Net Position Last Ten Fiscal Years

	2012	2011	2010	2009
Net (Expense)/Revenue				
Governmental Activities	(\$ 141,849,624)	(\$ 144,093,790)	(\$ 142,088,897)	(\$ 134,672,365)
Business-Type Activities	5,800,732	4,309,196	3,230,530	1,266,238
Total Primary Government Net Expense	(\$ 136,048,892)	(\$ 139,784,594)	(\$ 138,858,367)	(\$ 133,406,127)
 General Revenues And Other Changes In Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 34,661,294	\$ 36,213,525	\$ 36,128,857	\$ 31,324,337
Gaming Taxes	20,827,811	21,834,751	22,975,414	23,573,344
State Sales Taxes	18,966,737	20,636,612	19,979,488	19,515,274
Home Rule Sales Taxes	22,095,309	15,414,536	15,125,451	14,719,562
Utility Taxes	9,109,210	7,049,102	6,907,977	6,895,665
State Income Taxes	11,214,456	13,644,198	14,155,166	10,058,532
Other Taxes	13,260,209	10,486,694	9,550,458	10,600,868
Interest And Investment Earnings	94,512	97,622	182,897	693,152
Other General Revenues	2,289,276	2,865,110	1,848,337	415,103
Special Item - Loss On Disposal Of Assets	-	-	-	-
Transfers	-	1,926,770	2,212,163	3,753,822
Total Governmental Activities General Revenues And Other	132,518,814	130,168,920	129,066,208	121,549,659
Business-Type Activities:				
Interest And Investment Earnings	30,819	32,914	52,396	478,411
Special Item - Loss On Disposal Of Assets	-	-	-	-
Transfers	-	(1,926,770)	(2,212,163)	(3,753,822)
Total Business-Type Activities General Revenues And Other	30,819	(1,893,856)	(2,159,767)	(3,275,411)
Total Primary Government General Revenues And Other	\$ 132,549,633	\$ 128,275,064	\$ 126,906,441	\$ 118,274,248
 Change In Net Position				
Governmental Activities	(\$ 9,330,810)	(\$ 13,924,870)	(\$ 13,022,689)	(\$ 13,122,706)
Business-Type Activities	5,831,551	2,415,340	1,070,763	(2,009,173)
Total Primary Government	(\$ 3,499,259)	(\$ 11,509,530)	(\$ 11,951,926)	(\$ 15,131,879)
 Other Changes In Net Position				
Governmental Activities:				
Adjustment To Beginning Of The Year Net Position To Record Infrastructure/Deferrals	\$ -	\$ -	\$ -	\$ -
Business-Type Activities				
Adjustment To Beginning Of The Year Net Position To Reduce Liability/Deferrals	\$ -	\$ -	\$ -	\$ -

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
(\$ 156,941,030)	(\$ 132,053,093)	(\$ 105,996,564)	(\$ 94,423,632)	(\$ 103,350,784)	(\$ 93,377,093)
(6,459,542)	2,946,165	18,067,331	13,529,051	11,030,460	10,234,617
<u>(\$ 163,400,572)</u>	<u>(\$ 129,106,928)</u>	<u>(\$ 87,929,233)</u>	<u>(\$ 80,894,581)</u>	<u>(\$ 92,320,324)</u>	<u>(\$ 83,142,476)</u>
\$ 33,781,957	\$ 29,210,224	\$ 25,955,040	\$ 22,551,564	\$ 20,599,641	\$ 20,613,547
28,335,881	36,168,333	34,864,387	31,721,572	28,775,086	29,494,839
20,914,827	20,563,871	21,070,529	18,793,757	17,479,087	17,156,878
15,750,282	16,391,645	17,018,542	16,014,490	14,877,701	14,230,294
7,138,173	7,716,126	6,400,816	6,859,743	6,253,810	5,466,461
13,786,109	13,015,939	11,703,021	9,551,066	7,913,467	6,613,469
11,562,774	13,442,987	13,430,759	13,280,246	11,552,849	8,225,975
2,672,413	2,334,715	2,219,941	984,894	508,142	1,018,260
1,082,713	683,045	608,008	332,969	587,541	1,569,856
-	-	-	(379,137)	-	-
<u>3,830,533</u>	<u>4,001,355</u>	<u>1,335,395</u>	<u>4,264,034</u>	<u>4,331,528</u>	<u>270,000</u>
<u>138,855,662</u>	<u>143,528,240</u>	<u>134,606,438</u>	<u>123,975,198</u>	<u>112,878,852</u>	<u>104,659,579</u>
1,600,997	4,632,661	4,902,468	3,981,165	2,216,172	1,593,566
-	-	-	-	(1,460,079)	-
<u>(3,830,533)</u>	<u>(4,001,355)</u>	<u>(1,335,395)</u>	<u>(4,264,034)</u>	<u>(4,331,528)</u>	<u>(270,000)</u>
<u>(2,229,536)</u>	<u>631,306</u>	<u>3,567,073</u>	<u>(282,869)</u>	<u>(3,575,435)</u>	<u>1,323,566</u>
<u>\$ 136,626,126</u>	<u>\$ 144,159,546</u>	<u>\$ 138,173,511</u>	<u>\$ 123,692,329</u>	<u>\$ 109,303,417</u>	<u>\$ 105,983,145</u>
(\$ 18,085,368)	\$ 11,475,147	\$ 28,609,874	\$ 29,551,566	\$ 9,528,068	\$ 11,282,486
(8,689,078)	3,577,471	21,634,404	13,246,182	7,455,025	11,558,183
<u>(\$ 26,774,446)</u>	<u>\$ 15,052,618</u>	<u>\$ 50,244,278</u>	<u>\$ 42,797,748</u>	<u>\$ 16,983,093</u>	<u>\$ 22,840,669</u>
\$ -	\$ -	\$ -	(\$ 50,989,474)	\$ 254,784,635	\$ -
\$ 998,936	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF JOLIET, ILLINOIS

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund				
Reserved	\$ -	\$ -	\$ 4,765,478	\$ 3,639,311
Unreserved	-	-	36,723,856	35,931,604
Nonspendable	-	856,382	-	-
Restricted	-	8,662,751	-	-
Assigned	733,274	5,223,867	-	-
Unassigned	<u>39,994,486</u>	<u>43,076,645</u>	<u>-</u>	<u>-</u>
 Total General Fund	 <u>\$ 40,727,760</u>	 <u>\$ 57,819,645</u>	 <u>\$ 41,489,334</u>	 <u>\$ 39,570,915</u>
 All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ 4,381,426	\$ 3,530,553
Unreserved, Reported In:				
Special Revenue Funds	-	-	20,425,627	15,044,931
Debt Service Funds	-	-	20	2,290
Capital Projects Funds	-	-	244,165	237,510
Nonspendable	912,101	-	-	-
Restricted	20,263,209	10,651,342	-	-
Assigned	<u>7,631,348</u>	<u>2,092,069</u>	<u>-</u>	<u>-</u>
 Total All Other Governmental Funds	 <u>\$ 28,806,658</u>	 <u>\$ 12,743,411</u>	 <u>\$ 25,051,238</u>	 <u>\$ 18,815,284</u>
 Total All Governmental Funds	 <u>\$ 69,534,418</u>	 <u>\$ 70,563,056</u>	 <u>\$ 66,540,572</u>	 <u>\$ 58,386,199</u>

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>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 3,451,512	\$ 9,979,794	\$ 3,204,129	\$ 4,498,398	\$ 3,622,430	\$ 2,158,874
42,415,343	46,075,575	47,019,728	30,232,094	17,342,471	18,507,621
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 45,866,855</u>	<u>\$ 56,055,369</u>	<u>\$ 50,223,857</u>	<u>\$ 34,730,492</u>	<u>\$ 20,964,901</u>	<u>\$ 20,666,495</u>
\$ 2,986,663	\$ 7,118,551	\$ 4,512,388	\$ 4,932,273	\$ 5,510,138	\$ 6,945,817
13,156,953	15,621,865	12,205,079	8,611,521	(611,083)	(3,634,507)
2,283	2,260	52,716	52,049	1,627,022	3,498,285
(1,201,339)	(2,535,607)	(2,890,802)	(4,568,644)	(7,179,114)	(14,169,358)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,944,560</u>	<u>\$ 20,207,069</u>	<u>\$ 13,879,381</u>	<u>\$ 9,027,199</u>	<u>(\$ 653,037)</u>	<u>(\$ 7,359,763)</u>
<u>\$ 60,811,415</u>	<u>\$ 76,262,438</u>	<u>\$ 64,103,238</u>	<u>\$ 43,757,691</u>	<u>\$ 20,311,864</u>	<u>\$ 13,306,732</u>

CITY OF JOLIET, ILLINOIS

Changes In Fund Balances, Governmental Funds Last Ten Fiscal Years

	2012	2011	2010	2009
Revenues				
Property Taxes	\$ 34,661,294	\$ 36,213,525	\$ 36,128,857	\$ 31,324,337
Other Taxes	92,143,857	87,267,187	86,619,198	83,112,563
Federal, State And Private Grants And Allotments	13,345,254	13,984,796	10,440,390	9,013,806
Charges For Services	6,681,320	5,490,192	6,257,956	7,438,158
Interest Earnings	94,512	97,622	182,897	693,151
Licenses, Permits, Rentals And Fees	17,268,228	16,580,245	17,121,743	14,634,261
Fines	1,314,072	1,010,342	1,059,806	1,175,943
Special Assessments	53,370	66,474	107,611	158,098
Other	7,854,680	5,066,549	4,224,717	6,497,394
Total Revenues	173,416,587	165,776,932	162,143,175	154,047,711
Expenditures				
Current:				
General Government	10,325,895	9,965,638	11,036,782	10,866,938
Public Safety	62,553,750	58,822,833	57,229,089	59,466,192
Public Works	15,058,690	16,960,881	20,460,810	20,094,756
Refuse Disposal	10,978,538	10,546,940	10,588,005	10,222,430
Culture And Recreation	3,169,416	2,760,278	2,766,683	3,197,550
Employee Benefits And Pension Plans	48,571,619	49,876,205	46,001,220	46,726,908
Community Development	3,642,130	5,117,148	5,674,347	5,999,950
Capital Projects	23,498,279	10,435,236	3,127,228	4,753,006
Debt Service - Principal	955,435	873,960	838,980	804,165
Debt Service - Interest And Fees	478,382	427,196	456,681	484,771
Total Expenditures	179,232,134	165,786,315	158,179,825	162,616,666
Revenue Over (Under) Expenditures	(5,815,547)	(9,383)	3,963,350	(8,568,955)
Other Financing Sources (Uses)				
Issuance Of Bonds	-	-	-	-
Premium On Bonds Sold	-	-	-	-
Issuance Of Loans and Leases	4,778,677	-	-	-
Proceeds From Sale Of Capital Assets	8,232	-	1,760	16,345
Transfer To Escrow Paying Agent	-	-	-	-
Transfers In	-	5,919,943	13,262,417	21,225,209
Transfers Out	-	(1,888,076)	(9,073,154)	(15,097,814)
Total Other Financing Sources (Uses)	4,786,909	4,031,867	4,191,023	6,143,740
Net Change In Fund Balances	(\$ 1,028,638)	\$ 4,022,484	\$ 8,154,373	(\$ 2,425,215)
Other Change In Fund Balances				
Adjustments To Prior Year Balances	\$ -	\$ -	\$ -	\$ -
Debt Service As A Percentage Of Noncapital Expenditures	0.9%	0.8%	0.8%	0.8%
Expenditures Capitalized As Assets	\$ 23,498,279	\$ 10,435,236	\$ 3,058,400	\$ 7,587,716

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.

	2008	2007	2006	2005	2004	2003
\$	33,781,957	\$ 29,210,224	\$ 25,955,040	\$ 22,551,564	\$ 20,599,641	\$ 18,025,877
	96,754,686	106,020,669	103,289,592	95,167,814	85,864,434	82,740,626
	7,472,427	9,149,378	8,612,533	8,062,111	7,712,286	7,562,451
	5,421,214	6,125,613	4,459,979	4,171,023	3,959,040	3,416,549
	2,672,413	2,334,715	2,219,941	984,894	508,142	1,018,260
	14,380,443	15,102,761	14,715,231	13,881,396	10,440,992	8,166,883
	1,359,202	1,562,620	1,176,800	1,197,945	1,132,557	1,022,829
	138,174	193,267	242,658	569,421	547,993	634,982
	1,682,323	1,495,643	1,272,442	1,183,026	1,101,058	1,423,220
	<u>163,662,839</u>	<u>171,194,890</u>	<u>161,944,216</u>	<u>147,769,194</u>	<u>131,866,143</u>	<u>124,011,677</u>
	14,030,951	12,308,246	11,821,623	11,441,358	10,708,320	8,314,213
	60,119,513	57,388,366	54,508,454	49,959,829	45,075,157	43,578,585
	35,412,435	25,499,068	21,410,705	23,341,457	16,804,960	16,696,391
	9,840,329	9,445,833	8,254,884	7,607,550	7,042,401	6,265,563
	4,257,142	5,720,398	4,240,117	2,957,061	3,166,094	292,358
	38,338,617	36,346,596	31,974,841	29,636,038	25,766,432	24,775,119
	6,218,589	6,667,331	5,548,019	5,491,588	5,408,402	4,854,877
	15,539,943	10,475,444	10,551,061	7,653,425	13,350,124	22,551,160
	774,460	745,016	585,000	2,355,000	2,350,000	15,190,766
	508,677	531,746	538,044	352,451	757,616	1,254,299
	<u>185,040,656</u>	<u>165,128,044</u>	<u>149,432,748</u>	<u>140,795,757</u>	<u>130,429,506</u>	<u>143,773,331</u>
(21,377,817)	6,066,846	12,511,468	6,973,437	1,436,637	(19,761,654)
	-	-	-	12,855,000	-	-
	-	-	-	252,184	-	-
	-	-	696,581	-	-	-
	4,600	37,475	35,360	23,837	25,390	3,437
	-	-	-	(12,882,798)	-	-
	22,814,883	21,691,679	19,957,908	24,198,472	29,675,651	24,512,561
(16,892,688)	(15,636,800)	(17,026,488)	(18,274,422)	(24,132,546)	(23,594,776)
	<u>5,926,795</u>	<u>6,092,354</u>	<u>3,663,361</u>	<u>6,172,273</u>	<u>5,568,495</u>	<u>921,222</u>
(\$	15,451,022)	\$ 12,159,200	\$ 16,174,829	\$ 13,145,710	\$ 7,005,132	(\$ 18,840,432)
\$	-	\$ -	\$ 4,170,718	\$ 10,300,117	\$ -	\$ -
	0.7%	0.8%	0.8%	2.1%	2.7%	13.0%
\$	12,739,623	\$ 11,611,339	\$ 11,807,784	\$ 11,848,044	\$ 13,502,517	\$ 16,807,510

CITY OF JOLIET, ILLINOIS

Gaming Tax Collections Last Ten Fiscal Years

Year	Gaming Privilege Tax	Gaming Admissions Tax	Total Gaming Tax Revenues
2012	\$ 17,681,081	\$ 3,144,886	\$ 20,825,967
2011	18,537,648	3,297,103	21,834,751
2010	19,495,987	3,479,427	22,975,414
2009	19,939,459	3,633,885	23,573,344
2008	24,086,643	4,249,238	28,335,881
2007	31,066,684	5,101,649	36,168,333
2006	30,069,186	4,795,201	34,864,387
2005	27,582,327	4,139,245	31,721,572
2004	25,043,155	3,732,232	28,775,387
2003	25,116,911	4,377,627	29,494,538

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
2012	\$ 1,346,101	\$ 141,806,184	\$ 35,559,920	\$ 8,421,904
2011	1,411,387	146,401,419	37,214,541	8,736,399
2010	1,265,691	143,440,540	36,016,732	8,437,235
2009	1,116,396	119,954,225	28,105,729	7,116,061
2008	1,678,360	183,930,419	52,566,025	10,876,398
2007	2,109,545	240,209,935	84,512,628	14,120,042
2006	2,141,534	253,770,225	93,387,301	14,830,045
2005	1,923,969	238,187,848	87,173,331	13,833,362
2004	1,777,950	228,100,890	89,854,250	13,182,995
2003	1,990,689	232,534,340	80,768,383	13,617,406

Harrah's Joliet Casino & Hotel

Start Date: May 4, 1993

Year	Admissions	Taxable AGR	Taxes Collected	
			State	City
2012	\$ 1,798,785	\$ 211,995,581	\$ 64,670,074	\$ 12,404,064
2011	1,885,716	223,714,297	69,921,372	13,098,352
2010	2,213,736	246,417,859	80,972,451	14,538,179
2009	2,517,489	278,730,833	96,118,118	16,457,283
2008	2,570,878	297,674,723	104,767,205	17,459,483
2007	2,992,104	381,123,736	143,114,888	22,048,291
2006	2,653,667	347,613,495	127,358,407	20,034,342
2005	2,215,276	313,458,692	126,425,020	17,888,210
2004	1,954,282	271,878,679	116,810,737	15,592,392
2003	2,386,938	269,803,880	99,849,343	15,877,132

Total Two Casinos Combined

Year	Admissions	Taxable AGR	Taxes Collected	
			State	City
2012	\$ 3,144,886	\$ 353,801,765	\$ 100,229,994	\$ 20,825,968
2011	3,297,103	370,115,716	107,135,913	21,834,751
2010	3,479,427	389,858,399	116,989,183	22,975,414
2009	3,633,885	398,685,058	124,223,847	23,573,344
2008	4,249,238	481,605,142	157,333,230	28,335,881
2007	5,101,649	621,333,671	227,627,516	36,168,333
2006	4,795,201	601,383,720	220,745,708	34,864,387
2005	4,139,245	551,846,540	213,598,351	31,721,572
2004	3,732,232	499,979,569	206,664,987	28,775,387
2003	4,377,627	502,338,220	180,617,726	29,494,538

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
2012	\$ 32,021,870	\$ 12,203,072	\$ 2,453,106,920	\$ 2,497,331,862
2011	32,801,711	12,166,258	2,651,488,319	2,696,456,288
2010	5,491,200	4,267,654	2,833,703,353	2,843,462,207
2009	1,745,831	3,631,514	3,010,545,603	3,015,922,948
2008	1,607,353	4,247,413	2,969,406,313	2,975,261,079
2007	1,379,424	3,095,309	2,754,727,137	2,759,201,870
2006	1,172,661	3,217,504	2,459,656,829	2,464,046,994
2005	1,132,249	3,292,176	2,197,505,667	2,201,930,092
2004	1,207,738	2,872,344	1,924,149,574	1,928,229,656
2003	1,201,392	3,727,488	1,764,341,631	1,769,270,511

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

Kendall County				Total Equalized Assessed Value	Total Equalized Assessed Value Both Counties	City Direct Tax Rate
Railroad Property	Farm Property	Non-Farm Property	Total Equalized Assessed Value			
\$ -	\$ 1,910,432	\$ 177,102,961	\$ 179,013,393	\$ 2,676,345,255	1.4466	
-	1,823,078	193,972,979	195,796,057	2,892,252,345	1.3291	
-	1,875,136	210,934,803	212,809,939	3,056,272,146	1.2669	
-	1,963,407	223,154,953	225,118,360	3,241,041,308	1.1969	
-	1,823,467	216,547,266	218,370,733	3,193,631,812	1.0639	
-	723,845	189,032,411	189,756,256	2,948,958,126	1.0637	
-	780,585	130,665,722	131,446,307	2,595,493,301	1.0590	
-	750,581	93,298,261	94,048,842	2,295,978,934	1.0590	
-	767,121	75,648,413	76,415,534	2,004,645,190	1.0569	
-	48,002	55,761,145	55,809,147	1,825,079,658	1.0564	

CITY OF JOLIET, ILLINOIS

Direct And Overlapping Property Tax Rates Last Ten Tax Years

Tax Rates Per \$100 Assessed Valuation (1)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
City Of Joliet (2)	1.4466	1.3291	1.2669	1.1969	1.0639
Will County (Including Forest Preserve)	0.7767	0.7244	0.6841	0.6543	0.6387
Joliet Township	0.3437	0.2994	0.2757	0.2523	0.2509
School District #204	2.4858	2.2280	2.0560	1.8972	1.8868
School District #86	3.7592	3.2405	2.8963	2.6112	2.5429
Community College #525	0.2724	0.2447	0.2271	0.2144	0.1896
Joliet Park District	<u>0.3657</u>	<u>0.3265</u>	<u>0.3008</u>	<u>0.2772</u>	<u>0.2782</u>
Total (3)	<u>9.4501</u>	<u>8.3926</u>	<u>7.7069</u>	<u>7.1035</u>	<u>6.8510</u>
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
City Of Joliet (2)	1.0637	1.0590	1.0590	1.0569	1.0564
Will County (Including Forest Preserve)	0.6367	0.6523	0.6861	0.6943	0.7080
Joliet Township	0.2520	0.2672	0.2780	0.2906	0.2931
School District #204	1.9572	2.0244	2.0894	2.1507	2.1721
School District #86	2.5248	2.6346	2.7192	2.8373	2.8701
Community College #525	0.1901	0.1936	0.2088	0.2142	0.2108
Joliet Park District	<u>0.2879</u>	<u>0.3184</u>	<u>0.3371</u>	<u>0.3485</u>	<u>0.3331</u>
Total (3)	<u>6.9124</u>	<u>7.1495</u>	<u>7.3776</u>	<u>7.5925</u>	<u>7.6436</u>

Notes:

- (1) Source of Information: Office of Will County Clerk
- (2) The City is a home rule unit under the 1970 Illinois State Constitution and, as such, has no statutory tax rate limitations
- (3) Representative tax rates for other governmental units are from Joliet Township tax code #3011, which represents approximately 35% of the City's 2012 EAV, the latest available.

CITY OF JOLIET, ILLINOIS

Principal Property Taxpayers In The City Most Current Year Available And Nine Years Prior

Taxpayer	Type Of Business, Property	2011 Equalized Assessed Valuation	Percentage Of Total 2011 Equalized Assessed Valuation	2011 Rank
Louis Joliet Shoppingtown LLC	Westfield Louis Joliet Mall	\$ 24,651,753	0.85%	1
Hollywood Casino LLC	Hollywood/Gaming	21,007,529	0.73%	2
Teachers Insurance & Annuity Assoc.	Rock Run Industrial Park	14,582,094	0.50%	3
Wal-Mart RE Business Trust	Retail Store	14,098,926	0.49%	4
Dollar Tree Distribution Inc.	Dollar Tree Distribution Center	13,291,389	0.46%	5
2700 Ellis Road Acquisiton Corp.	Northern Builders Warehousing	13,279,522	0.46%	6
GCI Joliet LLC	Central Grocers Disribution Cntr.	12,563,020	0.43%	7
Raceway Associates LLC	Racetrack	11,915,394	0.41%	8
Desplaines Development LP	Harrah's/Gaming	11,347,740	0.39%	9
Equity Industrial LP IV	Toys R Us/Warehousing	6,793,901	0.23%	10
		<u>\$ 143,531,268</u>	<u>4.11%</u>	
Total City Assessed Valuation		<u>\$ 2,892,252,345</u>		

Taxpayer	Type Of Business, Property	2002 Equalized Assessed Valuation	Percentage Of Total 2002 Equalized Assessed Valuation	2002 Rank
DesPlaines Development*	Harrah's / Gaming	\$ 23,414,577	1.47%	1
BRE/Louis Joliet LLC	Louis Joliet Mall	11,371,337	0.71%	2
Empress River Casino Co.	Empress / Gaming	10,467,875	0.66%	3
Raceway Associates, LLC	Race Track	6,593,327	0.41%	4
Equity Ind. Limited Partnership IV	Toys R Us / Warehousing	5,635,877	0.35%	5
Wal-Mart Properties	Department Store	4,112,045	0.26%	6
Industrial Development	Industrial/Business Park	4,055,084	0.25%	7
M&J LJP Parkway LP	L. J. Pointe Mall	3,973,125	0.25%	8
Larkin Village LP	Apartment Complex	3,457,786	0.22%	9
Simon Property Group	Northridge Mall	3,182,935	0.20%	10
		<u>\$ 76,263,968</u>	<u>4.78%</u>	
Total City Assessed Valuation		<u>\$ 1,595,313,603</u>		

Note: Every effort has been made to identify the largest taxpayers. However, some taxpayers may have multiple parcels which may have been overlooked. The 2011 EAV by parcel is the most current available.

* Prior to enterprise zone tax abatement

Source of Information: Office of Will County Treasurer.

CITY OF JOLIET, ILLINOIS

Property Tax Rates - Levies And Collections Last Ten Tax Years

Rates Extended	2012	2011	2010	2009
General	0.0108	0.0513	0.0605	0.0696
Police Protection	0.1495	0.1443	0.1363	0.1287
Fire Protection	0.1203	0.1243	0.1200	0.1135
Street And Bridge (Excluding Township Portion)	-	-	-	0.0234
Street Lighting	-	-	-	0.0064
School Crossing Guard	-	-	0.0035	0.0033
E.S.D.A.	-	-	-	0.0014
Illinois Municipal Retirement Fund	-	-	-	0.0319
Coliseum	-	-	-	0.0004
Corporate Purpose Bond And Interest	0.0434	0.0396	0.0376	0.0354
Joliet Police Pension	0.4828	0.4077	0.3624	0.3131
Joliet Firemen Pension	0.4255	0.3649	0.3589	0.2949
Joliet Public Library	0.2143	0.1970	0.1877	0.1749
Total Rates Extended	1.4466	1.3291	1.2669	1.1969
Levies Extended				
General	\$ 289,048	\$ 1,494,092	\$ 1,849,045	\$ 2,252,585
Police Protection	4,001,174	4,202,679	4,165,700	4,165,341
Fire Protection	3,201,577	3,600,840	3,649,073	3,649,138
Street And Bridge (Excluding Township Portion)	-	-	-	757,335
Street Lighting	-	-	-	207,134
School Crossing Guard	-	-	106,970	106,803
E.S.D.A.	-	-	-	45,311
Illinois Municipal Retirement Fund	-	-	-	1,032,435
Coliseum	-	-	-	12,946
Corporate Purpose Bond And Interest	1,161,545	1,153,334	1,149,159	1,145,711
Joliet Police Pension	12,921,516	11,874,097	11,075,933	10,133,397
Joliet Firemen Pension	11,387,956	10,627,564	10,968,963	9,544,359
Joliet Public Library	5,735,462	5,737,545	5,736,624	5,660,591
Total Levies Extended	\$ 38,698,278	\$ 38,690,150	\$ 38,701,467	\$ 38,713,086
Current Year Collections	\$ -	\$ 38,060,501	\$ 38,521,596	\$ 38,431,133
Subsequent Collections	-	21,883	44,566	19,393
Total Collections	\$ -	\$ 38,082,384	\$ 38,566,162	\$ 38,450,526
Percentage Of Extensions Collected				
Current Year Collections	0.00%	98.37%	99.54%	99.27%
Total Collections	0.00%	98.43%	99.65%	99.32%

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

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
	0.1087	0.1171	0.1046	0.1264	0.0855	0.1755
	0.1479	0.2439	0.2164	0.2103	0.2196	0.1700
	0.0957	0.1060	0.0922	0.0706	0.0820	0.0714
	0.0203	-	0.0307	0.0538	0.0447	0.0348
	0.0264	0.0286	0.0324	0.0365	0.0421	0.0466
	0.0036	0.0039	0.0044	0.0049	0.0057	0.0063
	0.0006	0.0006	0.0006	0.0006	0.0007	0.0008
	0.0172	0.0187	0.0212	0.0239	0.0275	0.0305
	0.0026	0.0028	0.0032	0.0036	0.0042	0.0046
	-	-	-	-	-	-
	0.2432	0.2008	0.2057	0.1947	0.1947	0.1774
	0.2202	0.1835	0.1852	0.1679	0.1725	0.1600
	0.1775	0.1578	0.1624	0.1658	0.1777	0.1785
	<u>1.0639</u>	<u>1.0637</u>	<u>1.0590</u>	<u>1.0590</u>	<u>1.0569</u>	<u>1.0564</u>
\$	3,471,445	\$ 3,447,660	\$ 2,855,369	\$ 2,915,636	\$ 1,724,677	\$ 3,167,321
	4,726,529	7,180,908	5,907,276	4,862,454	4,381,077	3,068,061
	3,054,465	3,112,405	2,512,360	1,631,414	1,631,865	1,285,703
	648,301	-	817,636	1,242,015	890,092	628,050
	843,111	842,042	884,415	842,550	840,532	841,010
	114,969	114,824	120,106	112,493	112,996	113,699
	19,161	17,665	16,377	13,775	13,877	14,438
	549,299	550,566	578,690	550,986	549,121	550,446
	83,034	82,438	87,349	82,648	83,260	83,018
	-	-	-	-	-	-
	7,770,032	5,911,957	5,615,201	4,502,017	3,889,445	3,201,611
	7,035,504	5,402,610	5,055,617	3,884,454	3,445,390	2,887,586
	<u>5,671,836</u>	<u>4,640,062</u>	<u>4,433,253</u>	<u>3,836,242</u>	<u>3,552,439</u>	<u>3,221,464</u>
\$	<u>33,987,686</u>	<u>\$ 31,303,137</u>	<u>\$ 28,883,649</u>	<u>\$ 24,476,684</u>	<u>\$ 21,114,771</u>	<u>\$ 19,062,407</u>
\$	33,724,323	\$ 31,127,257	\$ 28,650,484	\$ 24,334,150	\$ 20,631,707	\$ 18,963,448
	68,238	74,769	45,222	54,559	32,844	29,150
\$	<u>33,792,561</u>	<u>\$ 31,202,026</u>	<u>\$ 28,695,706</u>	<u>\$ 24,388,709</u>	<u>\$ 20,664,551</u>	<u>\$ 18,992,598</u>
	99.23%	99.44%	99.19%	99.42%	97.71%	99.48%
	<u>99.43%</u>	<u>99.68%</u>	<u>99.35%</u>	<u>99.64%</u>	<u>97.87%</u>	<u>99.63%</u>

CITY OF JOLIET, ILLINOIS

Ratio Of Outstanding Debt By Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Debt
	General Obligation Bonds	Capital Lease Obligations	Loans	Water/Sewer Revenue Bonds	IEPA Loans	
2012	\$ 8,500,000	\$ 4,578,242	\$ -	\$ 41,125,000	\$ 11,714,756	\$ 65,917,998
2011	9,255,000	-	-	46,365,000	3,437,072	59,057,072
2010	9,980,000	-	148,960	49,440,000	-	59,568,960
2009	10,675,000	-	292,940	54,035,000	-	65,002,940
2008	11,340,000	-	432,105	58,455,000	-	70,227,105
2007	11,980,000	-	566,565	61,260,000	-	73,806,565
2006	12,595,000	-	696,581	63,915,000	-	77,206,581
2005	13,180,000	-	-	66,005,000	-	79,185,000
2004	15,150,000	-	-	68,325,000	-	83,475,000
2003	17,500,000	-	-	45,505,000	-	63,005,000

Fiscal Year	Total Debt As A Percentage Of Personal Income	Population	General Bonded Debt Per Capita	Total Debt Per Capita	General Bonded Debt Per Actual Value of Property	Water/Sewer Revenue Bonds Per Number Of Water/Sewer Customers
2012	1.96%	147,433	\$ 58	\$ 447	0.11%	\$ 925
2011	1.78%	147,433	63	401	0.11%	1,045
2010	1.84%	147,433	68	405	0.11%	1,103
2009	1.74%	152,813	70	425	0.11%	1,206
2008	1.88%	145,803	78	482	0.12%	1,306
2007	2.04%	145,803	82	506	0.14%	1,375
2006	2.19%	145,803	86	530	0.16%	1,499
2005	2.33%	145,803	90	543	0.19%	1,612
2004	2.92%	126,939	119	658	0.25%	1,744
2003	2.28%	126,939	138	496	0.32%	1,207

Source of Information: Various City Offices

CITY OF JOLIET, ILLINOIS

Computation Of Direct And Overlapping Bonded Debt December 31, 2012

	Total Debt	Applicable Percent (1)	Overlapping Debt
<u>Direct Debt</u>			
City of Joliet	\$ 8,500,000	100.000%	\$ <u>8,500,000</u>
<u>Overlapping Debt</u>			
Schools			
Elementary			
Troy Community Consolidated School District #30C	70,685,000	59.177%	41,829,262
Laraway Community Consolidated School District #70C	1,420,000	61.542%	873,896
Union School District #81	5,154,083	52.420%	2,701,770
Rockdale School District #84	1,500,000	23.749%	356,235
Joliet Public Schools District #86	59,745,524	87.268%	52,138,724
New Lenox School District #122	157,473,286	7.284%	11,470,354
High Schools And College			
Minooka Community High School District #111	66,600,000	3.495%	2,327,670
Elwood School District #203	1,180,000	5.134%	60,581
Joliet Township High School District #204	87,595,000	59.030%	51,707,329
Lockport Township High School District #205	8,869,996	0.010%	887
New Lenox Township High School District #210	11,805,000	1.382%	163,145
Unit School District #202U	403,555,000	26.447%	106,728,191
Community College District #525	158,660,000	13.476%	21,381,022
Total Schools			<u>291,739,066</u>
Other Than Schools			
Will County (2)	143,870,000	13.394%	19,269,948
Will County Forest Preserve District	153,512,604	13.394%	20,561,478
New Lenox Township	1,380,894	9.625%	132,911
Channahon Park District	8,540,000	1.075%	91,805
Joliet Park District	6,930,000	84.592%	5,862,226
Lockport Park District	1,665,194	0.015%	250
New Lenox Park District	2,952,000	10.599%	312,882
Plainfield Park District	4,980,000	32.197%	1,603,411
Total Other Than Schools			<u>47,834,911</u>
Total Overlapping Debt			<u>\$ 339,573,977</u>
Total Direct And Overlapping Debt			<u>\$ 348,073,977</u>

- Notes: (1) Overlapping debt percentages based on 2011 EAV.
(2) Includes the Public Building Commission.

Schedule includes general obligation debt for which taxes may be levied.

Schedule includes general obligation debt for which taxes may be levied.

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		
2012	\$ 42,480,156	\$ 25,151,848	\$ 17,328,308	\$ 5,050,000	\$ 1,812,911	2.52	
2011	41,929,836	23,550,992	18,378,844	2,645,000	1,923,594	4.02	
2010	38,851,226	22,177,782	16,673,444	4,620,000	2,117,040	2.47	
2009	30,192,054	19,527,900	10,664,154	4,420,000	2,598,041	1.52	
2008	27,975,227	23,115,206	4,860,021	2,805,000	2,852,580	0.86	
2007	32,504,462	21,904,482	10,599,980	2,655,000	3,039,915	1.86	
2006	34,758,371	15,120,871	19,637,500	2,460,000	3,038,888	3.57	
2005	34,240,733	16,918,168	17,322,565	2,320,000	3,329,508	3.07	
2004	31,146,539	14,609,789	16,536,750	2,180,000	3,252,775	3.04	
2003	29,427,182	13,949,181	15,478,001	2,195,000	1,975,541	3.71	

At December 31, 2012, there were five bond issues payable from water/sewer revenues. Details about the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses. Debt service principal does not include amounts defeased by new debt.

Source of Information: Office of Will County Clerk

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
2012	147,433	\$ 22,826	\$ 3,365,305,658	11.5
2011	147,433	22,572	3,327,857,676	12.4
2010	147,433	22,111	3,259,891,063	12.9
2009	152,813	22,133	3,382,210,129	12.7
2008	145,803	25,617	3,735,035,451	9.3
2007	145,803	24,826	3,619,705,278	6.2
2006	145,803	24,138	3,519,392,814	4.6
2005	145,803	23,347	3,404,062,641	7.0
2004	126,939	22,554	2,862,982,206	7.5
2003	126,939	21,763	2,762,573,457	9.3

Sources of Information: Office of Will County Clerk, U.S. Census Bureau,
Illinois Dept. of Employment Security

Note: Per Capita Income is based on 2000 and 2010 Censuses.

CITY OF JOLIET, ILLINOIS

Principal Employers In The City Most Current Year Available And Nine Years Ago

Employer	Type Of Business Or Property	2011 Number Of Employees	2011 Rank	Percentage Of 2011 Total Employment
Provena St. Joseph Medical Center	Hospital	2,500	1	3.90%
Will County	County Government	2,400	2	3.75%
Hollywood Casino	Riverboat Casino	1,756	3	2.74%
Caterpillar Inc	Tractors and Earthmoving Equipment	1,500	4	2.34%
Joliet School District # 86	Elementary School District	1,400	5	2.19%
Harrah's Casino	Riverboat Casino	1,100	6	1.72%
University of St. Francis	Education	1,100	7	1.72%
Joliet Corrections Dept.	State Government	950	8	1.48%
City of Joliet	City Government	915	9	1.43%
Filtration Group	Filtration	900	10	1.40%

Employer	Type Of Business Or Property	2003 Number Of Employees	2003 Rank	Percentage Of 2003 Total Employment
Caterpillar Inc	Tractors and Earthmoving Equipment	3,000	1	5.42%
Provena St. Joseph Medical Center	Hospital	2,430	2	4.39%
Harrah's Casino	Riverboat Casino	2,000	3	3.61%
Argosy's Empress Casino	Riverboat Casino	2,000	4	3.61%
Will County	County Government	1,400	5	2.53%
Silver Cross Hospital	Hospital	1,400	6	2.53%
City of Joliet	City Government	930	7	1.68%
Joliet School District # 86	Elementary School District	900	8	1.63%
Mobil Oil Corporation	Refinery	650	9	1.17%
Ameritech	Telephone/Communications Services	550	10	0.99%

Note: Data for 2011 is the most current available.

Sources of Information: Will County Center for Economic Development, City of Joliet,
and Illinois Department of Employment Security

This Page Intentionally Left Blank

CITY OF JOLIET, ILLINOIS

City Employment Statistics Last Ten Fiscal Years

Function	2012		2011		2010		2009		2008	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	68	25	75	27	74	30	86	31	86	31
Public Safety										
Police Department	319	49	338	50	346	54	391	57	391	57
Fire Department	210	2	208	2	210	3	216	3	216	3
Streets and Bridges	42	-	51	-	54	-	54	-	54	-
Refuse Disposal (1)	-	-	-	-	-	-	-	1	-	1
Culture And Recreation (2)	5	-	4	1	4	1	6	1	6	1
Community Development	31	8	31	7	36	2	43	3	43	3
Public Works	20	-	22	-	23	15	28	15	28	15
Water And Sewer (3)	89	1	87	1	92	1	97	1	97	1
Parking Facilities (4)	3	12	3	10	3	15	4	15	4	15
Subtotals	787	97	817	98	842	121	925	127	925	127
TOTAL STAFF		884		915		963		1,052		1,052

Function	2007		2006		2005		2004		2003	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	87	31	85	31	84	31	83	30	82	31
Public Safety										
Police Department	391	57	378	59	366	50	359	48	350	46
Fire Department	216	3	213	3	183	3	183	3	183	3
Streets and Bridges	54	-	52	-	51	-	50	-	49	-
Refuse Disposal (1)	-	1	-	1	-	1	-	1	-	1
Culture And Recreation (2)	6	1	6	1	6	1	3	1	3	1
Community Development	43	3	41	3	41	2	38	-	38	-
Public Works	28	15	33	15	33	15	32	15	32	15
Water And Sewer (3)	99	1	86	1	82	1	77	1	77	-
Parking Facilities (4)	4	15	4	15	4	15	4	15	4	15
Subtotals	928	127	898	129	850	119	829	114	818	112
TOTAL STAFF		1,055		1,027		969		943		930

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

(2) Includes Visitors' Service Division.

(3) Includes Customer Services Division Employees.

(4) Includes One Clerk-Typist position from Collector's Office in 2003-09, not in 2010-12.

Source of Information: City of Joliet Annual Budgets

CITY OF JOLIET, ILLINOIS

Operating Indicators By Function Last Seven Fiscal Years

Function	2012	2011	2010	2009	2008
General Government					
Fiscal					
Purchase Orders Processed	5,391	5,411	5,659	5,863	6,539
Nonpayroll Checks Issued	8,061	8,584	8,788	9,391	12,888
Maintenance					
Square Footage Maintained By Staff (City Hall)	62,007	62,007	62,007	62,007	62,007
Information Technology Services					
Wireless Network Locations	65	65	37	55	49
Point-to-point Networks Monitored	114	114	93	93	92
Public Safety					
Police					
Physical Arrests Made	5,435	6,575	7,563	7,454	8,583
Traffic Violations	17,141	19,051	18,974	27,724	32,136
Parking Violations	19,410	27,464	19,258	31,487	36,380
911 Emergency Calls Received	99,625	93,517	101,836	112,369	116,491
Fire					
Emergency Responses	26,701	26,469	26,422	26,236	26,055
Inspections	1,504	953	953	953	953
Calls For Service	18,958	18,793	18,873	18,740	18,611
Significant Fires Extinguished	65	56	49	58	59
Streets And Bridges					
Lane Miles Of Road Resurfaced	13.00	13.00	15.50	8.60	15.57
Potholes Repaired	21,315	15,724	16,000	16,180	15,922
Culture And Recreation					
Programs Sponsored	3	3	7	10	19
Water And Sewer					
Water And Sewer Accounts	44,452	44,350	44,840	44,790	44,770
Water Only Accounts	260	262	244	233	226
Sewer Only Accounts	35	38	36	40	39
New Connections (net)	102	(490)	50	20	1,543
Water Main Breaks	232	258	225	169	200
Average Daily Consumption In Gallons	14,431,978	13,462,570	10,615,500	11,339,279	12,059,926
Parking Facilities					
Parking Spaces	2,801	2,801	2,801	2,983	2,859

Source of Information: Various City Offices

The City implemented the provisions of GASB Statement No. 44 in 2006.
Information is presented for as many years as is available.

<u>2007</u>	<u>2006</u>
6,629	6,701
10,781	11,322
62,007	62,007
34	34
88	80
8,422	7,368
39,697	34,722
41,205	35,551
110,481	118,903
25,056	22,760
952	1,200
17,865	16,330
97	55
13.30	24.95
15,463	3,000
17	16
43,227	42,378
225	224
38	38
850	2,055
245	140
13,660,959	12,370,768
2,859	2,689

CITY OF JOLIET, ILLINOIS

Capital Asset Statistics By Function Last Seven Fiscal Years

Function	2012	2011	2010	2009
Public Safety				
Police				
Stations	2	2	2	2
Substations	1	1	1	1
Patrol Units	334	334	334	339
Fire				
Active Stations	9	9	9	9
Vehicles	55	60	60	60
Streets And Bridges				
Miles Of Streets	512	510	510	510
Bridges	31	31	31	31
Traffic Signals	123	123	123	119
Warning Flashers	38	38	38	38
Public Works				
Vehicles	114	117	137	138
Water And Sewer				
Vehicles				
Vehicles	77	93	93	95
Water				
Water Mains (Miles)	540	437	437	436
Fire Hydrants	7,500	7,500	6,850	6,822
Storage Capacity In Gallons	16,500,000	16,500,000	16,500,000	16,500,000
Sewer				
Sanitary Sewers (Miles)	406	406	406	405
Storm Sewers (Miles)	557	557	557	557
Parking Facilities				
Lots				
Lots	10	10	10	9
Decks				
Decks	2	2	2	2

Source of Information: Various City Offices

The City implemented the provisions of GASB Statement No. 44 in 2006.
Information is presented for as many years as is available.

<u>2008</u>	<u>2007</u>	<u>2006</u>
2	2	2
1	1	1
329	334	317
9	9	9
57	60	61
507	510	500
27	27	27
118	118	117
38	38	34
144	142	139
93	92	88
435	430	416
6,800	6,608	6,416
14,750,000	14,750,000	14,750,000
402	400	391
555	549	540
7	7	5
2	2	2

CITY OF JOLIET, ILLINOIS

Miscellaneous Statistics

December 31, 2012

Date Of Organization:	January 19, 1852
Form Of Government:	City Manager
Governing Body:	City Council
Land Area:	Approximately 63 square miles
Number Of Housing Units:	51,841 - 2012 estimate
Number Of Registered Voters:	73,245 - 2012 estimate
Number Of Townships:	8
Number Of School Districts:	8
Number Of Community College Districts:	1

Source of Information: City Business Office, City Planning Offices, Will County Clerk's Office and U.S. Census Bureau