

CITY OF JOLIET, ILLINOIS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014**

PREPARED BY THE FINANCE DEPARTMENT

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INTRODUCTORY SECTION

Table of Contents

	Page
INTRODUCTORY SECTION:	
Table of Contents	i-iv
Letter of Transmittal from Finance Director	v-viii
Mayor and City Council Members	ix
Organizational Chart	x
Certificate of Achievement for Excellence in Financial Reporting	xi
FINANCIAL SECTION:	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-15
Basic Financial Statements	
Statement of Net Position	16-17
Statement of Activities	18-19
Balance Sheet - Governmental Funds	20
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	23
Statement of Net Position – Proprietary Funds	24-25
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27-28
Statement of Fiduciary Net Position – Fiduciary Funds	29
Statement of Changes In Fiduciary Net Position – Fiduciary Funds	30
Combining Statement of Net Position - Component Units	31-32
Combining Statement of Activities - Component Units	33-34
Notes to Basic Financial Statements	35-72
Required Supplementary Information:	
Schedule of Funding Progress – Illinois Municipal Retirement Fund	73

Table of Contents, Continued

	Page
FINANCIAL SECTION, Continued:	
Schedule of Funding Progress – Retiree Healthcare and Life Insurance Benefit Programs	73
Schedules of Funding Progress – Police and Firefighters’ Pension Plans	74
Schedules of Employer Contributions – Police and Firefighters’ Pension Plans	75
Schedules of Changes in the Net Pension Liability and Related Ratios – Police and Firefighters’ Pension Plans	76
Schedules of Annual Money-Weighted Rate of Return on Pension Plan Investments – Police and Firefighters’ Pension Plans	77
Major Funds:	
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – General Fund	78-81
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) – Motor Fuel Tax Fund	82-83
Notes to Required Supplementary Information	84
Other Supplementary Information:	
Detailed Schedule of Expenditures – Budget and Actual (Budgetary Basis) - General Fund	85-102
Combining Balance Sheet – All Nonmajor Governmental Funds	103-104
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds	105-106
Nonmajor Special Revenue Funds:	
Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis):	
Community Development Block Grant Fund	107-108
Evergreen Terrace II Fund	109-110
Special Service Area Fund	111-112
Tax Incremental Financing Fund #2	113-114
Tax Incremental Financing Fund #3	115-116
Grants and Special Accounts Fund	117-118

Table of Contents, Continued

	Page
FINANCIAL SECTION, Continued:	
Nonmajor Debt Service Fund:	
Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis): Corporate Bond and Interest Fund	119-120
Nonmajor Capital Projects Funds:	
Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis):	
General Capital Fund	121-122
Property Improvement Fund	123-124
Pension Trust Funds:	
Combining Statement of Net Position	125
Combining Statement of Changes in Net Position	126
Agency Fund:	
Schedule of Changes in Assets and Liabilities	127
Other Schedules:	
General Obligation Bonds - Schedule of Debt Service Requirements	128-129
Waterworks and Sewerage Fund Revenue Bonds - Schedule of Debt Service Requirements	130-131
STATISTICAL SECTION – (UNAUDITED)	
Financial Trends:	
Net Position by Component - Last Ten Fiscal Years	132-133
Changes in Net Position - Last Ten Fiscal Years	134-137
Fund Balances, Governmental Funds - Last Ten Fiscal Years	138-139
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	140-141
Revenue Capacity:	
Gaming Tax Collections - Last Ten Fiscal Years	142
Principal Gaming Taxpayers in the City – Taxes Collected Last Ten Fiscal Years	143
Equalized Assessed Valuation and Estimated Actual Valuation - Last Ten Tax Years	144-145
Direct and Overlapping Property Tax Rates - Last Ten Tax Years	146
Principal Property Taxpayers in the City - Most Current Year Available and Nine Years Prior	147
Property Tax Rates - Levies and Collections - Last Ten Tax Years	148-149

Table of Contents, Continued

	Page
STATISTICAL SECTION – (UNAUDITED), Continued:	
Debt Capacity:	
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	150
Computation of Direct and Overlapping Bonded Debt	151
Legal Debt Margin Information	152
Pledged Revenue Coverage - Last Ten Fiscal Years	153
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Ten Years	154
Principal Employers in the City - Current Year and Eight Years Prior	155
Operating Information:	
City Employment Statistics - Last Ten Fiscal Years	156
Operating Indicators by Function - Last Nine Fiscal Years	157-158
Capital Asset Statistics by Function - Last Nine Fiscal Years	159-160
Miscellaneous Statistics	161

FINANCE DEPARTMENT

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

June 16, 2015

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, 2014 is hereby submitted. This report provides a broad view of the City's financial activities and its financial position as of December 31st, 2014. 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.

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 31st in accordance with state statute. The City continues to work towards developing a long range strategic/financial plan in cooperation with the annual budget process. A budget to actual comparison is provided within the required supplementary information subsection at the end of the financial section of this report.

Factors Affecting Financial Condition

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

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

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

The award of a \$30 million grant in 2010 from the State of Illinois for the construction of a new multimodal transportation center in downtown will make Joliet the first stop on the new high-speed rail line from Chicago to St. Louis. The total project is estimated at nearly \$65 million and includes reworking the track area around the current Union Station to provide a more safe and efficient method of interaction between commuter and freight lines. In 2012, first phase parking facilities were completed for approximately \$2 million. In 2014, work continued on the \$7 million Rock Island Platform and is approximately 90% complete.

In addition to these new transportation related projects, the City pulls its economic strength from the diversity of its industry and its location in the southwest region of Chicagoland. The City's varied economic base includes two riverboat casinos, as well as healthcare, retail, higher education, and manufacturing institutions. During 2014, the City reported several additions in the commercial sector, including; Joliet Bulk Barge and Rail, CenterPoint Industrial warehouse and Dollar Tree warehouse. The City is also home to the Chicagoland Speedway, whose events bring in additional hotel/motel tax receipts annually.

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

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

Long-Term Financial Planning: Since Joliet is a home rule unit of government, there is no legal limitation on its debt. However, the City has maintained a very small portfolio of debt which has been very beneficial in its overall financial stability. At year-end, the City has three outstanding general obligation bond series, with outstanding principal of \$10.3 million. The total principal outstanding on the Water & Sewer Revenue bonds is \$33.5 million. In 2014, , the City secured additional low interest loans from the Illinois Environmental Protection Agency totaling approximately \$44.7 million, for improvements to the City's water and sewer infrastructure.

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, 2013. This was the fifteenth 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 "James Ghedotte". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

James Ghedotte
Director of Finance

**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
Bettye Gavin

COUNCILMAN, DISTRICT #5
Terry Morris

COUNCILMAN AT LARGE
Jim McFarland

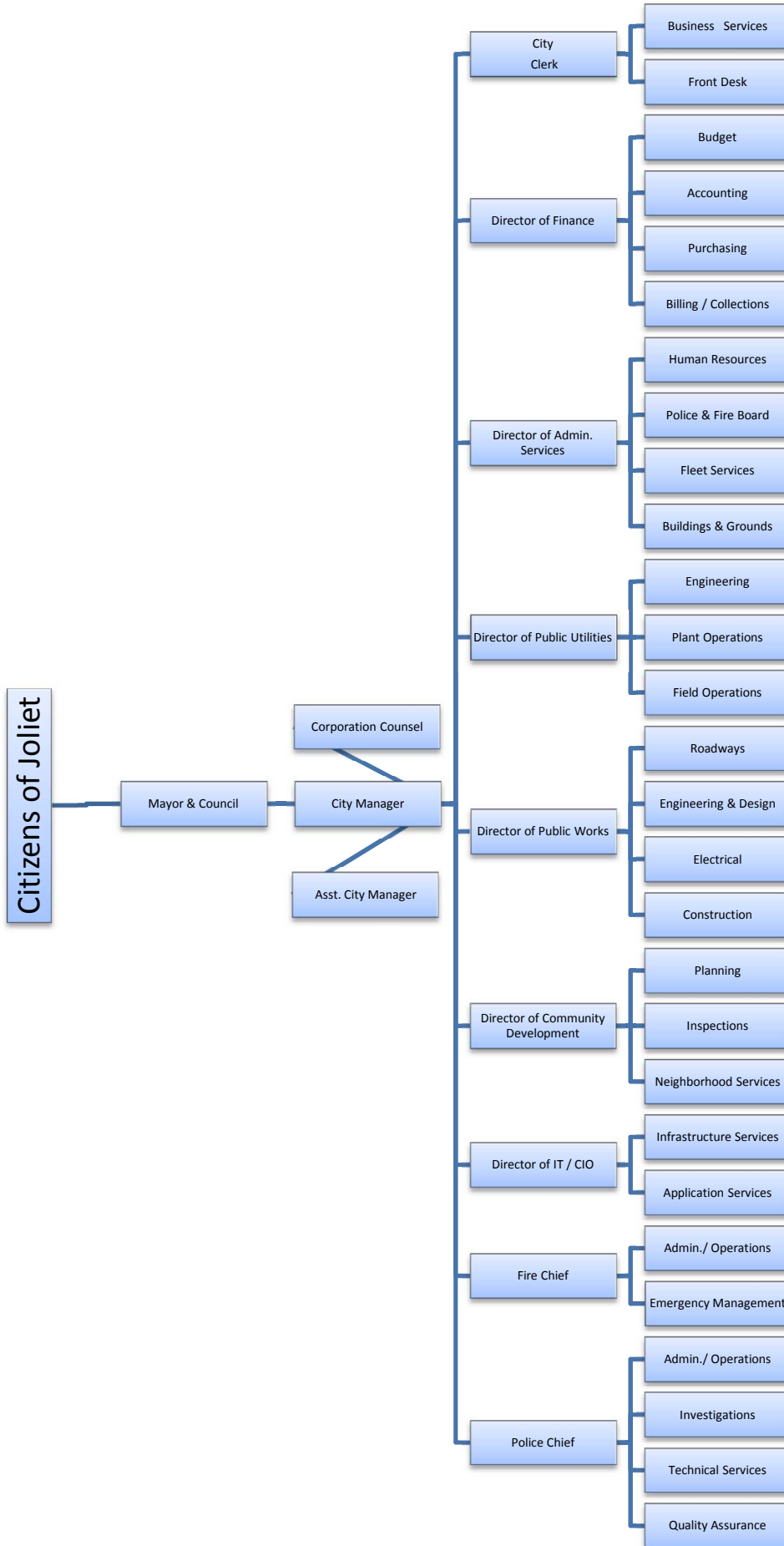
COUNCILWOMAN AT LARGE
Jan Hallums-Quillman

COUNCILMAN AT LARGE
Michael F. Turk

CITY MANAGER
James D. Hock

FINANCE DIRECTOR
James Ghedotte

**Organizational Chart
December 31, 2014**





Government Finance Officers Association

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

Presented to

**City of Joliet
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Joliet, Illinois, (City) as of and for the year ended December 31, 2014, 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, 2014, which represent 70 percent, 76 percent, and 46 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, 2014, which represent 3 percent, 2 percent, and 11 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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress, schedules of employer contributions, schedules of changes in the net pension liability and related ratios, schedules of annual money-weighted rate of return on pension plan investments, budgetary comparison information and notes to required supplementary information on pages 4 through 15, 73 through 74, 75, 76, 77, 78 through 83 and 84, 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 16, 2015, 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 16, 2015

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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, 2014. Please read it in conjunction with the transmittal letter beginning on page v and the City's financial statements, which begin on page 16.

Financial Highlights

- The assets of the City exceeded the liabilities at year-end by \$586.7 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 \$51.4 million, restricted net position accounted for \$25.7 million and the net investment in capital assets totaled \$612.4 million. Total net position for Governmental activities was \$322.7 million and Business-type activities totaled \$264.0 million.
- The total primary government-wide expenses for the year ended December 31, 2014 were \$232.4 million and total primary government-wide taxes and other revenues for City functions were \$222.5 million, resulting in a decrease of in net position of \$9.9 million.
- Revenues of the governmental activities decreased \$3.2 million or 1.8 percent from the prior year, while expenses increased \$4.0 million or 2.2 percent.
- Business-type activities generated \$44.7 million in revenues, down \$1.9 million or 4.1 percent from the prior year and expenses totaled \$44.2 million, a \$0.3 million decrease or 0.7 percent.
- The combined fund balances for the City's governmental funds at year-end totaled \$74.6 million, a decrease of \$0.4 million or 0.5 percent in comparison to the prior year.
- Total General Fund revenues for the year were \$161.5 million, while total expenditures before transfers were \$156.2 million.
- At year-end the unassigned fund balance in the General Fund was \$43.9 million, or 28.1 percent of the total General Fund expenditures.

Overview of the Financial Statements

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

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

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

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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

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

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

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

Fund Financial Statements

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

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

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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 thirteen 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, Evergreen Terrace II Fund, Special Service Area Fund, Tax Increment Financing Fund # 2, Tax Increment Financing Fund #3, Business District Tax Allocation Fund, Grants and Special Accounts Fund, Corporate Bond and Interest Fund, Neighborhood Improvement Fund, General Capital Fund, and Property 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 103–124).

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

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

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

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

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

Notes to Basic Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's employee pension and postemployment benefit obligations, budgetary comparison schedules for the City's funds, and the combining statements for the nonmajor governmental funds mentioned previously. This information begins on page 73 of this report.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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, 2014.

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	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other	\$ 125.2	\$ 129.4	\$ 46.8	\$ 48.2	\$ 172.0	\$ 177.6
Capital Assets	<u>387.1</u>	<u>389.0</u>	<u>281.4</u>	<u>280.1</u>	<u>668.5</u>	<u>669.1</u>
Total Assets	<u>512.3</u>	<u>518.4</u>	<u>328.2</u>	<u>328.3</u>	<u>840.5</u>	<u>846.7</u>
Deferred Outflows of Resources	<u>0.1</u>	<u>0.1</u>	<u>0.7</u>	<u>1.2</u>	<u>0.8</u>	<u>1.3</u>
Liabilities						
Current and Other	9.2	13.7	4.1	4.9	13.3	18.6
Long-Term	<u>145.4</u>	<u>136.9</u>	<u>60.8</u>	<u>60.9</u>	<u>206.2</u>	<u>197.8</u>
Total Liabilities	<u>154.6</u>	<u>150.6</u>	<u>64.9</u>	<u>65.8</u>	<u>219.5</u>	<u>216.4</u>
Deferred Inflows of Resources	<u>35.1</u>	<u>35.0</u>	<u>-</u>	<u>-</u>	<u>35.1</u>	<u>35.0</u>
Net Position						
Net Investment in Capital Assets	376.6	377.2	235.8	244.0	612.4	621.2
Restricted	19.6	21.3	6.1	8.7	25.7	30.0
Unrestricted	(<u>73.5</u>)	(<u>65.6</u>)	<u>22.1</u>	<u>11.0</u>	<u>(51.4)</u>	<u>(54.6)</u>
Total Net Position	<u>\$ 322.7</u>	<u>\$ 332.9</u>	<u>\$ 264.0</u>	<u>\$ 263.7</u>	<u>\$ 586.7</u>	<u>\$ 596.6</u>

The City's combined net position decreased \$9.9 million from \$596.6 million to \$586.7 million during 2014.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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 decreased by \$6.2 million primarily due to the pay down of prior year current liabilities. Total liabilities increased \$3.1 million. Increases in liabilities included \$11.9 million in other postemployment benefits; reductions in liabilities included \$5.3 million in current liabilities and \$3.0 million in general and revenue bonds and loans. 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, 2014, the City's total assets and deferred outflows exceeded total liabilities and deferred inflows. However, a significant portion of the total net position (\$612.4 million) is reflected in capital assets (e.g. land, buildings, equipment, and infrastructure). The City uses these capital resources to provide services to the residents; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the City generally cannot use the capital assets themselves to liquidate these liabilities.

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

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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

	Governmental Activities		Business Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services	\$ 24.6	\$ 24.9	\$ 44.6	\$ 45.8	\$ 69.2	\$ 70.7
Operating Grants and Contributions	1.1	1.6	0.1	0.8	1.2	2.4
Capital Grants and Contributions	11.9	16.9	-	-	11.9	16.9
General Revenues:						
Property Taxes	35.4	35.1	-	-	35.4	35.1
Gaming Taxes	19.2	19.8	-	-	19.2	19.8
State Sales Taxes	20.9	19.9	-	-	20.9	19.9
Home Rule Sales Taxes	24.2	23.6	-	-	24.2	23.6
Utility Taxes	9.0	8.7	-	-	9.0	8.7
State Income Taxes	14.0	14.2	-	-	14.0	14.2
Other Taxes	15.5	13.9	-	-	15.5	13.9
Interest and Investment Earnings	-	0.1	-	-	-	0.1
Other	2.0	2.3	-	-	2.0	2.3
Total Revenues	<u>177.8</u>	<u>181.0</u>	<u>44.7</u>	<u>46.6</u>	<u>222.5</u>	<u>227.6</u>
Program Expenses						
General Government	15.7	14.6	-	-	15.7	14.6
Public Safety	114.2	112.9	-	-	114.2	112.9
Public Works	36.4	35.5	-	-	36.4	35.5
Refuse Disposal	11.8	11.4	-	-	11.8	11.4
Culture and Recreation	1.7	2.2	-	-	1.7	2.2
Community Development	7.9	7.1	-	-	7.9	7.1
Interest on Long-Term Debt	0.5	0.5	-	-	0.5	0.5
Water and Sewer	-	-	42.8	43.0	42.8	43.0
Parking Facilities	-	-	1.4	1.5	1.4	1.5
Total Expenses	<u>188.2</u>	<u>184.2</u>	<u>44.2</u>	<u>44.5</u>	<u>232.4</u>	<u>228.7</u>
Excess Revenues Over Expenses						
Before Transfers	(10.4)	(3.2)	0.5	2.1	(9.9)	(1.1)
Transfers	<u>0.2</u>	<u>-</u>	<u>(0.2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>(10.2)</u>	<u>(3.2)</u>	<u>0.3</u>	<u>2.1</u>	<u>(9.9)</u>	<u>(1.1)</u>
Net Position, Beginning	<u>332.9</u>	<u>336.1</u>	<u>263.7</u>	<u>261.6</u>	<u>596.6</u>	<u>597.7</u>
Net Position, Ending	<u>\$ 322.7</u>	<u>\$ 332.9</u>	<u>\$ 264.0</u>	<u>\$ 263.7</u>	<u>\$ 586.7</u>	<u>\$ 596.6</u>

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

Primary Government Activities

The preceding table shows overall consistency in the City's activity from year to year. With primary government revenues decreasing by \$5.1 million or 2.2 percent and primary government expenses increasing by \$3.7 million or 1.6 percent.

A closer look shows a \$5.0 million or a 29.6 percent decrease in capital grants and contributions, based on the timing of grant projects. Additionally, gaming taxes decreased \$0.6 million due to the increased competition by area casinos.

Total primary government expenses increased \$3.7 million from \$228.7 million to \$232.4 million. Governmental activities' expenses increased \$4.0 million.

Business type activities' expenses decreased \$0.7 million, primarily due to decreased interest expense on the outstanding debt related to the City's utility system.

Governmental Activities

Table 3a
Governmental Activities
(In Millions)

	Total Cost of Services		Net Cost of (Surplus from) Services	
	2014	2013	2014	2013
General Government	\$ 15.7	\$ 14.6	\$ 12.3	\$ 11.9
Public Safety	114.2	112.9	104.4	101.3
Public Works	36.4	35.5	28.6	24.8
Refuse Disposal	11.8	11.4	(0.5)	(0.8)
Culture and Recreation	1.7	2.2	1.6	1.9
Community Development	7.9	7.1	3.7	1.2
All Others	0.5	0.5	0.5	0.5
Total	\$ 188.2	\$ 184.2	\$ 150.6	\$ 140.8

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, 2014

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, 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, costs of the tax incremental financing activities, and activities supported by the community development block grant.

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) decreased by \$1.9 million or 4.1 percent while expenses decreased by \$0.3 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 9.1 percent (from \$1.43 million to \$1.30 million), while expenses decreased 3.5 percent (from \$1.50 million to \$1.45 million). The decrease in revenues was due to fewer fines, and the decrease in expenses was mostly attributable to decreased payroll and benefits.

Water and wastewater utility revenues decreased by \$1.1 million or 2.5 percent (from \$44.4 million to \$43.3 million), primarily due to a reimbursement from an intergovernmental agreement in 2013. As shown in Table 3b, the overall net cost of providing water and wastewater services is a positive \$0.65 million; with the year over year decrease coming from an increase in contracted maintenance services.

Table 3b
Business-Type Activities
(In Millions)

	Total Cost of Services		Net Cost of (Surplus from) Services	
	2014	2013	2014	2013
Water and Sewer	\$ 42.78	\$ 43.03	\$ (0.65)	\$ (2.16)
Parking Facilities	1.47	1.50	0.16	0.07
Total	\$ 44.25	\$ 44.53	\$ (0.49)	\$ (2.09)

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, 2014

Governmental Funds reported a combined fund balance of \$74.6 million; \$0.4 million lower than last year's balance of \$75.0 million. Unassigned fund balance was \$41.5 million and is available for spending at the City's discretion. The remaining \$33.1 million is held for a variety of nonspendable, restricted or assigned purposes and is available for specific spending.

The General Fund is the chief operating fund of the City. At year end it reported a fund balance of \$52.6 million, an increase of \$3.5 million as compared to last year's total of \$49.1 million. Revenues over expenses for the year showed a positive \$5.3 million, which was offset by net transfers out to Other Governmental Funds of \$1.8 million. Overall General Fund revenues decreased \$1.5 million or 0.9 percent, primarily due to a \$2.2 million decrease in income tax revenues because of the timing of revenue recognition in 2013 and a \$0.6 million decline in gaming tax revenues. The City's home rule sales tax revenues increased \$0.5 million.

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 \$5.2 million in revenues during 2014 and spent \$3.0 million on city-wide roadway improvements. Revenues were up about \$0.5 million in 2014 due to a one-time capital bill program grant. The year-end balance for the Motor Fuel Tax Fund is \$13.6 million a \$2.2 million increase from the prior year.

Other governmental funds is comprised of the Community Development Block Grant Fund, Evergreen Terrace II Fund, Special Service Area Fund, Tax Increment Financing Fund # 2, Tax Increment Financing Fund #3, Business District Tax Allocation Fund, Grants And Special Accounts Fund, Corporate Bond And Interest Fund, Neighborhood Improvement Fund, General Capital Fund, and Property Improvement Fund. Once again, the primary activity for this year occurred in the Grants And Special Accounts Fund which accounts for the revenues and expenses associated with the multi-modal transportation project that is funded through private and state grants. Significant activity was also seen in the Capital Improvement Fund as the City continued purchases for equipment to replace aging models and software and hardware upgrades for a new payroll and ERP system.

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 \$161.5 million exceeded budgeted revenues by \$1.7 million or 1.1 percent; while actual budgetary expenditures were below budget by \$11.5 million or 6.9 percent. The City continued to work with the employee unions to delay wage increases, reduce the employee complement and employ other measures to reduce overtime and other expenses. In addition, the City has delayed maintenance in areas in which safety or other critical functions would not be compromised. While the City has made significant efforts to control costs to address the economic downturn, 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, 2014

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

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues	\$ 158.9	\$ 159.8	\$ 161.5	\$ 1.7
Expenditures	164.3	167.2	155.7	11.5
Excess of Revenues Over Expenditures	(5.4)	(7.4)	5.8	13.2
Other Financing Sources and Uses:				
Debt Issuance	-	-	3.5	3.5
Debt Refunding	-	-	(3.5)	(3.5)
Transfers from Other Funds	4.7	4.7	0.2	(4.5)
Transfers to Other Funds	-	(2.0)	(2.0)	-
Net Change in Fund Balance	<u>\$ (0.7)</u>	<u>\$ (4.7)</u>	<u>\$ 4.0</u>	<u>\$ 8.7</u>

Capital Assets and Debt Administration

Capital Assets

At the end of 2014, the City had \$668.5 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 decrease (including additions, deductions and depreciation) of approximately \$0.6 million or 0.1 percent from last year.

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

	Governmental Activities		Business Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land and Land Improvements	\$ 21.8	\$ 21.9	\$ 4.0	\$ 4.1	\$ 25.8	\$ 26.0
Buildings	43.6	44.6	-	-	43.6	44.6
Waterworks and Sewerage System	-	-	238.4	241.6	238.4	241.6
Parking Facilities	-	-	2.5	2.5	2.5	2.5
Equipment	13.3	12.9	13.9	12.6	27.2	25.5
Infrastructure	284.9	294.8	-	-	284.9	294.8
Construction in Progress	23.5	14.8	22.6	19.3	46.1	34.1
Totals	<u>\$ 387.1</u>	<u>\$ 389.0</u>	<u>\$ 281.4</u>	<u>\$ 280.1</u>	<u>\$ 668.5</u>	<u>\$ 669.1</u>

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

- \$5.8 million for various phases of the Multi-Modal Transportation Center;
- \$7.5 million for water/sewer system improvements;
- \$0.8 million to purchase of public safety equipment;
- \$1.4 million for software purchases; and
- \$3.7 million for roadway resurfacing.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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 \$59.9 million in bonds and loans outstanding versus \$63.0 million last year – a decrease of 4.9 percent – as shown in Table 6.

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

	Governmental Activities		Business Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds (Backed by the City)	\$ 10.5	\$ 7.8	\$ -	\$ -	\$ 10.5	\$ 7.8
Revenue Bonds (Backed by Specific Fee Revenues)	-	-	34.7	37.2	34.7	37.2
IEPA Loan	-	-	14.7	13.8	14.7	13.8
Equipment Loan	-	4.2	-	-	-	4.2
Totals	\$ 10.5	\$ 12.0	\$ 49.4	\$ 51.0	\$ 59.9	\$ 63.0

During the year, the City issued four new bond series, 2014 A through D, Series A resulted in \$3.7 million of new money to be used for improving the City's water and sewer system; Series B, C and D were used to refund prior year debt issues. Additionally, the City continued to borrow funds from the Illinois Environmental Protection Agency. Loans outstanding are being used for improvements to the aging water and sewer system.

As of the year ended December 31, 2014, 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 12 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 2015 budget. The 2015 budget of \$283.2 million represents a decrease of \$8.6 million or 2.9 percent as compared to the 2014 budget of \$291.8 million. The budget decrease is primarily due to decreased planned projects offset by increases in the General Fund for salaries/benefits and contractual/administrative services.

The 2015 budget focused on the continuation of the following goals: hire five additional police officers and fill 8 vacant firefighter positions; continuing the City's effort to raise the funding levels for the police and fire pension funds; implement a program to inventory the city's trees; begin a tree removal and trimming program by hiring four public works employees; remove the city's ash trees destroyed by the emerald ash borer; and continuing the commitment made to maintaining at least two months of operating expenses as a reserve balance. The 2015 annual budget continues the reduction of discretionary spending in all departments.

CITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

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 2015 budget includes funding for the multi-modal transportation center funded through state grant funds, as well as, private contributions, and restricted City revenues.

The Mayor and City Council continue to work with the Administration to formulate long-term objectives to ensure future budgets are in balance and strategic long-term goals and policies are in place. Without a long-term strategic policy in place, assumptions used for long-term projections are difficult to make and can provide unachievable expectations. Items for discussion include tax policy, long-term capital investment requirements for building, infrastructure, equipment and technology, reserve requirements, overall compensation and debt. A long-term strategic plan is being formulated for years beyond 2015.

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 2015 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, 2014

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current Assets:				
Cash	\$ 14,020,838	\$ 5,081,535	\$ 19,102,373	\$ 5,802,849
Escrow Deposits	-	6,156,579	6,156,579	-
Investments	53,580,737	26,710,757	80,291,494	1,318,151
Receivables				
Property Taxes, Net of Allowance for Uncollectible Amounts	35,117,887	-	35,117,887	5,700,642
Intergovernmental	21,955,220	1,573,019	23,528,239	-
Accrued Interest	13,307	860	14,167	1
Customer Accounts, Net	-	4,786,371	4,786,371	117,766
Estimated Unbilled Usage	-	2,619,099	2,619,099	-
Special Assessments	36,946	-	36,946	-
Other	146,487	-	146,487	41,033
Inventory	185,000	-	185,000	59,829
Prepaid Expenses	-	30,150	30,150	301,472
Grant Advance	-	-	-	9,456
Internal Balances	192,476	(192,476)	-	-
Total Current Assets	<u>125,248,898</u>	<u>46,765,894</u>	<u>172,014,792</u>	<u>13,351,199</u>
Noncurrent Assets:				
Other Receivables	-	-	-	41,570
Capital Assets (Net)				
Land	18,514,294	4,001,649	22,515,943	-
Infrastructure	284,893,993	-	284,893,993	-
Land Improvements	3,311,844	-	3,311,844	-
Buildings	43,542,300	-	43,542,300	-
Waterworks and Sewerage System	-	238,465,147	238,465,147	-
Parking Decks and Lots	-	2,497,052	2,497,052	-
Equipment	13,328,627	13,870,134	27,198,761	-
Furniture and Fixtures	4,982	-	4,982	-
Library	-	-	-	13,563,622
W.C.M.E.A.A.	-	-	-	5,974,213
Historical Museum	-	-	-	570,901
Construction in Progress	23,461,843	22,615,802	46,077,645	1,090,290
Total Noncurrent Assets	<u>387,057,883</u>	<u>281,449,784</u>	<u>668,507,667</u>	<u>21,240,596</u>
Total Assets	<u>512,306,781</u>	<u>328,215,678</u>	<u>840,522,459</u>	<u>34,591,795</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding of Debt	<u>96,806</u>	<u>705,826</u>	<u>802,632</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 512,403,587</u>	<u>\$ 328,921,504</u>	<u>\$ 841,325,091</u>	<u>\$ 34,591,795</u>

See Accompanying Notes to Basic Financial Statements.

LIABILITIES	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Current Liabilities:				
Vouchers Payable	\$ 4,640,701	\$ 2,471,212	\$ 7,111,913	\$ 769,135
Accrued Payroll	1,295,232	181,581	1,476,813	-
Accrued Compensated Absences - Current	9,250,002	588,249	9,838,251	562,127
Health Claims Payable	1,074,600	-	1,074,600	-
Accrued Interest	-	580,137	580,137	62,713
Loans Payable - Current Portion	-	639,832	639,832	63,886
Bonds Payable - Current Portion	860,000	5,590,000	6,450,000	-
Customer Deposits and Credits	1,508,933	812,513	2,321,446	-
Estimated Liability for Self-Insured				
Losses - Current	2,699,549	-	2,699,549	-
Unearned Revenue	691,793	-	691,793	512,035
Due to Primary Government	-	-	-	624,637
Due to Volunteers	-	-	-	135,830
Other	14,008	-	14,008	254,520
Total Current Liabilities	<u>22,034,818</u>	<u>10,863,524</u>	<u>32,898,342</u>	<u>2,984,883</u>
Noncurrent Liabilities:				
Accrued Compensated Absences	9,250,002	588,249	9,838,251	-
Net Pension Obligation	14,329,606	-	14,329,606	-
Estimated Liability for Self-Insured Losses	3,435,000	-	3,435,000	-
Other Postemployment Benefits	95,936,644	10,191,399	106,128,043	-
General Obligation Bonds	9,645,190	-	9,645,190	-
Revenue Bonds	-	29,134,358	29,134,358	-
Loans Payable	-	14,075,577	14,075,577	2,495,841
Total Noncurrent Liabilities	<u>132,596,442</u>	<u>53,989,583</u>	<u>186,586,025</u>	<u>2,495,841</u>
Total Liabilities	<u>154,631,260</u>	<u>64,853,107</u>	<u>219,484,367</u>	<u>5,480,724</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	35,117,887	-	35,117,887	5,700,642
Total Deferred Inflows of Resources	<u>35,117,887</u>	<u>-</u>	<u>35,117,887</u>	<u>5,700,642</u>
NET POSITION				
Net Investment in Capital Assets	376,649,499	235,856,362	612,505,861	18,653,929
Restricted For:				
Expendable Purposes:				
Temporary Funds	-	-	-	323,436
Debt Service	-	5,590,000	5,590,000	-
Road/Capital Projects	18,038,797	489,544	18,528,341	-
Police Purposes	901,673	-	901,673	-
Tax Incremental Financing Projects	589,789	-	589,789	-
Community Development Projects	11,500	-	11,500	-
Nonexpendable Purposes:				
Permanent Funds	-	-	-	1,099,909
Unrestricted	(73,536,818)	22,132,491	(51,404,327)	3,333,155
Total Net Position	<u>322,654,440</u>	<u>264,068,397</u>	<u>586,722,837</u>	<u>23,410,429</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 512,403,587</u>	<u>\$ 328,921,504</u>	<u>\$ 841,325,091</u>	<u>\$ 34,591,795</u>

CITY OF JOLIET, ILLINOIS

Statement of Activities For the Year Ended December 31, 2014

Functions / Programs	Expenses	Indirect Expense Allocation	Program Charges for Services
Primary Government:			
Governmental Activities:			
General Government	\$ 32,778,151	(\$ 17,026,269)	\$ 3,340,855
Public Safety	100,342,881	13,843,466	7,284,876
Public Works	34,039,707	2,353,427	1,382,069
Refuse Disposal	11,845,815	-	12,383,990
Culture and Recreation	1,631,475	82,745	153,326
Community Development	7,124,357	746,631	9,089
Interest on Long-Term Debt	468,967	-	-
Total Governmental Activities	<u>188,231,353</u>	<u>-</u>	<u>24,554,205</u>
Business-Type Activities:			
Water and Sewer	42,778,789	-	43,332,748
Parking Facilities	1,466,101	-	1,302,072
Total Business-Type Activities	<u>44,244,890</u>	<u>-</u>	<u>44,634,820</u>
Total Primary Government	<u>\$ 232,476,243</u>	<u>\$ -</u>	<u>\$ 69,189,025</u>
Component Units:			
Public Library	\$ 6,382,081	\$ -	\$ 135,575
W.C.M.E.A.A.	5,115,113	-	3,561,121
The Joliet Area Historical Museum	1,391,818	-	204,663
Total Component Units	<u>\$ 12,889,012</u>	<u>\$ -</u>	<u>\$ 3,901,359</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	
\$ 93,317	\$ -	(\$ 12,317,710)	\$ -	(\$ 12,317,710)	\$ -
729,320	1,720,317	(104,451,834)	-	(104,451,834)	-
277,837	6,098,773	(28,634,455)	-	(28,634,455)	-
-	-	538,175	-	538,175	-
-	-	(1,560,894)	-	(1,560,894)	-
37,524	4,117,685	(3,706,690)	-	(3,706,690)	-
-	-	(468,967)	-	(468,967)	-
<u>1,137,998</u>	<u>11,936,775</u>	<u>(150,602,375)</u>	<u>-</u>	<u>(150,602,375)</u>	<u>-</u>
98,419	-	-	652,378	652,378	-
-	-	-	(164,029)	(164,029)	-
<u>98,419</u>	<u>-</u>	<u>-</u>	<u>488,349</u>	<u>488,349</u>	<u>-</u>
<u>\$ 1,236,417</u>	<u>\$ 11,936,775</u>	<u>(150,602,375)</u>	<u>488,349</u>	<u>(150,114,026)</u>	<u>-</u>
\$ 203,107	\$ -	-	-	-	(6,043,399)
2,203,573	1,575	-	-	-	651,156
<u>1,147,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,500)</u>
<u>\$ 3,554,335</u>	<u>\$ 1,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,431,743)</u>
General Revenues:					
Property Taxes		35,410,013	-	35,410,013	5,720,398
Gaming Taxes		19,193,131	-	19,193,131	-
State Sales Taxes		20,889,677	-	20,889,677	-
Home Rule Sales Taxes		24,225,098	-	24,225,098	-
Utility Taxes		9,045,029	-	9,045,029	-
State Income Taxes		13,962,209	-	13,962,209	-
Other Taxes		15,464,161	-	15,464,161	-
Interest and Investment Earnings		41,295	8,134	49,429	172,939
Contributions to Permanent Funds		-	-	-	8,196
Other General Revenues		1,994,967	-	1,994,967	32,974
Transfers		<u>153,946</u>	<u>(153,946)</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers		<u>140,379,526</u>	<u>(145,812)</u>	<u>140,233,714</u>	<u>5,934,507</u>
Change in Net Position		(10,222,849)	342,537	(9,880,312)	502,764
Net Position - Beginning		<u>332,877,289</u>	<u>263,725,860</u>	<u>596,603,149</u>	<u>22,907,665</u>
Net Position - Ending		<u>\$ 322,654,440</u>	<u>\$ 264,068,397</u>	<u>\$ 586,722,837</u>	<u>\$ 23,410,429</u>

CITY OF JOLIET, ILLINOIS

Governmental Funds Balance Sheet December 31, 2014

	General Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 10,854,360	\$ 196,638	\$ 2,969,840	\$ 14,020,838
Investments	31,520,242	13,088,932	8,971,563	53,580,737
Receivables				
Property Taxes, Net of Allowance for Uncollectible Amounts	32,764,482	-	2,353,405	35,117,887
Intergovernmental	20,613,533	371,270	970,417	21,955,220
Accrued Interest	-	4,672	8,635	13,307
Special Assessments	-	-	36,946	36,946
Other	128,207	-	18,280	146,487
Inventory	-	-	185,000	185,000
Internal Receivables	2,598,744	-	423	2,599,167
Total Assets	\$ 98,479,568	\$ 13,661,512	\$ 15,514,509	\$ 127,655,589
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Vouchers Payable	\$ 4,177,386	\$ 16,540	\$ 446,775	\$ 4,640,701
Customer Deposits and Credits	779,450	-	729,483	1,508,933
Health Claims Payable	1,074,600	-	-	1,074,600
Unearned Revenue	301,346	-	390,447	691,793
Internal Payables	423	-	2,406,268	2,406,691
Accrued Payroll and Other	1,309,240	-	-	1,309,240
Total Liabilities	7,642,445	16,540	3,972,973	11,631,958
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	32,764,482	-	2,353,405	35,117,887
Deferred Other Income	5,484,136	-	864,653	6,348,789
Total Deferred Inflows of Resources	38,248,618	-	3,218,058	41,466,676
FUND BALANCES				
Nonspendable	-	-	185,000	185,000
Restricted	-	13,644,972	5,896,787	19,541,759
Assigned	8,677,323	-	4,633,318	13,310,641
Unassigned	43,911,182	-	(2,391,627)	41,519,555
Total Fund Balances	52,588,505	13,644,972	8,323,478	74,556,955
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 98,479,568	\$ 13,661,512	\$ 15,514,509	\$ 127,655,589

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position December 31, 2014

Total fund balances - governmental funds \$ 74,556,955

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

Capital assets net of accumulated depreciation of \$223,849,733 used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. 387,057,883

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

Deferred revenues collected after sixty days	6,348,789
General obligation bonds	(10,330,000)
Deferred amount on refunding of bonds	96,806
Unamortized premium on bonds	(175,190)
Net pension obligation	(14,329,606)
Estimated liability for self-insured losses	(6,134,549)
Other postemployment benefits	(95,936,644)
Accrued compensated absences	(18,500,004)

Net position of governmental activities \$ 322,654,440

CITY OF JOLIET, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2014

	General Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Property Taxes	\$ 33,143,764	\$ -	\$ 2,266,249	\$ 35,410,013
Other Taxes	100,291,367	-	32,569	100,323,936
Federal, State and Private Grants and Allotments	605,559	5,189,064	6,655,425	12,450,048
Charges for Services	6,772,962	-	221,447	6,994,409
Interest Earnings	7,833	12,640	20,822	41,295
Licenses, Permits, Rentals and Fees	18,169,720	-	9,089	18,178,809
Fines And Forfeitures	966,308	-	275,077	1,241,385
Special Assessments	488	-	76,388	76,876
Other	1,571,810	-	942,252	2,514,062
Total Revenue	161,529,811	5,201,704	10,499,318	177,230,833
Expenditures				
Current:				
General Government	9,636,620	-	-	9,636,620
Public Safety	60,863,863	-	1,736,216	62,600,079
Public Works	16,062,735	1,527,502	1,181,391	18,771,628
Refuse Disposal	11,845,815	-	-	11,845,815
Culture and Recreation	1,519,372	-	-	1,519,372
Employee Benefits and Pension Plans	51,708,771	-	-	51,708,771
Community Development	3,737,909	-	2,436,203	6,174,112
Capital Outlay	-	1,506,789	12,082,094	13,588,883
Debt Service - Principal	655,893	-	825,000	1,480,893
Debt Service - Interest	186,051	-	338,256	524,307
Total Expenditures	156,217,029	3,034,291	18,599,160	177,850,480
Revenue Over (Under) Expenditures	5,312,782	2,167,413	(8,099,842)	(619,647)
Other Financing Sources (Uses)				
Sale of Capital Assets	783	-	-	783
Proceeds from Sale of Refunding Bonds	3,445,000	-	-	3,445,000
Premium on Refunding Bonds	116,060	-	-	116,060
Transfer to Debt Escrow Agent	(3,501,846)	-	-	(3,501,846)
Transfers In	153,946	-	2,000,000	2,153,946
Transfers Out	(2,000,000)	-	-	(2,000,000)
Total Other Financing Sources (Uses)	(1,786,057)	-	2,000,000	213,943
Net Change in Fund Balance	3,526,725	2,167,413	(6,099,842)	(405,704)
Fund Balances, Beginning of Year	49,061,780	11,477,559	14,423,320	74,962,659
Fund Balances, End of Year	\$ 52,588,505	\$ 13,644,972	\$ 8,323,478	\$ 74,556,955

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, 2014

Net change in fund balances - governmental funds (\$ 405,704)

*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 2013 to 2014 consists of:

Sales, income and use taxes received from the state of Illinois	338,648
Utility and auto rental taxes received from the state of Illinois	(11,844)
Grants received from the state of Illinois and other grantors	<u>296,921</u>

Total change in unavailable revenues 623,725

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.

13,588,883

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

(15,539,857)

(1,950,974)

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.

1,480,893

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 two bonds totalling \$3,445,000 along with a premium on issuance of \$116,060. The entire proceeds (net of issuance costs of \$59,214) were transferred to a debt escrow agent to retire an outstanding capital lease

(59,214)

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

Decrease in claims payable	545,000
Decrease in interest payable	65,063
Increase in compensated absences	(549,099)
Increase in claims liabilities	(556,367)
Decrease in net pension obligation	432,501
Increase in other postemployment benefits	(9,838,950)

The City amortized bond premium of (\$15,260) and amortized the deferred amount on refunding of bonds of \$24,983 in the Statement of Net Position.

(9,723)

Change in net position of governmental activities (\$ 10,222,849)

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Statement of Net Position Proprietary Funds December 31, 2014

	Business-Type Activities		
	Waterworks and Sewage Fund	(Nonmajor) Parking Meter Fund	Total
ASSETS			
Current Assets			
Unrestricted Assets			
Cash	\$ 2,180,637	\$ 471,514	\$ 2,652,151
Escrow Deposits	6,156,579	-	6,156,579
Investments	24,264,082	432,804	24,696,886
Receivables			
Intergovernmental	1,573,019	-	1,573,019
Customer Accounts, Net of \$1,957,128			
Allowance for Uncollectible Amounts	4,786,371	-	4,786,371
Estimated Unbilled Usage	2,619,099	-	2,619,099
Prepaid Expenses	30,150	-	30,150
Total Unrestricted Assets	<u>41,609,937</u>	<u>904,318</u>	<u>42,514,255</u>
Restricted Assets (Water Bond Accounts)			
Cash	2,429,384	-	2,429,384
Investments	2,013,871	-	2,013,871
Accrued Interest	860	-	860
Total Restricted Assets	<u>4,444,115</u>	<u>-</u>	<u>4,444,115</u>
Total Current Assets	<u>46,054,052</u>	<u>904,318</u>	<u>46,958,370</u>
Noncurrent Assets			
Capital Assets			
Land And Land Improvements	1,769,470	2,232,179	4,001,649
Waterworks and Sewerage System	394,416,646	-	394,416,646
Parking Decks and Lots	-	7,166,875	7,166,875
Equipment	22,652,164	622,994	23,275,158
Construction in Progress	22,611,553	4,249	22,615,802
	<u>441,449,833</u>	<u>10,026,297</u>	<u>451,476,130</u>
Accumulated Depreciation	<u>164,758,968</u>	<u>5,267,378</u>	<u>170,026,346</u>
Total Noncurrent Assets	<u>276,690,865</u>	<u>4,758,919</u>	<u>281,449,784</u>
Total Assets	<u>322,744,917</u>	<u>5,663,237</u>	<u>328,408,154</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	<u>705,826</u>	<u>-</u>	<u>705,826</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 323,450,743</u>	<u>\$ 5,663,237</u>	<u>\$ 329,113,980</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	\$ 2,076,187	\$ 21,017	\$ 2,097,204
Accrued Payroll	172,833	8,748	181,581
Accrued Compensated Absences - Current	558,135	30,114	588,249
Accrued Interest Payable	580,137	-	580,137
Bonds Payable - Current Portion	5,590,000	-	5,590,000
Loans Payable - Current Portion	639,832	-	639,832
Customer Deposits and Credits	811,583	930	812,513
Internal Payables	-	192,476	192,476
Payable from Restricted Assets			
Vouchers Payable	374,008	-	374,008
Total Current Liabilities	<u>10,802,715</u>	<u>253,285</u>	<u>11,056,000</u>
Noncurrent Liabilities			
Long Term Debt			
Accrued Compensated Absences	558,135	30,114	588,249
Other Postemployment Benefits	9,706,860	484,539	10,191,399
Revenue Bonds Payable	29,134,358	-	29,134,358
Loans Payable	14,075,577	-	14,075,577
Total Noncurrent Liabilities	<u>53,474,930</u>	<u>514,653</u>	<u>53,989,583</u>
Total Liabilities	<u>64,277,645</u>	<u>767,938</u>	<u>65,045,583</u>
NET POSITION			
Net Investment in Capital Assets	231,097,443	4,758,919	235,856,362
Restricted for:			
Expendable Purposes:			
Debt Service	5,590,000	-	5,590,000
Capital Projects	489,544	-	489,544
Unrestricted	<u>21,996,111</u>	<u>136,380</u>	<u>22,132,491</u>
Total Net Position	<u>259,173,098</u>	<u>4,895,299</u>	<u>264,068,397</u>
Total Liabilities and Net Position	<u>\$ 323,450,743</u>	<u>\$ 5,663,237</u>	<u>\$ 329,113,980</u>

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CITY OF JOLIET, ILLINOIS

Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Business-Type Activities		
	Waterworks and Sewage Fund	(Nonmajor) Parking Meter Fund	Total
Operating Revenue *			
Charges for Services - Water	\$ 18,277,274	\$ -	\$ 18,277,274
Charges for Services - Sewer	22,672,871	-	22,672,871
Charges for Services - Other	109,585	1,108,006	1,217,591
Tap on / Turn on Fees	1,191,361	-	1,191,361
Fines and Other	1,081,657	194,066	1,275,723
	<u>43,332,748</u>	<u>1,302,072</u>	<u>44,634,820</u>
Operating Expense			
Personnel Services	10,447,797	769,586	11,217,383
Personnel Services - Benefits	6,900,490	187,252	7,087,742
Purchased Professional Services	2,641,002	173,384	2,814,386
Purchased Property Services	2,806,583	55,352	2,861,935
Other Purchased Services	95,219	30,990	126,209
Supplies	5,982,363	88,024	6,070,387
Repairs and Rehabilitation	478,324	-	478,324
Depreciation	11,796,132	147,663	11,943,795
Other	61,478	-	61,478
	<u>41,209,388</u>	<u>1,452,251</u>	<u>42,661,639</u>
Operating Income (Loss)	<u>2,123,360</u>	<u>(150,179)</u>	<u>1,973,181</u>
Nonoperating Revenue (Expense)			
State Grants	98,419	-	98,419
Interest Earnings	7,701	433	8,134
Loss on Disposal of Assets	-	(13,850)	(13,850)
Bond Issuance Costs	(175,390)	-	(175,390)
Amortization of Bond Discounts and Premiums	(29,241)	-	(29,241)
Interest Expense	(1,364,770)	-	(1,364,770)
Total Nonoperating Revenue (Expense)	<u>(1,463,281)</u>	<u>(13,417)</u>	<u>(1,476,698)</u>
Income Before Transfers	660,079	(163,596)	496,483
Transfers Out	<u>(59,924)</u>	<u>(94,022)</u>	<u>(153,946)</u>
Change in Net Position	600,155	(257,618)	342,537
Total Net Position, Beginning of Year	<u>258,572,943</u>	<u>5,152,917</u>	<u>263,725,860</u>
Total Net Position, End of Year	<u>\$ 259,173,098</u>	<u>\$ 4,895,299</u>	<u>\$ 264,068,397</u>

* All operating revenue of the Waterworks And Sewerage Fund was used as security for the Series 2006, 2010, 2011, 2012, 2014A and 2014B revenue bonds.

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2014

	Business-Type Activities		
	Waterworks and Sewerage Fund	(Nonmajor) Parking Meter Fund	Total
Cash Flows from Operating Activities			
Receipts from Customers	\$ 42,829,675	\$ 1,304,962	\$ 44,134,637
Payments to Suppliers	(19,258,499)	(547,426)	(19,805,925)
Payments to Employees	(8,565,232)	(765,040)	(9,330,272)
Net Cash Provided by (Used in) Operating Activities	15,005,944	(7,504)	14,998,440
Cash Flows from Noncapital Financing Activities			
Payments to Other Funds	(59,924)	(94,022)	(153,946)
Payments from Other Funds	-	38,592	38,592
Operating Grants Received	98,419	-	98,419
Net Cash Provided by (Used in) Noncapital Financing Activities	38,495	(55,430)	(16,935)
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	(13,187,208)	(187,081)	(13,374,289)
Sales of Capital Assets	-	105,000	105,000
Payments to Bond Paying Agent	(5,920,000)	-	(5,920,000)
Payments on Loans	(631,909)	-	(631,909)
Issuance of Bonds	9,720,000	-	9,720,000
Premium Received from Bonds	332,661	-	332,661
Payments to Refunding Bond Escrow Agent	(6,216,900)	-	(6,216,900)
Payments for Bond Issue Costs	(175,390)	-	(175,390)
Payment of Interest on Debt	(1,547,213)	-	(1,547,213)
Net Cash (Used in) Capital and Related Financing Activities	(17,625,959)	(82,081)	(17,708,040)
Cash Flows from Investing Activities			
Investment Sales or Maturities	3,880,329	-	3,880,329
Investment Purchases	(6,938)	(433)	(7,371)
Income Received on Investments	6,938	433	7,371
Net Cash Provided by Investing Activities	3,880,329	-	3,880,329
Net Increase (Decrease) in Cash	1,298,809	(145,015)	1,153,794
Cash and Restricted Cash, Beginning of Year	3,311,212	616,529	3,927,741
Cash and Restricted Cash, End of Year	\$ 4,610,021	\$ 471,514	\$ 5,081,535

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 (Used in) Operating Activities:			
Operating Income (Loss)	\$ 2,123,360	(\$ 150,179)	\$ 1,973,181
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation Expense	11,796,132	147,663	11,943,795
Changes in Assets and Liabilities			
Receivables	243,625	2,500	246,125
Vouchers Payable	(293,040)	(12,424)	(305,464)
Accrued Payroll	(343,213)	(22,842)	(366,055)
Accrued Compensated Absences	144,757	13,817	158,574
Other Postemployment Benefits	2,081,021	13,571	2,094,592
Customer Deposits and Credits	(746,698)	390	(746,308)
Total Adjustments	12,882,584	142,675	13,025,259
Net Cash Provided by (Used in) Operating Activities	\$ 15,005,944	(\$ 7,504)	\$ 14,998,440

CITY OF JOLIET, ILLINOIS

Statement of Fiduciary Net Position Fiduciary Funds December 31, 2014

	Pension Trust Funds	Agency Funds
ASSETS		
Cash	\$ 16,307	\$ 227,305
Investments, at Fair Value		
U.S. Government and Agency Securities	36,256,565	-
U.S. Government Sponsored Agency Securities	22,877,118	-
State and Local Government Securities	2,139,914	-
Certificates of Deposit	560,410	-
Money Market Mutual Funds	21,827,454	-
Mutual Funds	124,572,684	-
Common Stock	42,799,850	-
Corporate Bonds	34,802,633	-
Total Investments	285,836,628	-
Accrued Interest Receivable	694,345	-
Total Assets	286,547,280	\$ 227,305
LIABILITIES		
Due to Other Governments	-	\$ 227,305
Accrued Investment Expenses	68,188	-
Total Liabilities	68,188	\$ 227,305
NET POSITION RESTRICTED FOR PENSIONS	\$ 286,479,092	

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, 2014

	Pension Trust Funds
Additions	
Contributions	
Employer Contributions	\$ 25,709,244
Plan Member Contributions	<u>5,283,738</u>
Total Contributions	<u>30,992,982</u>
Investment Income	
Net Increase in Fair Value of Investments	1,507,548
Interest and Dividends	<u>10,888,041</u>
	12,395,589
Less Investment Expenses	<u>697,560</u>
Net Investment Income	<u>11,698,029</u>
Miscellaneous Income	<u>20,039</u>
Total Additions	<u>42,711,050</u>
Deductions	
Pension Expense, Benefit Payments, Including Refunds	20,768,428
Administrative and Other Expenses	<u>177,891</u>
Total Deductions	<u>20,946,319</u>
Net Increase	21,764,731
Net Position Restricted for Pensions	
Beginning of Year	<u>264,714,361</u>
End of Year	<u><u>\$ 286,479,092</u></u>

See Accompanying Notes to Basic Financial Statements.

CITY OF JOLIET, ILLINOIS

Combining Statement of Net Position
Component Units
June 30, 2014 and December 31, 2014

	December 31, 2014	June 30, 2014		Total
	Joliet Public Library	Will County Metropolitan Exposition and Auditorium Authority	The Joliet Area Historical Museum	
ASSETS				
Current Assets:				
Cash	\$ 4,716,318	\$ 655,117	\$ 130,074	\$ 5,501,509
Investments	-	307,522	21,527	329,049
Receivables				
Property Taxes, Net of Allowance for Uncollectible Amounts	5,700,642	-	-	5,700,642
Accrued Interest	-	1	-	1
Customer Accounts, Net	-	117,312	454	117,766
Pledges Receivable	-	41,033	-	41,033
Inventory	-	40,360	19,469	59,829
Prepaid Expenses	100,521	195,926	5,025	301,472
Grant Advance	-	9,456	-	9,456
Restricted Assets (Endowment Funds)				
Cash	-	42,621	258,719	301,340
Investments	-	862,172	126,930	989,102
Total Current Assets	<u>10,517,481</u>	<u>2,271,520</u>	<u>562,198</u>	<u>13,351,199</u>
Noncurrent Assets:				
Pledges Receivable	-	41,570	-	41,570
Capital Assets (Net)				
Library	13,563,622	-	-	13,563,622
W.C.M.E.A.A.	-	5,974,213	-	5,974,213
Historical Museum	-	-	570,901	570,901
Construction in Progress	-	1,090,290	-	1,090,290
Total Noncurrent Assets	<u>13,563,622</u>	<u>7,106,073</u>	<u>570,901</u>	<u>21,240,596</u>
Total Assets	<u>\$ 24,081,103</u>	<u>\$ 9,377,593</u>	<u>\$ 1,133,099</u>	<u>\$ 34,591,795</u>

See Accompanying Notes to Basic Financial Statements.

	December 31, 2014	June 30, 2014		Total
	Joliet Public Library	Will County Metropolitan Exposition and Auditorium Authority	The Joliet Area Historical Museum	
LIABILITIES				
Current Liabilities:				
Vouchers Payable	\$ 114,433	\$ 631,995	\$ 22,707	\$ 769,135
Accrued Compensated Absences	423,336	94,978	43,813	562,127
Accrued Interest	-	62,713	-	62,713
Loans and Leases Payable - Current Portion	-	63,886	-	63,886
Unearned Revenue - Advance Ticket Sales	-	510,459	1,576	512,035
Due to Primary Government	-	-	624,637	624,637
Due to Volunteers	-	135,830	-	135,830
Other	144,252	110,268	-	254,520
Total Current Liabilities	<u>682,021</u>	<u>1,610,129</u>	<u>692,733</u>	<u>2,984,883</u>
Noncurrent Liabilities:				
Loans and Leases Payable	-	2,495,841	-	2,495,841
Total Noncurrent Liabilities	<u>-</u>	<u>2,495,841</u>	<u>-</u>	<u>2,495,841</u>
Total Liabilities	<u>682,021</u>	<u>4,105,970</u>	<u>692,733</u>	<u>5,480,724</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	5,700,642	-	-	5,700,642
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	13,563,622	4,519,406	570,901	18,653,929
Restricted for:				
Expendable Purposes:				
Temporary Funds	-	10,000	313,436	323,436
Nonexpendable Purposes:				
Permanent Funds	-	972,979	126,930	1,099,909
Unrestricted	4,134,818	(230,762)	(570,901)	3,333,155
Total Net Position	<u>17,698,440</u>	<u>5,271,623</u>	<u>440,366</u>	<u>23,410,429</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 24,081,103</u>	<u>\$ 9,377,593</u>	<u>\$ 1,133,099</u>	<u>\$ 34,591,795</u>

CITY OF JOLIET, ILLINOIS

Combining Statement of Activities
Component Units
For the Year Ended June 30, 2014 and December 31, 2014

Functions / Programs	Expenses	Program Charges for Services
Joliet Public Library		
Library Operations	\$ 6,382,081	\$ 135,575
W.C.M.E.A.A.		
Culture and Recreation	165,255	-
Theatre and Rental Operations	4,949,858	3,561,121
The Joliet Area Historical Museum		
Culture and Recreation	1,391,818	204,663
Total Component Units	\$ 12,889,012	\$ 3,901,359

See Accompanying Notes to Basic Financial Statements.

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

		<u>December 31, 2014</u>	<u>June 30, 2014</u>			
Revenues			Will County Metropolitan Exposition and Auditorium Authority		The Joliet Area Historical Museum	
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Joliet Public Library</u>				<u>Total</u>
\$ 203,107	\$ -	(\$ 6,043,399)	\$ -	\$ -		(\$ 6,043,399)
359,945	1,575	-	196,265	-		196,265
1,843,628	-	-	454,891	-		454,891
<u>1,147,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,500)</u>		<u>(39,500)</u>
<u>3,554,335</u>	<u>1,575</u>	<u>(6,043,399)</u>	<u>651,156</u>	<u>(39,500)</u>		<u>(5,431,743)</u>
General Revenues:						
Property Taxes		5,720,398	-	-		5,720,398
Interest and Investment Earnings		4,440	113,996	54,503		172,939
Contributions to Permanent Funds		-	8,196	-		8,196
Other General Revenues		<u>32,689</u>	<u>-</u>	<u>285</u>		<u>32,974</u>
Total General Revenues		<u>5,757,527</u>	<u>122,192</u>	<u>54,788</u>		<u>5,934,507</u>
Change in Net Position		(285,872)	773,348	15,288		502,764
Net Position - Beginning		<u>17,984,312</u>	<u>4,498,275</u>	<u>425,078</u>		<u>22,907,665</u>
Net Position - Ending		<u>\$ 17,698,440</u>	<u>\$ 5,271,623</u>	<u>\$ 440,366</u>		<u>\$ 23,410,429</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies

Introduction

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

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

Financial Reporting Entity

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

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

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

Component Units that are Fiduciary in Nature

The Police Pension Fund and Firefighters' Pension Fund of the City of Joliet are Illinois local governments, as such; they are separate legal entities with their own management and budget authority. These funds exist solely to provide pension benefits for the City's police officers and firefighters and their beneficiaries. The financial statements of the Pension Funds as of and for the fiscal year ended December 31, 2014, are reported as pension trust funds - fiduciary funds. Each pension fund prepared separately issued component unit financial statements. The Police Pension Fund report may be obtained by writing to the City of Joliet Administrative Office, 150 West Jefferson Street, Joliet, Illinois 60432. The Firefighters' Pension Fund report may be obtained by writing to the Joliet Firefighters' administrative office, 101 East Clinton Street, Joliet, Illinois 60432.

Discretely Presented Component Units

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

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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, 2014

1. Summary of Significant Accounting Policies

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

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

Basis of Presentation

Government-wide Financial Statements

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

Fund Financial Statements

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

- a) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 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, 2014

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, 2014

1. Summary of Significant Accounting Policies

Fiduciary Funds (not Included in Government-wide Statements)

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

Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

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

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies

Basis of Accounting

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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, 2014

1. Summary of Significant Accounting Policies

Budgets and Budgetary Accounting

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

Prior to December 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 \$25,000 for infrastructure and land improvements, buildings, waterworks and sewerage systems, and parking decks. The capitalization threshold for furniture and equipment is \$5,000.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies

Depreciation of Capital Assets

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

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

Assets of the 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.

Encumbrances

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

Investments

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

Employee Compensated Absences

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

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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 (ordinance) by the City's highest level of decision-making authority, the City Council.

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

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

Note 16 provides details of fund balances.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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 2006, 2010, 2011, 2012, 2014A and 2014B 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.

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.

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 2014 represent the taxes from the 2013 and prior year levies. The budget anticipates that the 2014 property tax levy will be used to finance the 2015 expenditures. The 2014 levy has been recognized as a receivable as of December 31, 2014 but recognition as revenue has been deferred to 2015 because the revenue is not considered available to finance 2014 expenditures.

Net property taxes receivable reflect the estimated collectible portion of the 2014 levies as of December 31, 2014. 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 or about June 1 and September 1 subsequent to the year of levy.

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

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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; certain State of Israel obligations; and corporate bonds. The Pension Funds may also invest in certain separate accounts of Illinois authorized life insurance companies, mutual funds and common stocks, in total not to exceed either 10% and 55% of total net position of each Fund, depending on type of investment.

Deposits

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

	Carrying Amount			Total Bank Balance
	Checking Accounts	Certificates of Deposit	Total	
All City Funds Except				
Pension Trust Funds	\$ 31,527,020	\$ 8,040,397	\$ 39,567,417	\$ 40,349,310
Police Pension Fund	15,093	560,410	575,503	575,503
Firefighters' Pension Fund	1,114	-	1,114	1,114
Total	<u>\$ 31,543,227</u>	<u>\$ 8,600,807</u>	<u>\$ 40,144,034</u>	<u>\$ 40,925,927</u>

Custodial Credit Risk - this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy, which covers the City's policies for all "deposits" and "investments" requires collateral for all deposits and investments except for those investments in the state pool (the Illinois Funds) or the federal government securities. The collateral must have a market value of not less than 100 percent of all deposits and investments. The Pension Funds' investment policies do not require collateralization of deposits or investments. As of year-end, all deposits were either insured by the FDIC or collateralized.

The City maintains an investment in the Illinois Funds Money Market Fund. The balance at December 31, 2014 was \$66,206,487. The Illinois Funds Money Market Fund is an external investment pool created by the Illinois General Assembly. The fund invests in U.S. Treasury bills and notes, fully collateralized time deposits in Illinois financial institutions, collateralized repurchase agreements, and mutual funds that invest in U.S. Treasury obligations and collateralized repurchased agreements; the average weighted maturity of the pool's investments at December 31, 2014 is 47 days. The fair value of the position in the Illinois Funds Money Market Fund is the same as the value of the pool shares. The Illinois State Treasurer's Investment Advisory Board has oversight responsibility over the Illinois Funds Money Market Fund.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

3. Cash and Investments

Investments

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

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

The long-term expected rate of return on the Police and Firefighters' Fund's investments in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) have been developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Funds' target asset allocation as of December 31, 2014 are listed in the tables below:

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

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

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

3. Cash and Investments

Interest Rate Risk - The Firefighters' Pension Fund does not have formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The Police Pension Fund's investment policy dictates fixed income securities are to be invested in a ladder of maturities approach, with securities generally extending over a ten-year period. As of December 31, 2014, 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 12/31/2014	Investment Maturities			
		Less Than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Bonds	\$ 185,780	\$ -	\$ -	\$ -	\$ 185,780
U.S. Treasury Notes	11,248,491	1,786,023	7,270,285	2,092,313	99,870
SBA Loan Pools	1,456,546	-	-	386,835	1,069,711
GNMA	284,010	-	-	71,385	212,625
FFCB	2,910,847	-	2,474,621	436,226	-
FHLB	1,882,976	-	1,356,881	526,095	-
FHLMC	5,276,200	-	4,024,414	1,029,941	221,845
FNMA	6,162,141	508,837	3,268,821	2,137,153	247,330
Corporate Bonds	18,790,028	275,327	7,275,730	9,640,438	1,598,533
State and Local Bonds	1,166,042	-	306,278	714,163	145,601

Firefighters' Pension Fund

Investment Description	Total Fair Value 12/31/2014	Investment Maturities			
		Less Than One Year	One to Five Years	Five to Ten Years	Over Ten Years
U.S. Treasury Bonds	\$ 123,832	\$ -	\$ -	\$ -	\$ 123,832
U.S. Treasury Notes	22,104,128	2,855,416	13,332,980	5,731,763	183,969
U.S. Treasury Strips	153,631	-	-	-	153,631
GNMA	277,739	-	-	4,565	273,174
TVA	422,408	-	422,408	-	-
FFCB	163,179	-	163,179	-	-
FHLMC	3,176,144	-	1,878,532	378,859	918,753
FNMA	3,305,631	632,407	1,484,404	761,874	426,946
Corporate Bonds	16,012,605	1,221,314	8,632,007	5,441,345	717,939
State and Local Bonds	973,872	-	93,272	244,069	636,531

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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, 2014, 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 12/31/2014	% of Total Investments	Total Fair Value 12/31/2014	% of Total Investments	
U.S. Government and Agency Securities					
U.S. Treasury Bonds	\$ 185,780	0.11%	\$ 123,832	0.11%	N/A
U.S. Treasury Notes	11,248,491	6.59%	22,104,128	19.31%	N/A
U.S. Treasury Strips	-	0.00%	153,631	0.13%	N/A
Small Business Administration Loan Pools	1,456,546	0.85%	-	0.00%	N/A
Government National Mortgage Association	284,010	0.17%	277,739	0.24%	N/A
Tennessee Valley Authority	-	0.00%	422,408	0.37%	N/A
Subtotal	<u>13,174,827</u>	<u>7.72%</u>	<u>23,081,738</u>	<u>20.16%</u>	
U.S. Government Sponsored Agency Securities					
Federal Farm Credit Banks	2,910,847	1.70%	163,179	0.14%	AA+
Federal Home Loan Banks	1,882,976	1.10%	-	0.00%	AA+
Federal Home Loan Mortgage Corporation	5,276,200	3.09%	3,176,144	2.77%	AA+
Federal National Mortgage Association	6,162,141	3.61%	3,305,631	2.89%	AA+
Subtotal	<u>16,232,164</u>	<u>9.50%</u>	<u>6,644,954</u>	<u>5.80%</u>	
State and Local Government Securities	<u>1,166,042</u>	<u>0.68%</u>	<u>973,872</u>	<u>0.85%</u>	AA+ / A-
Money Market Mutual Funds					
First Midwest Bank	13,098,715	7.67%	8,469,491	7.39%	AAAm
Midland States Bank	259,248	0.15%	-	0.00%	AAAm
Subtotal	<u>13,357,963</u>	<u>7.82%</u>	<u>8,469,491</u>	<u>7.39%</u>	
Mutual Funds					
American Funds	108,003,362	63.26%	-	0.00%	N/A
First Midwest Bank	-	0.00%	16,569,322	14.46%	N/A
Subtotal	<u>108,003,362</u>	<u>63.26%</u>	<u>16,569,322</u>	<u>14.46%</u>	
Common Stock	-	0.00%	42,799,850	37.36%	N/A
Corporate Bonds	<u>18,790,028</u>	<u>11.02%</u>	<u>16,012,605</u>	<u>13.98%</u>	AAA/BBB-
Total Investments	<u>\$ 170,724,386</u>	<u>100.00%</u>	<u>\$ 114,551,832</u>	<u>100.00%</u>	

N/A - Rating not required.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

3. Cash and Investments

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

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

Reconciliation of notes to financial statements:

Cash and Investments (Note Above)

Cash - Carrying Amount of Deposits	\$ 40,144,034
Cash on Hand	3,947
Investments - City Investment in Illinois Funds	66,206,487
Investments - Police Pension Fund	170,724,386
Investments - Firefighters' Pension Fund	114,551,832
Total	<u>\$ 391,630,686</u>

Cash and Investments (Basic Financial Statements)

Primary Government Cash - Statement of Net Position	\$ 19,102,373
Primary Government Escrow Deposits - Statement of Net Position	6,156,579
Primary Government Investments - Statement of Net Position	80,291,494
Pension Trust Funds Cash - Statement of Fiduciary Net Position	16,307
Pension Trust Funds Investments - Statement of Fiduciary Net Position	285,836,628
Agency Fund Cash - Statement of Fiduciary Net Position	227,305
Total	<u>\$ 391,630,686</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, 2014, the Library's cash consisted of demand deposits held at local financial institutions. The carrying amount of the Library's deposits was \$4,716,318 and the bank balance was \$4,624,961.

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, 2014

3. Cash and Investments

Will County Metropolitan Exposition and Auditorium Authority:

At June 30, 2014, the Authority's cash consisted of \$10,000 of petty cash on hand and demand deposits held at local financial institutions. The carrying amount of the Authority's deposits was \$687,738 and the bank balance was \$739,173 of which \$248,584 was not insured or fully collateralized. The Authority had investments in money market mutual funds of \$15,630, which were rated AAAM by Standard & Pools. The Authority also had investments in mutual funds held by First Midwest Bank of \$1,154,064.

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, 2014, the Museum maintained cash of \$388,793 and investments of \$148,457. 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 on the budgetary basis exceeded budgeted expenditures in the Evergreen Terrace II Fund and Property Improvement Fund by \$36,281 and \$292,588, respectively, during the year ended December 31, 2014.

The City did not prepare budgets for the following funds for the year ended December 31, 2014. These funds' revenue and expenditures were as follows:

	<u>Revenues</u>	<u>Expenditures</u>
<u>Special Revenue Fund</u>		
Business District Tax Allocation Fund	\$ 32,569	\$ 7,997
<u>Capital Projects Fund</u>		
Neighborhood Improvement Fund	-	-

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, 2014

5. Interfund Balances and Transfers

Internal (interfund) balances at December 31, 2014 were as follows:

<u>Fund</u>	<u>Internal Balances</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund:		
Nonmajor Governmental Funds	\$ 2,406,268	\$ 423
Nonmajor Enterprise Fund	192,476	-
Total General Fund	<u>2,598,744</u>	<u>423</u>
Nonmajor Governmental Funds:		
General Fund	423	2,406,268
Total Nonmajor Governmental Funds	<u>423</u>	<u>2,406,268</u>
Nonmajor Enterprise Fund:		
General Fund	-	192,476
Total Nonmajor Enterprise Fund	<u>-</u>	<u>192,476</u>
 Grand Total	 <u>\$ 2,599,167</u>	 <u>\$ 2,599,167</u>

Due to Primary Government

The Museum's June 30, 2014 financial statements show a liability to the City for \$624,637. 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, 2014 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, 2014 were as follows:

<u>Fund</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Nonmajor Governmental Funds	\$ -	\$ 2,000,000
Waterworks and Sewerage Fund	59,924	-
Nonmajor Enterprise Fund	94,022	-
Total General Fund	<u>153,946</u>	<u>2,000,000</u>
Nonmajor Governmental Funds		
General Fund	2,000,000	-
Total Nonmajor Governmental Funds	<u>2,000,000</u>	<u>-</u>
Waterworks and Sewerage Fund		
General Fund	-	59,924
Total Waterworks and Sewerage Fund	<u>-</u>	<u>59,924</u>
Nonmajor Enterprise Fund:		
General Fund	-	94,022
Total Nonmajor Enterprise Fund	<u>-</u>	<u>94,022</u>
 Grand Total	 <u>\$ 2,153,946</u>	 <u>\$ 2,153,946</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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. The General Fund transferred \$2,000,000 to the General Capital Fund (a nonmajor capital projects fund) as part of the annual funding of capital projects.

6. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balance 12/31/2013	Additions	Reductions	Balance 12/31/2014
Primary Government				
Governmental Activities:				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 18,463,778	\$ 50,516	\$ -	\$ 18,514,294
Construction in Progress	14,811,334	9,785,151	1,134,642	23,461,843
Subtotal	33,275,112	9,835,667	1,134,642	41,976,137
<i>Depreciable Capital Assets:</i>				
Infrastructure	439,991,808	1,256,457	-	441,248,265
Land Improvements	5,320,844	337,046	-	5,657,890
Buildings	69,529,545	733,918	-	70,263,463
Equipment	49,550,626	2,560,437	357,270	51,753,793
Furniture and Fixtures	8,068	-	-	8,068
Subtotal	564,400,891	4,887,858	357,270	568,931,479
Total at Historical Cost	597,676,003	14,723,525	1,491,912	610,907,616
 <i>Less Accumulated Depreciation for:</i>				
Infrastructure	145,175,850	11,178,422	-	156,354,272
Land Improvements	1,920,462	425,584	-	2,346,046
Buildings	24,963,092	1,758,071	-	26,721,163
Equipment	36,606,270	2,176,166	357,270	38,425,166
Furniture and Fixtures	1,472	1,614	-	3,086
Total Accumulated Depreciation	208,667,146	15,539,857	357,270	223,849,733
 Governmental Activities Capital Assets, Net	<u>\$ 389,008,857</u>	<u>(\$ 816,332)</u>	<u>\$ 1,134,642</u>	<u>\$ 387,057,883</u>

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

General Government	\$ 1,501,646
Public Safety	1,892,232
Public Works	11,937,666
Culture and Recreation	30,885
Community Development	177,428
Total Depreciation Expense	\$ 15,539,857

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

6. Capital Assets

<u>Primary Government</u>	<u>Balance 12/31/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2014</u>
Business-Type Activities:				
<i>Capital Assets not Being Depreciated:</i>				
Land	\$ 4,120,499	\$ -	\$ 118,850	\$ 4,001,649
Construction in Progress	19,318,106	4,637,369	1,339,673	22,615,802
Subtotal	<u>23,438,605</u>	<u>4,637,369</u>	<u>1,458,523</u>	<u>26,617,451</u>
<i>Depreciable Capital Assets:</i>				
Waterworks and Sewerage System	386,917,099	7,499,547	-	394,416,646
Parking Decks and Lots	6,983,154	183,721	-	7,166,875
Equipment	21,378,135	2,393,325	496,302	23,275,158
Subtotal	<u>415,278,388</u>	<u>10,076,593</u>	<u>496,302</u>	<u>424,858,679</u>
Total at Historical Cost	<u>438,716,993</u>	<u>14,713,962</u>	<u>1,954,825</u>	<u>451,476,130</u>
 <i>Less Accumulated Depreciation for:</i>				
Waterworks and Sewerage System	145,279,721	10,671,778	-	155,951,499
Parking Decks and Lots	4,526,890	142,933	-	4,669,823
Equipment	8,772,242	1,129,084	496,302	9,405,024
Total Accumulated Depreciation	<u>158,578,853</u>	<u>11,943,795</u>	<u>496,302</u>	<u>170,026,346</u>
 Business-Type Capital Assets, Net	 <u>\$ 280,138,140</u>	 <u>\$ 2,770,167</u>	 <u>\$ 1,458,523</u>	 <u>\$ 281,449,784</u>
<u>Component Units</u>	<u>Balance 12/31/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2014</u>
Joliet Public Library	\$ 26,724,630	\$ 578,655	\$ 435,743	\$ 26,867,542
Less Accumulated Depreciation	<u>12,707,862</u>	<u>1,010,331</u>	<u>414,273</u>	<u>13,303,920</u>
Joliet Public Library Capital Assets, Net	<u>\$ 14,016,768</u>	<u>(\$ 431,676)</u>	<u>\$ 21,470</u>	<u>\$ 13,563,622</u>
	<u>Balance 6/30/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2014</u>
W.C.M.E.A.A.	\$ 22,055,050	\$ 35,908	\$ -	\$ 22,090,958
Construction in Progress	77,288	1,013,978	976	1,090,290
Less Accumulated Depreciation	<u>15,702,261</u>	<u>414,484</u>	<u>-</u>	<u>16,116,745</u>
W.C.M.E.A.A. Capital Assets, Net	<u>\$ 6,430,077</u>	<u>\$ 635,402</u>	<u>\$ 976</u>	<u>\$ 7,064,503</u>
Joliet Area Historical Museum	\$ 628,046	\$ 141,667	\$ -	\$ 769,713
Less Accumulated Depreciation	<u>163,737</u>	<u>35,075</u>	<u>-</u>	<u>198,812</u>
Joliet Area Historical Museum Capital Assets, Net	<u>\$ 464,309</u>	<u>\$ 106,592</u>	<u>\$ -</u>	<u>\$ 570,901</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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 2014 was 18.25 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 2014 was \$5,788,229.

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>
12/31/14	\$ 5,788,229	100%	\$ -
12/31/13	5,706,796	100%	-
12/31/12	5,564,648	100%	-

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 (a) 4.5 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 1.5 percent to 7.0 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, 2014 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 40.33 percent funded. The actuarial accrued liability for benefits was \$95,623,332 and the actuarial value of assets was \$38,567,263, resulting in an underfunded actuarial accrued liability (UAAL) of \$57,056,069. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$31,716,325 and the ratio of the UAAL to the covered payroll was 179.89 percent.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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. Two members of the Police Pension Board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees. The Joliet Firefighters' Pension Fund is administered by the Joliet Firefighters' Pension Board of Trustees. Two members of the Firefighters' Pension Board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

Participating employees are required to contribute 9.91% and 9.455% of their salary to the Police and Firefighters' Plans, respectively. If a participating employee leaves the covered employment, other than due to employment connected disability or death, before 20 years of credited service, accumulated employee contributions are refundable to the employee. The City is required to contribute the remaining amounts necessary to finance the plans and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police and Firefighters' Pension Plans. For the year ended December 31, 2014, the City's contributions were 52.14% and 55.76%, of covered payroll for the Police and Firefighters' Pension Plans, respectively.

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

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

7. Pension and Retirement Fund Commitments

At January 1, 2014 (the date of the latest actuarial valuation) membership in each plan consisted of the following:

	Police Pension	Firefighters' Pension
Inactive Plan Members And Beneficiaries Currently Receiving Benefits	164	145
Inactive Plan Members Entitled To But Not Yet Receiving Benefits	9	1
Active Plan Members	256	201
Total	429	347

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

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

Net Pension Liability

As reported in note 17, the City will implement the provisions of GASB Statement No. 68 for its fiscal year ending December 31, 2015; upon implementation, the City will record any net pension liability as a liability of the primary government in the Statement of Net Position. The components of the net pension liability of the Police and Firefighters' Pension Plans as of December 31, 2014 calculated in accordance with GASB Statement No. 67 were as follows:

	Police	Firefighters'
Total Pension Liability	\$ 331,661,780	\$ 249,160,114
Plan Fiduciary Net Position	171,648,776	114,830,316
Net Pension Liability	\$ 160,013,004	\$ 134,329,798
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	51.75%	46.09%

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

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

7. Pension and Retirement Fund Commitments

Actuarial Assumptions

The total pension liability for each pension plan was determined by actuarial valuations as of December 31, 2014 based on information rolled forward from actuarial valuation reports as of January 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date: January 1, 2014 - Actuarially determined contribution rates are calculated as of January 1, which is 24 months prior to the end of the fiscal year in which contributions are reported.

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

Actuarial Cost Method: Entry Age Normal Amortization Method 35-year closed level percentage of pay amortization (from January 1, 2011).

Remaining Amortization Period: 32 years.

Asset Valuation Method: 4 year smoothed market.

Inflation: 3.00 percent.

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

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

Investment Rate of Return: 6.75% as of the January 1, 2014, valuation.

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

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

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

Actuarial Cost Method: Entry Age Normal.

Asset Valuation Method: Market (Fair) Value.

Discount Rates

A single discount rate of 6.75% was used to measure the total pension liability for both the Police Pension Plan and the Firefighters' Pension Plan. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

7. Pension and Retirement Fund Commitments

Based on these assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Police Pension			
City's Net Pension Liability	\$ 210,434,797	\$ 160,013,004	\$ 118,703,643
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Firefighters' Pension			
City's Net Pension Liability	\$ 170,734,529	\$ 134,329,798	\$ 104,413,066

Investment Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.88% and 4.21% for the Police and Firefighters' Pension Plans, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, 2014 are levied for the 2015 tax levy and will be collected during the fiscal year ending December 31, 2016.

The City's annual pension cost and net pension obligation for the Police and Firefighters' Pension Plans for the fiscal year ended December 31, 2014 were based on pre-GASB 67 actuarial valuations performed. Details were as follows:

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

7. Pension and Retirement Fund Commitments

	Police Pension Plan	Firefighter's Pension Plan
Annual Required Contribution	\$ 13,383,213	\$ 11,597,497
Interest on Net Pension Obligation	574,201	422,241
Adjustment to Annual Required Contribution	(403,611)	(296,798)
Annual Pension Cost	13,553,803	11,722,940
Contributions Made	(13,610,557)	(12,098,687)
(Decrease) in Net Pension Obligation	(56,754)	(375,747)
Net Pension Obligation at January 1, 2014	8,506,677	6,255,430
Net Pension Obligation at December 31, 2014	\$ 8,449,923	\$ 5,879,683

The net pension obligation of \$14,329,606 has been recorded as a liability of the primary government in the Statement of Net Position.

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:	12/31/2014	\$ 13,553,803	100.4%	\$ 8,449,923
	12/31/2013	12,712,489	104.7%	8,506,677
	12/31/2012	12,775,088	91.5%	9,102,094
Firefighters' Pension Plan:	12/31/2014	\$ 11,722,940	103.2%	\$ 5,879,683
	12/31/2013	11,331,781	103.5%	6,255,430
	12/31/2012	11,221,943	93.1%	6,652,189

Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the Police Pension Plan was 49.68 percent funded. The actuarial accrued liability for benefits was \$313,238,213 and the actuarial value of assets was \$155,602,209, resulting in an underfunded actuarial accrued liability (UAAL) of \$157,636,004. The covered payroll (annual payroll of active employees covered by the plan) was \$26,144,818 and the ratio of the UAAL to the covered payroll was 602.93 percent.

As of January 1, 2014, the most recent actuarial valuation date, the Firefighters' Pension Plan was 43.34 percent funded. The actuarial accrued liability for benefits was \$235,117,345 and the actuarial value of assets was \$101,900,206, resulting in an underfunded actuarial accrued liability (UAAL) of \$133,217,139. The covered payroll (annual payroll of active employees covered by the plan) was \$21,727,130 and the ratio of the UAAL to the covered payroll was 613.14 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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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 ranging from \$10,000 to \$25,000, depending on type of qualifying employee group. For fiscal year 2014, the City contributed \$7,357,190 to the plan, total retiree contributions were \$448,443.

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	\$ 18,415,026
Interest on Net OPEB Obligation	4,238,753
Adjustment to Annual Required Contribution	<u>(3,363,047)</u>
Annual OPEB Cost	19,290,732
Contributions Made	<u>(7,357,190)</u>
Increase in Net OPEB Obligation	11,933,542
Net OPEB Obligation - Beginning of Year	<u>94,194,501</u>
Net OPEB Obligation - End of Year	<u><u>\$ 106,128,043</u></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 2014, 2013, and 2012 was as follows:

	Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
RHLIP Plan:	12/31/2014	\$ 19,290,732	38.1%	\$ 106,128,043
	12/31/2013	18,168,101	35.8%	94,194,501
	12/31/2012	18,791,182	32.8%	82,528,594

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

8. Postemployment Benefits Other Than Pensions

The total net OPEB obligation of \$106,128,043 has been recorded in the Statement of Net Position. Payments to liquidate the liability have typically been made by the General, Waterworks And Sewerage and Parking Funds.

Funded Status and Funding Progress

As of January 1, 2014, based on the January 1, 2014 actuarial valuation, the actuarial accrued liability for benefits was \$235,051,164, 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 \$70,978,328 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 331.16 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.

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, 2014		
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	8.0% per year
		graded down to 4.5% per year	

9. Commitments and Contingencies

General Litigation

The City monitors all claims and lawsuits on a case by case basis. If a claim is asserted and a probable loss is reasonably estimable, the City recognizes a liability in the financial statements. The City is currently a defendant in several 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.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

9. Commitments and Contingencies

Evergreen Terrace Litigation

In September 2014, the City won a condemnation lawsuit to take over Evergreen Terrace a Housing And Urban Development (HUD) sponsored housing project. The property includes Evergreen Terrace I, with three buildings and 241 units, and Evergreen Terrace II, which has 115 units in two buildings. At year end, the owners of Evergreen Terrace and the City were negotiating a settlement including a purchase price and time of ownership transfer. In March, 2015, the purchase price of \$15 million which will be paid by the City to the owners was determined based on the decision reached by a federal jury. The City plans to use \$3 million of anticipated grant monies towards the purchase and intends on selling bonds to fund the remaining \$12 million.

Fund Commitments

The City has entered into contracts totaling approximately \$44.7 million for projects to be paid from the loan proceeds from the Waterworks And Sewerage Fund; as of December 31, 2014 about \$2.4 million had been paid leaving remaining commitments at \$42.3 million. Additionally, the City had entered into contracts totaling approximately \$9.8 million for the ongoing multi-modal project to be paid from the Grants And Special Accounts Fund; as of December 31, 2014 about \$8.0 million had been paid leaving remaining commitments at \$1.8 million.

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, 2014 is as follows:

	Balance 12/31/2013	Additions	Reductions	Balance 12/31/2014	Amount Due Within One Year
Governmental Activities	\$ 17,950,905	\$ 9,524,552	\$ 8,975,453	\$ 18,500,004	\$ 9,250,002
Business-Type Activities:					
Waterworks and Sewerage Fund	971,513	630,514	485,757	1,116,270	558,135
Parking Meter Fund	46,411	37,023	23,206	60,228	30,114
Total Business-Type	<u>1,017,924</u>	<u>667,537</u>	<u>508,963</u>	<u>1,176,498</u>	<u>588,249</u>
Total Liability	<u>\$ 18,968,829</u>	<u>\$ 10,192,089</u>	<u>\$ 9,484,416</u>	<u>\$ 19,676,502</u>	<u>\$ 9,838,251</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

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 \$700,000. The City's property coverage is all risk, repair or replacement Full Limit Value (FLV) with a \$100,000 deductible.

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

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

The City also participates in an externally administered self-insurance programs for workers' compensation, unemployment compensation, and general liability claims and medical claims. The City's group health insurance plans maintain specific stop loss coverage for claims in excess of \$200,000 and aggregate stop loss coverage for total plan losses in excess of 125 percent of projected claims. Dental coverage benefits are limited to \$1,000 per covered individual per year. The claims liability of \$6,134,549 for workers' compensation, unemployment compensation, and general liability claims is reported as a liability in the Statement of Net Position; the amount is based on the estimated outcome of outstanding claims on a case-by-case basis. The amount estimated to be paid within one year is \$2,699,549. The claims are typically paid by the General Fund.

The liability for health claims of \$1,074,600 is reported in the General Fund. The amount is based on reported claims due and payable at year-end along with an estimate of claims that were incurred before year-end but not yet reported.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements December 31, 2014

11. Risk Management

Changes in the claims liability amounts in the fiscal years ended December 31, 2014 and 2013 were as follows:

	Workers'		
	Compensation, Unemployment, General Liability	Health Claims	Total
Claims Liability, December 31, 2012	\$ 5,998,563	\$ 1,122,300	\$ 7,120,863
Incurred Claims	3,168,558	18,874,710	22,043,268
Change in Estimates	(420,381)	(59,014)	(479,395)
Claim Payments	(3,168,558)	(19,011,396)	(22,179,954)
Claims Liability, December 31, 2013	5,578,182	926,600	6,504,782
Incurred Claims	2,791,561	19,570,299	22,361,860
Change in Estimates	556,367	170,752	727,119
Claim Payments	(2,791,561)	(19,593,051)	(22,384,612)
Claims Liability, December 31, 2014	<u>\$ 6,134,549</u>	<u>\$ 1,074,600</u>	<u>\$ 7,209,149</u>

12. Long-Term Debt

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

	Balance December 31, 2013	Debt Issued	Debt Retired	Balance December 31, 2014	Amounts Due Within One Year
Primary Government					
Governmental Activities:					
General Obligation Bonds	\$ 7,710,000	\$ 3,445,000	(\$ 825,000)	\$ 10,330,000	\$ 860,000
Premium on Bonds	74,390	116,060	(15,260)	175,190	-
Total G.O. Bonds	<u>7,784,390</u>	<u>3,561,060</u>	<u>(840,260)</u>	<u>10,505,190</u>	<u>860,000</u>
Lease Purchase Agreement	4,157,739	-	(4,157,739)	-	-
Total Governmental Activities	<u>11,942,129</u>	<u>3,561,060</u>	<u>(4,997,999)</u>	<u>10,505,190</u>	<u>860,000</u>
Business-Type Activities:					
Waterworks and Sewerage					
Revenue Bonds	35,780,000	9,720,000	(12,015,000)	33,485,000	5,590,000
Premium on Bonds	1,468,357	332,661	(561,660)	1,239,358	-
Discount on Bonds	(16,568)	-	16,568	-	-
Total Revenue Bonds	<u>37,231,789</u>	<u>10,052,661</u>	<u>(12,560,092)</u>	<u>34,724,358</u>	<u>5,590,000</u>
IEPA Loans Payable	13,774,299	1,573,019	(631,909)	14,715,409	639,832
Total Business-Type Activities	<u>51,006,088</u>	<u>11,625,680</u>	<u>(13,192,001)</u>	<u>49,439,767</u>	<u>6,229,832</u>
Total Primary Government	<u>\$ 62,948,217</u>	<u>\$ 15,186,740</u>	<u>(\$ 18,190,000)</u>	<u>\$ 59,944,957</u>	<u>\$ 7,089,832</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

12. Long-Term Debt

Annual debt service payments required to service outstanding bonds at December 31, 2014 are as follows:

Governmental Activities:

General Obligation Bonds:

Years Ending December 31,	Interest	Principal	Total
2015	\$ 355,597	\$ 860,000	\$ 1,215,597
2016	360,106	1,360,000	1,720,106
2017	311,482	1,410,000	1,721,482
2018	259,744	1,465,000	1,724,744
2019	204,531	1,525,000	1,729,531
2020-2022	<u>224,425</u>	<u>3,710,000</u>	<u>3,934,425</u>
	<u>\$ 1,715,884</u>	<u>\$ 10,330,000</u>	<u>\$ 12,045,884</u>

Business-Type Activities:

Revenue Bonds:

Years Ending December 31,	Interest	Principal	Total
2015	\$ 1,097,729	\$ 5,590,000	\$ 6,687,729
2016	933,950	5,735,000	6,668,950
2017	701,675	5,215,000	5,916,675
2018	478,825	5,575,000	6,053,825
2019	294,350	3,460,000	3,754,350
2020-2024	<u>476,350</u>	<u>7,910,000</u>	<u>8,386,350</u>
	<u>\$ 3,982,879</u>	<u>\$ 33,485,000</u>	<u>\$ 37,467,879</u>

General Obligation Bonds Payable

General obligation bonds outstanding at December 31, 2014 are summarized as follows:

	Series	Interest Rates	Dated	Principal
General Obligation				
Refunding Issue	2005	3.00 - 4.75%	5/1/2005	\$ 6,885,000
Refunding Issue	2014C	3.00%	12/18/2014	1,445,000
Refunding Issue	2014D	2.00 - 3.00%	12/18/2014	<u>2,000,000</u>
				<u>\$ 10,330,000</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

12. 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.

2014C Series Bonds

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

2014D Series Bonds

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

Revenue Bonds Payable

All of the City's Revenue Bonds are payable from the Waterworks And Sewerage Fund. Revenue bond obligations outstanding at December 31, 2014 are summarized as follows:

	Series	Interest Rates	Dated	Principal
Revenue Bond	2006	4.00%	12/1/2006	\$ 30,000
Revenue Bond	2010	2.00 - 5.00%	11/17/2010	5,715,000
Revenue Bond	2011	4.00%	12/20/2011	9,120,000
Revenue Bond	2012	2.00 - 5.00%	2/7/2012	8,900,000
Revenue Bond	2014A	2.00 - 3.00%	10/21/2014	3,620,000
Revenue Bond	2014B	2.00 - 3.00%	10/7/2014	6,100,000
				<u>\$ 33,485,000</u>

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

12. Long-Term Debt

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 were originally 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, were called at par on January 1, 2015 through the use of the proceeds from the sale of the 2014B series bonds. The interest rate on the bonds is 4.00 percent.

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, 2014 through January 1, 2017. The interest rates on the bonds range from 2.00 percent to 5.00 percent.

2014A Series Bonds

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

2014B Series Bonds

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

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

12. Long-Term Debt

Loans Payable - Illinois EPA

All of the City's Illinois Environmental Protection Agency (IEPA) Loans are payable from the Waterworks And Sewerage Fund. Loan obligations outstanding at December 31, 2014 are summarized as follows:

<u>Loan Number</u>	<u>Interest Rate</u>	<u>Principal Owed at Year End</u>	<u>Phase</u>
L17-4445	1.250%	\$ 1,364,054	Repayment
L17-3148	1.250%	11,778,336	Repayment
L17-4705	1.995%	1,175,778	Drawdown
L17-4750	1.995%	-	Pre-drawdown
L17-5070	1.995%	397,241	Drawdown
		<u>\$ 14,715,409</u>	

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

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

IEPA Loan - L17-4705, issued to provide funds to improve the wastewater system. The loan is dated September 30, 2014. The loan is anticipated to total \$24,946,296 to be repaid by the City over a twenty year period with interest at 1.995 percent. The City had drawn a total of \$1,175,778 through December 31, 2014. The final loan amount and repayment schedule were not available at the time of this report.

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

IEPA Loan - L17-5070, issued to provide funds to improve the East-side Wastewater Treatment Plant. The loan is dated September 30, 2014. The loan is anticipated to total \$12,411,409 to be repaid by the City over a twenty year period with interest at 1.995 percent. The City had drawn a total of \$397,241 through December 31, 2014. The final loan amount and repayment schedule were not available at the time of this report.

Annual debt service payments required to service the outstanding IEPA Loans with determined payment schedules (L17-4445 and L17-3148) at December 31, 2014 are as follows:

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

12. Long-Term Debt

Business-Type Activities:

IEPA Loans:

Years Ending December 31,	Interest	Principal	Total
2015	\$ 162,287	\$ 639,832	\$ 802,119
2016	154,264	647,855	802,119
2017	146,141	655,978	802,119
2018	137,915	664,204	802,119
2019	129,586	672,533	802,119
2020-2024	519,303	3,491,291	4,010,594
2025-2029	294,855	3,715,739	4,010,594
2030-2032	65,433	2,654,958	2,720,391
	<u>\$ 1,609,784</u>	<u>\$ 13,142,390</u>	<u>\$ 14,752,174</u>

Deferred Amounts on Refunding

The City has reported deferred amounts on refunding of debt related to the debt defeasances of \$96,806 and \$705,826, in the governmental and business-type activities, respectively, as deferred outflows of resources in the Statement of Net Position.

Current Year Advance Refundings of Debt

On October 14, 2014, the City issued \$6,100,000 of Waterworks and Sewerage Revenue Refunding Bonds, Series 2014B, with a bond premium of \$225,330 to advance refund \$6,095,000 of Waterworks and Sewerage Revenue Refunding Bonds, Series 2006. The net proceeds of \$6,216,900 after payment of \$108,430 in underwriting fees and other issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the above-mentioned portion of the Series 2006 bonds. As a result, the refunded portion of those bonds is considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position.

The City's advance refunding of the 2006 Series bonds decreased its total debt service payments over the next eight years by \$411,494 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$391,842. The City had \$6,095,000 of defeased bonds outstanding on December 31, 2014; all of the outstanding defeased bonds were called on January 1, 2015.

On December 18, 2014, the City issued \$1,445,000 of General Obligation Refunding Bonds, Series 2014C, and \$2,000,000 of Taxable General Obligation Refunding Bonds, Series 2014D with a total bond premium of \$116,060 to advance refund \$3,501,846 of the 2012 public Safety Radio Equipment Capital Lease. The net proceeds of \$3,501,846 after payment of \$59,214 in underwriting fees and other issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 2012 Capital Lease. As a result, the refunded portion of the 2012 Capital Lease is considered to be defeased and the liability for the Capital Lease has been removed from the Statement of Net Position.

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

12. Long-Term Debt

The City's advance refunding of the 2012 Capital Lease decreased its total debt service payments over the next eight years by \$46,895 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$109,439. The City had \$3,501,846 of defeased leases outstanding on December 31, 2014; all of the outstanding defeased leases were called on January 15, 2015.

13. 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, 2014, the Economic Development Revenue Bond (Route 66 Project), Series 1997 outstanding balance was \$862,592; this represents the total conduit debt outstanding at December 31, 2014.

14. Inter-Entity Transactions

The City's expenses for the year ended December 31, 2014 include a total of \$275,000 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 \$313,964 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 \$668,890 from the Joliet Public Library during the year for reimbursement of Library employee pension costs.

15. Significant Waterworks and Sewage Fund Customers

Revenue from water and sewer service charges and annual water and sewer usage in cubic feet from the ten largest users for the year ended December 31, 2014 are as follows:

	Combined Water and Sewer Usage Cubic Feet	Total Water and Sewer Revenues
Village of Shorewood	50,796,600	\$ 1,508,459
Ecolab, Inc.	30,111,326	963,978
P Q Corporation	27,723,379	898,472
Village of Rockdale	16,090,600	538,164
Joliet Housing Authority	11,101,943	650,224
East Joliet Sanitary District	7,867,900	236,726
Village of Channahon	6,808,897	247,611
Will County Government	4,427,719	282,320
Lockport Township Water Department	3,800,400	124,252
St Joseph Medical Center	3,308,984	205,206
Total Ten Largest System Users	162,037,748	\$ 5,655,412
Total System Users	1,057,047,549	\$ 40,950,145
Ten Largest as a Percentage of Total System Users	15.33%	13.81%

CITY OF JOLIET, ILLINOIS

Notes to Basic Financial Statements
December 31, 2014

16. 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	\$ -	\$ -	\$ 185,000	\$ 185,000
<i>Restricted for:</i>				
Road Projects	-	13,644,972	4,393,825	18,038,797
Police Purposes	-	-	901,673	901,673
Tax Increment Financing Projects	-	-	565,217	565,217
Community Development Projects	-	-	36,072	36,072
Total Restricted	<u>-</u>	<u>13,644,972</u>	<u>5,896,787</u>	<u>19,541,759</u>
<i>Assigned to:</i>				
Budgetary Shortfall	8,677,323	-	-	8,677,323
Road Projects	-	-	103	103
Tax Increment Financing Projects	-	-	79,052	79,052
Capital Projects	-	-	4,554,163	4,554,163
Total Assigned	<u>8,677,323</u>	<u>-</u>	<u>4,633,318</u>	<u>13,310,641</u>
<i>Unassigned</i>	<u>43,911,182</u>	<u>-</u>	<u>(2,391,627)</u>	<u>41,519,555</u>
Total Fund Balances	<u>\$ 52,588,505</u>	<u>\$ 13,644,972</u>	<u>\$ 8,323,478</u>	<u>\$ 74,556,955</u>

As of December 31, 2014, the Evergreen Terrace II Fund and the Corporate Bond and Interest Fund had deficit fund balances of \$2,384,189 and \$7,438, respectively. The deficits are anticipated to be reduced through future transfers from the General Fund.

17. New Governmental Accounting Standards

The following GASB Statements will affect future reporting of the City:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68* will be effective for the City beginning with its year ending December 31, 2015. These statements require governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. These statements also enhance accountability and transparency through revised and new note disclosures and required supplementary information (RSI). Management has not yet completed its evaluation of the impact of the provisions of these GASB statements on its financial statements.

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Required Supplementary Information

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CITY OF JOLIET, ILLINOIS

Required Supplementary Information December 31, 2014

Schedule of Funding Progress Illinois Municipal Retirement Fund

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)
12/31/2014	\$ 38,567,263	\$ 95,623,332	\$ 57,056,069	40.33%	\$ 31,716,325	179.89%
12/31/2013	40,306,349	93,510,727	53,204,378	43.10%	31,739,686	167.63%
12/31/2012	32,151,058	91,209,929	59,058,871	35.25%	32,503,788	181.70%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$55,080,876.
On a market basis, the funded ratio would be 57.60%.

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)
1/1/2014	\$ -	\$235,051,164	\$235,051,164	0.00%	\$ 70,978,328	331.16%
1/1/2012	-	214,713,030	214,713,030	0.00%	70,369,756	305.12%
1/1/2010	-	205,086,432	205,086,432	0.00%	71,889,093	285.28%
1/1/2009	-	180,752,000	180,752,000	0.00%	71,298,274	253.52%
1/1/2008	-	167,485,137	167,485,137	0.00%	68,556,033	244.30%
1/1/2007	-	201,403,182	201,403,182	0.00%	61,364,217	328.21%

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

CITY OF JOLIET, ILLINOIS

Required Supplementary Information December 31, 2014

Schedule of Funding Progress Police and Firefighters' Pension Plans

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)
<i>POLICE PENSION PLAN:</i>						
1/1/2014	\$ 155,602,209	\$ 313,238,213	\$ 157,636,004	49.68%	\$ 26,144,818	602.93%
1/1/2013	140,292,520	288,456,057	148,163,537	48.64%	25,548,490	579.93%
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%
<i>FIREFIGHTERS' PENSION PLAN:</i>						
1/1/2014	\$ 101,900,206	\$ 235,117,345	\$ 133,217,139	43.34%	\$ 21,727,130	613.14%
1/1/2013	89,643,330	217,728,604	128,085,274	41.17%	22,050,623	580.87%
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%

The information is based on the pre-GASB 67 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. The Entry Age Normal Method is used to determine the required contribution.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
Schedule of Employer Contributions
Police and Firefighters' Pension Plans
For the Year Ended December 31, 2014

	Police Pension Plan 2014	Firefighters' Pension Plan 2014
Actuarially Determined Contribution	\$ 13,802,050	\$ 11,949,709
Amount of Contributions in Relation to the Actuarially Determined Contribution	13,610,557	12,098,687
Contribution Deficiency (Excess)	\$ 191,493	(\$ 148,978)
Covered-Employee Payroll (January 1- December 31, 2014)	26,103,068	21,699,631
Contributions as a Percentage of Covered-Employee Payroll	52.14%	55.76%

Notes to Schedule:

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

Valuation Date: January 1, 2014.
Actuarially determined contribution rates are calculated as of January 1, which is 24 months prior to the end of the fiscal year in which contributions are reported.

Methods And Assumptions Used To Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal.

Amortization Method: 35-year closed level percentage of pay amortization (from January 1, 2011).

Remaining Amortization Period: 32 Years.

Asset Valuation Method: 4 year smoothed market.

Inflation: 3.00%.

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

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

Investment Rate Of Return: 6.75% as of the January 1, 2014, valuation.

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

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

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

The information is based on the GASB 67 actuarial valuation reports from Gabriel, Roeder, Smith & Company

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
Schedules of Changes in the Net Pension Liability and Related Ratios
Police and Firefighters' Pension Plans
For the Year Ended December 31, 2014

	Police Pension Plan 2014	Firefighters' Pension Plan 2014
Total Pension Liability		
Service Cost	\$ 8,494,903	\$ 7,331,123
Interest	21,353,658	16,055,080
Benefit Payments, Including Refunds of Plan Member Contributions	(11,424,994)	(9,343,434)
Net Change in Total Pension Liability	18,423,567	14,042,769
Total Pension Liability - Beginning	313,238,213	235,117,345
Total Pension Liability - Ending (A)	\$ 331,661,780	\$ 249,160,114
 Plan Fiduciary Net Position		
Contributions from Employer	\$ 13,610,557	\$ 12,098,687
Contributions from Plan Members	3,216,045	2,067,693
Pension Plan Net Investment Income	7,182,303	4,515,726
Benefit Payments, Including Refunds of Plan Member Contributions	(11,424,994)	(9,343,434)
Pension Plan Administrative Expense	(97,033)	(80,858)
Other Changes	20,039	-
Net Change in Plan Fiduciary Net Position	12,506,917	9,257,814
Plan Fiduciary Net Position - Beginning	159,141,859	105,572,502
Plan Fiduciary Net Position - Ending (B)	\$ 171,648,776	\$ 114,830,316
 Net Pension Liability - Ending (A) - (B)	\$ 160,013,004	\$ 134,329,798
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	51.75%	46.09%
 Covered-Employee Payroll	26,103,068	21,699,631
 Net Pension Liability as a Percentage of Covered-Employee Payroll	613.00%	619.04%

Notes to Schedule:

The information is based on the GASB 67 actuarial valuation reports from Gabriel, Roeder, Smith & Company

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information
Schedules of Annual Money-Weighted Rate of Return on Pension Plan Investments
Police and Firefighters' Pension Plans
For the Year Ended December 31, 2014

Annual Money-Weighted Rate of Return, Net of Investment Expense:	<u>2014</u>
Police Pension Fund	4.88%
Firefighters' Pension Fund	4.21%

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JOLIET, ILLINOIS

Required Supplementary Information General Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Local Taxes:				
Property Taxes	\$ 32,900,000	\$ 32,900,440	\$ 33,143,764	\$ -
Home Rule Sales Tax	23,800,000	23,800,000	24,097,497	-
Utility Tax	9,312,900	9,443,900	8,739,008	-
Real Estate Transfer Tax	1,244,500	1,244,500	1,614,581	-
Title and Registration Tax	125,500	125,500	146,500	-
Amusement Tax	120,000	120,000	107,933	-
Hotel Motel Tax	2,359,200	2,365,600	2,328,229	-
Food and Beverage Tax	2,704,600	2,711,900	2,968,132	-
Gasoline Privilege Tax	450,000	450,800	545,822	-
Payments in Lieu of Taxes	71,700	71,700	-	-
State Shared Revenues:				
Income Taxes	14,125,000	14,125,000	13,962,209	-
Replacement Tax	2,550,000	2,550,000	2,899,348	-
Sales and Use Taxes	22,560,400	22,560,400	23,563,913	-
Gaming Tax	19,251,000	19,251,000	19,193,131	-
Para Mutual Tax	121,700	121,700	92,147	-
Automobile Rental Tax	28,000	28,000	32,917	-
Federal Grants	-	90,000	250,869	-
State Grants	135,000	230,000	354,690	-
Charges for Services	7,019,950	7,057,570	6,772,962	-
Licenses	447,925	455,155	495,966	-
Permits	963,250	965,250	1,308,065	-
Rentals	345,000	402,000	345,862	-
Franchise Fees	1,820,000	1,820,000	2,166,089	-
Municipal Waste Fees	12,258,000	12,258,000	12,383,990	-
Inspection Fees	182,000	182,000	123,908	-
Other Fees	770,000	797,510	1,345,840	-
Fines	964,400	989,405	966,308	-
Interest Earnings	50,000	7,525	7,833	-
Special Assessments	-	-	488	-
Miscellaneous	2,176,700	2,674,360	1,571,810	-
Total Revenue	<u>158,856,725</u>	<u>159,799,215</u>	<u>161,529,811</u>	<u>-</u>

	<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$	-	\$ 33,143,764	\$ 243,324
	-	24,097,497	297,497
	-	8,739,008	(704,892)
	-	1,614,581	370,081
	-	146,500	21,000
	-	107,933	(12,067)
	-	2,328,229	(37,371)
	-	2,968,132	256,232
	-	545,822	95,022
	-	-	(71,700)
	-	13,962,209	(162,791)
	-	2,899,348	349,348
	-	23,563,913	1,003,513
	-	19,193,131	(57,869)
	-	92,147	(29,553)
	-	32,917	4,917
	-	250,869	160,869
	-	354,690	124,690
	-	6,772,962	(284,608)
	-	495,966	40,811
	-	1,308,065	342,815
	-	345,862	(56,138)
	-	2,166,089	346,089
	-	12,383,990	125,990
	-	123,908	(58,092)
	-	1,345,840	548,330
	-	966,308	(23,097)
	-	7,833	308
	-	488	488
	-	<u>1,571,810</u>	<u>(1,102,550)</u>
	-	<u>161,529,811</u>	<u>1,730,596</u>

(Continued)

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, 2014

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Expenditures				
Personnel Services	\$ 77,054,800	\$ 77,340,733	\$ 72,567,404	\$ -
Personnel Services - Benefits	55,827,300	55,168,719	51,391,816	-
Professional Services	15,837,180	16,338,866	15,970,775	(293,968)
Property Services	2,862,550	3,151,785	2,914,312	(17,803)
Other Services	1,462,120	1,418,495	1,393,042	(12,585)
Supplies	7,279,950	7,567,853	6,525,248	(139,570)
Property and Projects	2,666,000	2,691,781	2,408,783	(30,248)
Other	750,825	2,684,250	2,203,705	-
Debt Service - Principal	433,840	655,893	655,893	-
Debt Service - Interest	127,460	184,055	186,051	-
Total Expenditures	164,302,025	167,202,430	156,217,029	(494,174)
Revenue Over (Under) Expenditures	(5,445,300)	(7,403,215)	5,312,782	494,174
Other Financing Sources (Uses)				
Sale of Capital Assets	-	786	783	-
Issuance of Refunding Bonds	-	-	3,445,000	-
Premium on Refunding Bonds	-	-	116,060	-
Transfer to Debt Escrow Agent	-	-	(3,501,846)	-
Transfers In	4,725,000	4,725,000	153,946	-
Transfers Out	-	(2,000,000)	(2,000,000)	-
Net Change in Fund Balance	(\$ 720,300)	(\$ 4,677,429)	3,526,725	494,174
Fund Balance, Beginning of Year			49,061,780	(494,174)
Fund Balance, End of Year			\$ 52,588,505	\$ -

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 72,567,404	\$ 4,773,329
-	51,391,816	3,776,903
-	15,676,807	662,059
-	2,896,509	255,276
-	1,380,457	38,038
-	6,385,678	1,182,175
-	2,378,535	313,246
-	2,203,705	480,545
-	655,893	-
-	<u>186,051</u>	<u>(1,996)</u>
-	<u>155,722,855</u>	<u>11,479,575</u>
-	5,806,956	13,210,171
-	783	(3)
-	3,445,000	3,445,000
-	116,060	116,060
-	(3,501,846)	(3,501,846)
-	153,946	(4,571,054)
-	<u>(2,000,000)</u>	<u>-</u>
-	4,020,899	<u>\$ 8,698,328</u>
-	<u>48,567,606</u>	
<u>\$ -</u>	<u>\$ 52,588,505</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, 2014

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
State Allotments	\$ 3,600,000	\$ 5,227,228	\$ 5,189,054	\$ -
Federal Grant	-	141,147	10	-
Interest Earnings	30,000	11,000	12,640	-
Total Revenue	3,630,000	5,379,375	5,201,704	-
Expenditures				
Street and Bridges				
Professional Services	2,492,100	1,500,000	1,395,513	-
Project Expenditures	8,628,700	1,654,838	1,638,778	(715,393)
Total Expenditures	11,120,800	3,154,838	3,034,291	(715,393)
Net Change in Fund Balance	(\$ 7,490,800)	\$ 2,224,537	2,167,413	715,393
Fund Balance, Beginning of Year			11,477,559	(715,393)
Fund Balance, End of Year			\$ 13,644,972	\$ -

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 5,189,054	(\$ 38,174)
-	10	(141,137)
-	<u>12,640</u>	<u>1,640</u>
-	<u>5,201,704</u>	<u>(177,671)</u>
-	1,395,513	104,487
-	<u>923,385</u>	<u>731,453</u>
-	<u>2,318,898</u>	<u>835,940</u>
-	2,882,806	<u>\$ 658,269</u>
-	<u>10,762,166</u>	
<u>\$ -</u>	<u>\$ 13,644,972</u>	

CITY OF JOLIET, ILLINOIS

Notes to Required Supplementary Information
December 31, 2014

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Mayor and Council Department				
Mayor's Office				
Personnel Services	\$ 90,150	\$ 90,695	\$ 90,725	\$ -
Personnel Benefits	-	-	5,095	-
Professional Services	650	300	50	-
Property Services	300	500	285	-
Other Services	2,700	2,636	2,191	-
Supplies	1,800	1,000	854	-
Other Expenditures	500	750	904	-
Total	<u>96,100</u>	<u>95,881</u>	<u>100,104</u>	<u>-</u>
Liquor Commission				
Personnel Services	50,500	50,500	45,191	-
Personnel Benefits	-	-	1,236	-
Professional Services	700	500	180	-
Property Services	1,400	1,200	1,213	-
Other Services	700	700	646	-
Supplies	200	200	200	-
Total	<u>53,500</u>	<u>53,100</u>	<u>48,666</u>	<u>-</u>
City Clerk's Office				
Personnel Services	355,300	320,900	330,735	-
Personnel Benefits	-	-	19,691	-
Professional Services	38,500	48,310	44,531	-
Property Services	17,000	17,450	17,215	-
Other Services	8,450	8,000	5,806	-
Supplies	23,200	26,607	17,295	-
Total	<u>442,450</u>	<u>421,267</u>	<u>435,273</u>	<u>-</u>
City Council				
Personnel Services	152,500	152,500	148,930	-
Personnel Benefits	-	-	6,426	-
Professional Services	-	-	305	-
Property Services	500	500	1	-
Other Services	4,700	4,700	13,274	-
Total	<u>157,700</u>	<u>157,700</u>	<u>168,936</u>	<u>-</u>
Total Mayor and Council Department	<u>749,750</u>	<u>727,948</u>	<u>752,979</u>	<u>-</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 90,725	(\$ 30)
-	5,095	(5,095)
-	50	250
-	285	215
-	2,191	445
-	854	146
-	904	(154)
-	100,104	(4,223)
-	45,191	5,309
-	1,236	(1,236)
-	180	320
-	1,213	(13)
-	646	54
-	200	-
-	48,666	4,434
-	330,735	(9,835)
-	19,691	(19,691)
-	44,531	3,779
-	17,215	235
-	5,806	2,194
-	17,295	9,312
-	435,273	(14,006)
-	148,930	3,570
-	6,426	(6,426)
-	305	(305)
-	1	499
-	13,274	(8,574)
-	168,936	(11,236)
-	752,979	(25,031)

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Department of the City Manager				
City Manager's Office				
Personnel Services	\$ 258,900	\$ 259,100	\$ 248,546	\$ -
Personnel Benefits	-	-	13,034	-
Professional Services	77,300	95,100	60,100	-
Property Services	300	300	33	-
Other Services	800	800	3,820	-
Supplies	1,000	1,500	545	-
Other Expenditures	246,825	10,000	8,730	-
Total	<u>585,125</u>	<u>366,800</u>	<u>334,808</u>	<u>-</u>
Bi-Centennial Park Division				
Personnel Services	167,100	167,100	171,391	-
Personnel Benefits	-	-	11,343	-
Professional Services	600	30	30	-
Property Services	10,400	10,700	5,657	-
Other Services	4,600	6,500	6,953	-
Supplies	53,200	60,810	60,572	-
Total	<u>235,900</u>	<u>245,140</u>	<u>255,946</u>	<u>-</u>
Marketing and Communications Division				
Personnel Services	123,000	82,641	64,159	-
Personnel Benefits	-	-	1,490	-
Professional Services	86,500	161,489	146,692	-
Property Services	14,500	12,000	3,402	-
Other Services	93,800	39,485	38,809	-
Supplies	7,700	8,500	2,976	-
Property and Projects	31,000	27,150	26,820	-
Total	<u>356,500</u>	<u>331,265</u>	<u>284,348</u>	<u>-</u>
Total Department of the City Manager	<u>1,177,525</u>	<u>943,205</u>	<u>875,102</u>	<u>-</u>
Department of Management and Budget				
Management and Budget Administration				
Personnel Services	242,900	237,600	127,538	-
Personnel Benefits	-	-	10,543	-
Professional Services	4,200	9,500	7,065	-
Property Services	500	500	339	-
Other Services	350	350	344	-
Supplies	700	700	745	-
Total	<u>248,650</u>	<u>248,650</u>	<u>146,574</u>	<u>-</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 248,546	\$ 10,554
-	13,034	(13,034)
-	60,100	35,000
-	33	267
-	3,820	(3,020)
-	545	955
-	8,730	1,270
-	334,808	31,992
-	171,391	(4,291)
-	11,343	(11,343)
-	30	-
-	5,657	5,043
-	6,953	(453)
-	60,572	238
-	255,946	(10,806)
-	64,159	18,482
-	1,490	(1,490)
-	146,692	14,797
-	3,402	8,598
-	38,809	676
-	2,976	5,524
-	26,820	330
-	284,348	46,917
-	875,102	68,103
-	127,538	110,062
-	10,543	(10,543)
-	7,065	2,435
-	339	161
-	344	6
-	745	(45)
-	146,574	102,076

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Department of Management and Budget				
Accounting Division				
Personnel Services	\$ 286,700	\$ 286,800	\$ 273,572	\$ -
Personnel Benefits	-	-	11,565	-
Professional Services	251,670	251,870	151,161	-
Property Services	4,000	4,000	2,730	-
Other Services	2,500	2,300	439	-
Supplies	2,000	2,070	3,125	-
Total	<u>546,870</u>	<u>547,040</u>	<u>442,592</u>	<u>-</u>
City Collector's Office				
Personnel Services	110,700	110,700	71,836	-
Professional Services	5,500	6,500	3,652	(3,046)
Property Services	2,000	2,000	303	(151)
Other Services	2,550	2,550	1,392	-
Supplies	4,500	4,500	3,934	(876)
Total	<u>125,250</u>	<u>126,250</u>	<u>81,117</u>	<u>(4,073)</u>
Purchasing Division				
Personnel Services	234,800	234,300	234,021	-
Personnel Benefits	-	-	12,245	-
Professional Services	1,100	610	565	-
Property Services	19,000	13,000	9,606	-
Other Services	2,150	2,150	320	-
Supplies	1,000	1,200	840	-
Total	<u>258,050</u>	<u>251,260</u>	<u>257,597</u>	<u>-</u>
Information Technology Division				
Personnel Services	446,500	446,500	435,991	-
Personnel Benefits	-	-	23,243	-
Professional Services	1,054,500	1,054,500	997,243	(218,416)
Property Services	416,950	416,950	420,262	(1,857)
Other Services	173,400	283,400	160,894	-
Supplies	12,800	12,800	8,914	(225)
Total	<u>2,104,150</u>	<u>2,214,150</u>	<u>2,046,547</u>	<u>(220,498)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 273,572	\$ 13,228
-	11,565	(11,565)
-	151,161	100,709
-	2,730	1,270
-	439	1,861
-	3,125	(1,055)
-	442,592	104,448
-	71,836	38,864
-	606	5,894
-	152	1,848
-	1,392	1,158
-	3,058	1,442
-	77,044	49,206
-	234,021	279
-	12,245	(12,245)
-	565	45
-	9,606	3,394
-	320	1,830
-	840	360
-	257,597	(6,337)
-	435,991	10,509
-	23,243	(23,243)
-	778,827	275,673
-	418,405	(1,455)
-	160,894	122,506
-	8,689	4,111
-	1,826,049	388,101

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2014

	<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	\$ 176,800	\$ 169,800	\$ 176,716	\$ -
Personnel Benefits	-	-	9,832	-
Professional Services	1,050	400	690	-
Other Services	9,600	8,850	9,200	-
Supplies	8,200	7,200	10,031	-
Total	<u>195,650</u>	<u>186,250</u>	<u>206,469</u>	<u>-</u>
Motor Maintenance Division				
Personnel Services	1,863,300	1,869,500	1,229,202	-
Personnel Benefits	-	-	106,599	-
Professional Services	6,800	6,800	6,252	-
Property Services	1,396,500	1,506,500	1,476,926	-
Other Services	500	720	718	-
Supplies	2,211,500	2,256,700	1,857,955	(164)
Total	<u>5,478,600</u>	<u>5,640,220</u>	<u>4,677,652</u>	<u>(164)</u>
Human Resources Division				
Personnel Services	405,300	350,300	351,140	-
Personnel Benefits	-	-	19,911	-
Professional Services	133,700	122,800	123,709	(9,857)
Property Services	2,500	2,500	799	-
Other Services	10,100	13,950	15,680	-
Supplies	1,000	700	523	-
Total	<u>552,600</u>	<u>490,250</u>	<u>511,762</u>	<u>(9,857)</u>
Board of Fire and Police				
Personnel Services	27,000	21,000	19,455	-
Professional Services	220,400	93,400	81,223	-
Property Services	2,200	100	34	-
Other Services	5,300	1,100	47	-
Supplies	300	50	-	-
Total	<u>255,200</u>	<u>115,650</u>	<u>100,759</u>	<u>-</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 176,716	(\$ 6,916)
-	9,832	(9,832)
-	690	(290)
-	9,200	(350)
-	10,031	(2,831)
<u>-</u>	<u>206,469</u>	<u>(20,219)</u>
-	1,229,202	640,298
-	106,599	(106,599)
-	6,252	548
-	1,476,926	29,574
-	718	2
-	1,857,791	398,909
<u>-</u>	<u>4,677,488</u>	<u>962,732</u>
-	351,140	(840)
-	19,911	(19,911)
-	113,852	8,948
-	799	1,701
-	15,680	(1,730)
-	523	177
<u>-</u>	<u>501,905</u>	<u>(11,655)</u>
-	19,455	1,545
-	81,223	12,177
-	34	66
-	47	1,053
-	-	50
<u>-</u>	<u>100,759</u>	<u>14,891</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Department of Management and Budget				
Buildings and Grounds Division				
Personnel Services	\$ 657,500	\$ 653,800	\$ 655,333	\$ -
Personnel Benefits	-	-	33,352	-
Professional Services	40,000	43,530	41,612	-
Property Services	260,000	260,000	222,905	(8,250)
Other Services	800	900	830	-
Supplies	97,600	88,300	83,541	-
Total	<u>1,055,900</u>	<u>1,046,530</u>	<u>1,037,573</u>	<u>(8,250)</u>
Total Department of Management and Budget	<u>10,820,920</u>	<u>10,866,250</u>	<u>9,508,642</u>	<u>(242,842)</u>
Department of Public Works				
Public Works Administration				
Personnel Services	254,000	254,000	273,183	-
Personnel Benefits	-	-	16,442	-
Professional Services	850	850	322	-
Other Services	1,350	1,350	771	-
Supplies	400	400	-	-
Total	<u>256,600</u>	<u>256,600</u>	<u>290,718</u>	<u>-</u>
Engineering and Construction Division				
Personnel Services	1,298,800	1,298,800	1,214,633	-
Personnel Benefits	-	-	50,768	-
Professional Services	195,200	222,651	158,578	(47,630)
Property Services	17,000	17,000	8,940	-
Other Services	11,900	14,126	11,768	-
Supplies	72,200	73,700	58,371	(4,145)
Property and Projects	93,200	96,450	72,311	(5,215)
Total	<u>1,688,300</u>	<u>1,722,727</u>	<u>1,575,369</u>	<u>(56,990)</u>
Electrical Division				
Personnel Services	330,200	332,200	388,036	-
Personnel Benefits	-	-	26,374	-
Professional Services	26,300	28,890	34,010	-
Property Services	2,000	2,000	352	-
Other Services	5,100	5,000	5,793	-
Supplies	429,500	429,500	286,197	(1,949)
Property and Projects	-	-	9,950	-
Total	<u>793,100</u>	<u>797,590</u>	<u>750,712</u>	<u>(1,949)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 655,333	(\$ 1,533)
-	33,352	(33,352)
-	41,612	1,918
-	214,655	45,345
-	830	70
-	83,541	4,759
-	1,029,323	17,207
-	9,265,800	1,600,450
-	273,183	(19,183)
-	16,442	(16,442)
-	322	528
-	771	579
-	-	400
-	290,718	(34,118)
-	1,214,633	84,167
-	50,768	(50,768)
-	110,948	111,703
-	8,940	8,060
-	11,768	2,358
-	54,226	19,474
-	67,096	29,354
-	1,518,379	204,348
-	388,036	(55,836)
-	26,374	(26,374)
-	34,010	(5,120)
-	352	1,648
-	5,793	(793)
-	284,248	145,252
-	9,950	(9,950)
-	748,763	48,827

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Department of Public Works				
Roadways Division				
Personnel Services	\$ 4,059,250	\$ 4,368,500	\$ 4,135,157	\$ -
Personnel Benefits	-	-	195,984	-
Professional Services	492,100	905,600	871,227	-
Property Services	58,500	59,200	67,412	(4,648)
Other Services	23,100	23,100	27,478	-
Supplies	849,400	1,094,400	810,451	(126,315)
Total	<u>5,482,350</u>	<u>6,450,800</u>	<u>6,107,709</u>	<u>(130,963)</u>
Street Lighting				
Supplies	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,860,105</u>	<u>-</u>
Total	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,860,105</u>	<u>-</u>
Total Department of Public Works	<u>11,220,350</u>	<u>12,227,717</u>	<u>11,584,613</u>	<u>(189,902)</u>
Police Department				
Police Operations				
Personnel Services	34,246,700	34,246,700	33,494,334	-
Personnel Benefits	45,000	45,000	259,511	-
Professional Services	333,210	320,134	283,067	(13,600)
Property Services	392,600	586,465	436,752	(1,276)
Other Services	175,750	171,065	190,733	-
Supplies	222,500	215,867	173,089	(1,717)
Other Expenditures	3,500	3,500	1,699	-
Total	<u>35,419,260</u>	<u>35,588,731</u>	<u>34,839,185</u>	<u>(16,593)</u>
School Crossing Guard Operations				
Personnel Services	<u>450,000</u>	<u>450,000</u>	<u>246,912</u>	<u>-</u>
Total	<u>450,000</u>	<u>450,000</u>	<u>246,912</u>	<u>-</u>
Police Special Assignments				
Personnel Services	<u>1,350,000</u>	<u>1,350,000</u>	<u>838,181</u>	<u>-</u>
Total	<u>1,350,000</u>	<u>1,350,000</u>	<u>838,181</u>	<u>-</u>
Total Police Department	<u>37,219,260</u>	<u>37,388,731</u>	<u>35,924,278</u>	<u>(16,593)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 4,135,157	\$ 233,343
-	195,984	(195,984)
-	871,227	34,373
-	62,764	(3,564)
-	27,478	(4,378)
-	684,136	410,264
<u>-</u>	<u>5,976,746</u>	<u>474,054</u>
-	2,860,105	139,895
<u>-</u>	<u>2,860,105</u>	<u>139,895</u>
-	11,394,711	833,006
-	33,494,334	752,366
-	259,511	(214,511)
-	269,467	50,667
-	435,476	150,989
-	190,733	(19,668)
-	171,372	44,495
-	1,699	1,801
<u>-</u>	<u>34,822,592</u>	<u>766,139</u>
-	246,912	203,088
<u>-</u>	<u>246,912</u>	<u>203,088</u>
-	838,181	511,819
<u>-</u>	<u>838,181</u>	<u>511,819</u>
-	35,907,685	1,481,046
		<i>(Continued)</i>

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Fire Department				
Fire Operations				
Personnel Services	\$ 25,087,500	\$ 25,220,185	\$ 24,147,626	\$ -
Personnel Benefits	6,500	8,750	26,629	-
Professional Services	282,200	269,321	263,211	(1,358)
Property Services	195,000	192,500	209,096	(1,621)
Other Services	117,800	101,500	80,515	-
Supplies	225,100	220,255	218,084	(4,179)
Total	<u>25,914,100</u>	<u>26,012,511</u>	<u>24,945,161</u>	<u>(7,158)</u>
Emergency Management Division				
Personnel Services	24,400	28,135	71,021	-
Personnel Benefits	-	-	1,263	-
Professional Services	1,450	1,139	909	-
Property Services	16,000	13,020	13,020	-
Other Services	6,300	7,743	8,070	-
Supplies	4,100	3,450	3,451	-
Total	<u>52,250</u>	<u>53,487</u>	<u>97,734</u>	<u>-</u>
HAZMAT Operations				
Personnel Services	65,000	65,000	41,977	-
Professional Services	60,000	69,000	61,110	-
Supplies	1,500	1,191	1,191	-
Total	<u>126,500</u>	<u>135,191</u>	<u>104,278</u>	<u>-</u>
Arson Task Force				
Professional Services	3,500	-	-	-
Supplies	500	448	448	-
Total	<u>4,000</u>	<u>448</u>	<u>448</u>	<u>-</u>
Paramedic Division				
Personnel Services	40,000	27,463	24,191	-
Professional Services	41,000	34,137	34,314	-
Property Services	20,000	20,000	3,450	-
Total	<u>101,000</u>	<u>81,600</u>	<u>61,955</u>	<u>-</u>
Route 66 Raceway Division				
Personnel Services	-	17,500	17,412	-
Total	<u>-</u>	<u>17,500</u>	<u>17,412</u>	<u>-</u>
Total Fire Department	<u>26,197,850</u>	<u>26,300,737</u>	<u>25,226,988</u>	<u>(7,158)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 24,147,626	\$ 1,072,559
-	26,629	(17,879)
-	261,853	7,468
-	207,475	(14,975)
-	80,515	20,985
-	213,905	6,350
-	24,938,003	1,074,508
-	71,021	(42,886)
-	1,263	(1,263)
-	909	230
-	13,020	-
-	8,070	(327)
-	3,451	(1)
-	97,734	(44,247)
-	41,977	23,023
-	61,110	7,890
-	1,191	-
-	104,278	30,913
-	-	-
-	448	-
-	448	-
-	24,191	3,272
-	34,314	(177)
-	3,450	16,550
-	61,955	19,645
-	17,412	88
-	17,412	88
-	25,219,830	1,080,907

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2014

	<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				
Community and Economic Development Administration				
Personnel Services	\$ 205,400	\$ 204,776	\$ 205,341	\$ -
Personnel Benefits	-	-	10,751	-
Professional Services	19,500	19,500	22,465	-
Property Services	2,000	2,000	1,833	-
Other Services	500	500	228	-
Supplies	500	500	51	-
Other Expenditures	-	70,000	61,185	-
Total	<u>227,900</u>	<u>297,276</u>	<u>301,854</u>	<u>-</u>
Planning Division				
Personnel Services	348,500	354,911	351,846	-
Personnel Benefits	-	-	18,949	-
Professional Services	41,200	41,287	23,228	-
Property Services	1,000	1,000	1,917	-
Other Services	13,900	14,000	6,343	-
Supplies	2,650	2,050	2,011	-
Total	<u>407,250</u>	<u>413,248</u>	<u>404,294</u>	<u>-</u>
Neighborhood Services Division				
Personnel Services	1,084,100	994,940	967,747	-
Personnel Benefits	-	-	55,537	-
Professional Services	202,200	282,400	343,636	(61)
Property Services	7,200	7,200	6,413	-
Other Services	21,700	24,300	19,423	-
Supplies	7,200	13,355	12,675	-
Total	<u>1,322,400</u>	<u>1,322,195</u>	<u>1,405,431</u>	<u>(61)</u>
Inspectional Services Division				
Personnel Services	712,800	726,887	736,562	-
Personnel Benefits	-	-	43,450	-
Professional Services	3,800	6,388	10,653	-
Property Services	700	700	1,061	-
Other Services	7,500	5,500	6,001	-
Supplies	2,700	2,700	2,194	-
Total	<u>727,500</u>	<u>742,175</u>	<u>799,921</u>	<u>-</u>
Total Department of Community and Economic Development	<u>2,685,050</u>	<u>2,774,894</u>	<u>2,911,500</u>	<u>(61)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 205,341	(\$ 565)
-	10,751	(10,751)
-	22,465	(2,965)
-	1,833	167
-	228	272
-	51	449
-	61,185	8,815
<u>-</u>	<u>301,854</u>	<u>(4,578)</u>
-	351,846	3,065
-	18,949	(18,949)
-	23,228	18,059
-	1,917	(917)
-	6,343	7,657
-	2,011	39
<u>-</u>	<u>404,294</u>	<u>8,954</u>
-	967,747	27,193
-	55,537	(55,537)
-	343,575	(61,175)
-	6,413	787
-	19,423	4,877
-	12,675	680
<u>-</u>	<u>1,405,370</u>	<u>(83,175)</u>
-	736,562	(9,675)
-	43,450	(43,450)
-	10,653	(4,265)
-	1,061	(361)
-	6,001	(501)
-	2,194	506
<u>-</u>	<u>799,921</u>	<u>(57,746)</u>
<u>-</u>	<u>2,911,439</u>	<u>(136,545)</u>

(Continued)

CITY OF JOLIET, ILLINOIS

General Fund
Detailed Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Legal Department				
Office of the Corporate Counsel				
Personnel Services	\$ 581,200	\$ 585,000	\$ 561,877	\$ -
Personnel Benefits	-	-	26,717	-
Professional Services	169,100	83,100	66,825	-
Property Services	2,500	2,500	2,356	-
Other Services	1,400	2,400	2,562	-
Supplies	35,000	35,000	36,859	-
Total	<u>789,200</u>	<u>708,000</u>	<u>697,196</u>	<u>-</u>
Total Legal Department	<u>789,200</u>	<u>708,000</u>	<u>697,196</u>	<u>-</u>
Miscellaneous				
Special Accounts				
Personnel Services	1,268,000	1,312,000	176,887	-
Personnel Benefits	24,435,500	23,345,000	19,378,822	-
Professional Services	229,900	313,860	286,345	-
Other Services	752,820	668,820	771,994	(12,585)
Supplies	-	2,200	8,021	-
Property and Projects	2,541,800	2,568,181	2,299,702	(25,033)
Other Expenditures	500,000	2,600,000	2,131,187	-
Debt Service - Principal	433,840	655,893	655,893	-
Debt Service - Interest	127,460	184,055	186,051	-
Total	<u>30,289,320</u>	<u>31,650,009</u>	<u>25,894,902</u>	<u>(37,618)</u>
Pensions and Related				
Personnel Benefits	<u>31,340,300</u>	<u>31,769,969</u>	<u>30,995,014</u>	<u>-</u>
Total	<u>31,340,300</u>	<u>31,769,969</u>	<u>30,995,014</u>	<u>-</u>
Refuse Disposal				
Professional Services	<u>11,812,500</u>	<u>11,844,970</u>	<u>11,845,815</u>	<u>-</u>
Total	<u>11,812,500</u>	<u>11,844,970</u>	<u>11,845,815</u>	<u>-</u>
Total Miscellaneous	<u>73,442,120</u>	<u>75,264,948</u>	<u>68,735,731</u>	<u>(37,618)</u>
Total General Fund	<u>\$ 164,302,025</u>	<u>\$ 167,202,430</u>	<u>\$ 156,217,029</u>	<u>(\$ 494,174)</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 561,877	\$ 23,123
-	26,717	(26,717)
-	66,825	16,275
-	2,356	144
-	2,562	(162)
-	36,859	(1,859)
<u>-</u>	<u>697,196</u>	<u>10,804</u>
<u>-</u>	<u>697,196</u>	<u>10,804</u>
-	176,887	1,135,113
-	19,378,822	3,966,178
-	286,345	27,515
-	759,409	(90,589)
-	8,021	(5,821)
-	2,274,669	293,512
-	2,131,187	468,813
-	655,893	-
-	186,051	(1,996)
<u>-</u>	<u>25,857,284</u>	<u>5,792,725</u>
<u>-</u>	<u>30,995,014</u>	<u>774,955</u>
<u>-</u>	<u>30,995,014</u>	<u>774,955</u>
-	11,845,815	(845)
<u>-</u>	<u>11,845,815</u>	<u>(845)</u>
-	68,698,113	6,566,835
<u>\$ -</u>	<u>\$ 155,722,855</u>	<u>\$ 11,479,575</u>

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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.

Evergreen Terrace II Fund - Accounts for revenue and expenditures related to the Evergreen Terrace property.

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

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.

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

Grants and Special Accounts Fund – Accounts for revenue and expenditures related to the Grants and Special 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, 2014

	Special Revenue Funds					
	Community Development Block Grant Fund	Evergreen Terrace II Fund	Special Service Area Fund	Tax Incremental Financing Fund #2	Tax Incremental Financing Fund #3	Business District Tax Allocation Fund
ASSETS						
Cash	\$ 11,500	\$ -	\$ 254,391	\$ 414,396	\$ 27,058	\$ 12,143
Investments	-	-	-	200,974	-	-
Receivables						
Property Taxes, Net of Allowance for Uncollectible Amounts	-	-	493,968	591,000	59,100	-
Intergovernmental	-	-	-	-	-	17,384
Accrued Interest	-	-	-	-	-	-
Special Assessments	-	-	36,946	-	-	-
Other	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Internal Receivables	-	-	-	-	423	-
Total Assets	<u>\$ 11,500</u>	<u>\$ -</u>	<u>\$ 785,305</u>	<u>\$ 1,206,370</u>	<u>\$ 86,581</u>	<u>\$ 29,527</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALNCES						
LIABILITIES						
Vouchers Payable	\$ -	\$ 44,830	\$ 3,697	\$ -	\$ -	\$ -
Unearned Revenue	-	-	34,969	-	-	-
Customer Deposits and Credits	-	-	-	-	-	-
Internal Payables	-	2,339,359	-	59,471	-	-
Total Liabilities	<u>-</u>	<u>2,384,189</u>	<u>38,666</u>	<u>59,471</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	-	-	493,968	591,000	59,100	-
Deferred Other Income	-	-	-	-	-	4,955
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>493,968</u>	<u>591,000</u>	<u>59,100</u>	<u>4,955</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	11,500	-	252,568	537,736	27,481	24,572
Assigned	-	-	103	18,163	-	-
Unassigned	-	(2,384,189)	-	-	-	-
Total Fund Balances	<u>11,500</u>	<u>(2,384,189)</u>	<u>252,671</u>	<u>555,899</u>	<u>27,481</u>	<u>24,572</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,500</u>	<u>\$ -</u>	<u>\$ 785,305</u>	<u>\$ 1,206,370</u>	<u>\$ 86,581</u>	<u>\$ 29,527</u>

Grants and Special Accounts Fund	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	
\$ -	\$ 719,488	\$ -	\$ 199,175	\$ 2,000,000	\$ 51,177	\$ 2,250,352	\$ 2,969,840
2,193,147	2,394,121	-	-	2,384,794	4,192,648	6,577,442	8,971,563
-	1,144,068	1,209,337	-	-	-	-	2,353,405
953,033	970,417	-	-	-	-	-	970,417
-	-	-	-	8,635	-	8,635	8,635
-	36,946	-	-	-	-	-	36,946
-	-	-	-	-	18,280	18,280	18,280
185,000	185,000	-	-	-	-	-	185,000
-	423	-	-	-	-	-	423
<u>\$ 3,331,180</u>	<u>\$ 5,450,463</u>	<u>\$ 1,209,337</u>	<u>\$ 199,175</u>	<u>\$ 4,393,429</u>	<u>\$ 4,262,105</u>	<u>\$ 8,854,709</u>	<u>\$ 15,514,509</u>
\$ 334,584	\$ 383,111	\$ -	\$ -	\$ 38,441	\$ 25,223	\$ 63,664	\$ 446,775
338,725	373,694	-	-	-	16,753	16,753	390,447
711,500	711,500	-	-	-	17,983	17,983	729,483
-	2,398,830	7,438	-	-	-	-	2,406,268
<u>1,384,809</u>	<u>3,867,135</u>	<u>7,438</u>	<u>-</u>	<u>38,441</u>	<u>59,959</u>	<u>98,400</u>	<u>3,972,973</u>
-	1,144,068	1,209,337	-	-	-	-	2,353,405
<u>859,698</u>	<u>864,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>864,653</u>
<u>859,698</u>	<u>2,008,721</u>	<u>1,209,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,218,058</u>
185,000	185,000	-	-	-	-	-	185,000
901,673	1,755,530	-	-	-	4,141,257	4,141,257	5,896,787
-	18,266	-	199,175	4,354,988	60,889	4,615,052	4,633,318
-	(2,384,189)	(7,438)	-	-	-	-	(2,391,627)
<u>1,086,673</u>	<u>(425,393)</u>	<u>(7,438)</u>	<u>199,175</u>	<u>4,354,988</u>	<u>4,202,146</u>	<u>8,756,309</u>	<u>8,323,478</u>
<u>\$ 3,331,180</u>	<u>\$ 5,450,463</u>	<u>\$ 1,209,337</u>	<u>\$ 199,175</u>	<u>\$ 4,393,429</u>	<u>\$ 4,262,105</u>	<u>\$ 8,854,709</u>	<u>\$ 15,514,509</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, 2014

	Special Revenue Funds					
	Community Development Block Grant Fund	Evergreen Terrace II Fund	Special Service Area Fund	Tax Incremental Financing Fund #2	Tax Incremental Financing Fund #3	Business District Tax Allocation Fund
Revenue						
Property Taxes	\$ -	\$ -	\$ 441,501	\$ 605,281	\$ 63,822	\$ -
Other Taxes	-	-	-	-	-	32,569
Federal, State and Private Grants and Allotments	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Earnings	-	-	4	126	1	-
Rentals and Fees	9,089	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Special Assessments	-	-	44,450	-	-	-
Other	300	-	-	-	-	-
Total Revenue	<u>9,389</u>	<u>-</u>	<u>485,955</u>	<u>605,407</u>	<u>63,823</u>	<u>32,569</u>
Expenditures						
Current:						
Public Safety	-	-	-	-	-	-
Public Works	-	-	334,072	-	-	-
Community Development	11,008	401,681	-	672,624	53,333	7,997
Capital Outlay	-	-	25,017	-	-	-
Debt Service - Principal	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-
Total Expenditures	<u>11,008</u>	<u>401,681</u>	<u>359,089</u>	<u>672,624</u>	<u>53,333</u>	<u>7,997</u>
Revenue Over (Under) Expenditures	(1,619)	(401,681)	126,866	(67,217)	10,490	24,572
Other Financing Sources						
Transfers In	-	-	-	-	-	-
Net Change in Fund Balance	(1,619)	(401,681)	126,866	(67,217)	10,490	24,572
Fund Balances (Deficit), Beginning of Year	<u>13,119</u>	<u>(1,982,508)</u>	<u>125,805</u>	<u>623,116</u>	<u>16,991</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 11,500</u>	<u>(\$ 2,384,189)</u>	<u>\$ 252,671</u>	<u>\$ 555,899</u>	<u>\$ 27,481</u>	<u>\$ 24,572</u>

Grants and Special Accounts Fund	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	
\$ -	\$ 1,110,604	\$ 1,155,645	\$ -	\$ -	\$ -	\$ -	\$ 2,266,249
-	32,569	-	-	-	-	-	32,569
6,611,929	6,611,929	-	-	43,496	-	43,496	6,655,425
221,447	221,447	-	-	-	-	-	221,447
5,446	5,577	16	-	14,614	615	15,229	20,822
-	9,089	-	-	-	-	-	9,089
275,077	275,077	-	-	-	-	-	275,077
-	44,450	-	-	-	31,938	31,938	76,388
941,952	942,252	-	-	-	-	-	942,252
<u>8,055,851</u>	<u>9,252,994</u>	<u>1,155,661</u>	<u>-</u>	<u>58,110</u>	<u>32,553</u>	<u>90,663</u>	<u>10,499,318</u>
1,736,216	1,736,216	-	-	-	-	-	1,736,216
476,020	810,092	-	-	-	371,299	371,299	1,181,391
1,289,560	2,436,203	-	-	-	-	-	2,436,203
8,698,307	8,723,324	-	-	3,074,304	284,466	3,358,770	12,082,094
-	-	825,000	-	-	-	-	825,000
-	-	338,256	-	-	-	-	338,256
<u>12,200,103</u>	<u>13,705,835</u>	<u>1,163,256</u>	<u>-</u>	<u>3,074,304</u>	<u>655,765</u>	<u>3,730,069</u>	<u>18,599,160</u>
(4,144,252)	(4,452,841)	(7,595)	-	(3,016,194)	(623,212)	(3,639,406)	(8,099,842)
-	-	-	-	2,000,000	-	2,000,000	2,000,000
(4,144,252)	(4,452,841)	(7,595)	-	(1,016,194)	(623,212)	(1,639,406)	(6,099,842)
<u>5,230,925</u>	<u>4,027,448</u>	<u>157</u>	<u>199,175</u>	<u>5,371,182</u>	<u>4,825,358</u>	<u>10,395,715</u>	<u>14,423,320</u>
<u>\$ 1,086,673</u>	<u>(\$ 425,393)</u>	<u>(\$ 7,438)</u>	<u>\$ 199,175</u>	<u>\$ 4,354,988</u>	<u>\$ 4,202,146</u>	<u>\$ 8,756,309</u>	<u>\$ 8,323,478</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, 2014

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Federal Grants	\$ 5,500,000	\$ 5,443,259	\$ -	\$ -
Rentals and Fees	-	10,000	9,089	-
Other	-	300	300	-
Total Revenue	5,500,000	5,453,559	9,389	-
Expenditures				
Community Development				
Professional Services	5,500,000	42,225	10,325	-
Property Services	-	-	1	-
Other Services	-	1,700	682	-
Total Expenditures	5,500,000	43,925	11,008	-
Net Change in Fund Balance	\$ -	\$ 5,409,634	(1,619)	-
Fund Balance, Beginning of Year			13,119	-
Fund Balance, End of Year			\$ 11,500	\$ -

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ -	(\$ 5,443,259)
-	9,089	(911)
<u>-</u>	<u>300</u>	<u>-</u>
<u>-</u>	<u>9,389</u>	<u>(5,444,170)</u>
-	10,325	31,900
-	1	(1)
<u>-</u>	<u>682</u>	<u>1,018</u>
<u>-</u>	<u>11,008</u>	<u>32,917</u>
-	(1,619)	(\$ <u>5,411,253</u>)
<u>-</u>	<u>13,119</u>	
<u>\$ -</u>	<u>\$ 11,500</u>	

CITY OF JOLIET, ILLINOIS

Evergreen Terrace II Fund
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
 For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Other	\$ -	\$ -	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Community Development Professional Services	<u>1,462,880</u>	<u>365,400</u>	<u>401,681</u>	<u>-</u>
Total Expenditures	<u>1,462,880</u>	<u>365,400</u>	<u>401,681</u>	<u>-</u>
Net Change in Fund Balance	<u>(\$ 1,462,880)</u>	<u>(\$ 365,400)</u>	<u>(401,681)</u>	<u>-</u>
Fund Balance (Deficit), Beginning of Year			<u>(1,982,508)</u>	<u>-</u>
Fund Balance (Deficit), End of Year			<u>(\$ 2,384,189)</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ -	\$ -
-	-	-
-	401,681	(36,281)
-	401,681	(36,281)
-	(401,681)	(\$ 36,281)
-	(1,982,508)	
<u>\$ -</u>	<u>(\$ 2,384,189)</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, 2014

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Property Taxes	\$ 501,490	\$ 461,390	\$ 441,501	\$ -
Interest Earnings	-	-	4	-
Special Assessments	-	-	44,450	-
	<u>501,490</u>	<u>461,390</u>	<u>485,955</u>	<u>-</u>
Total Revenue				
Expenditures				
Streets and Bridges				
Supplies	-	2,500	2,601	-
Property and Projects	501,490	486,390	356,442	(14,185)
Other	-	50	46	-
	<u>501,490</u>	<u>488,940</u>	<u>359,089</u>	<u>(14,185)</u>
Total Expenditures				
Net Change in Fund Balance	<u>\$ -</u>	<u>(\$ 27,550)</u>	126,866	14,185
Fund Balance, Beginning of Year			<u>125,805</u>	<u>(14,185)</u>
Fund Balance, End of Year			<u>\$ 252,671</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 441,501	(\$ 19,889)
-	4	4
<u>-</u>	<u>44,450</u>	<u>44,450</u>
<u>-</u>	<u>485,955</u>	<u>24,565</u>
-	2,601	(101)
-	342,257	144,133
<u>-</u>	<u>46</u>	<u>4</u>
<u>-</u>	<u>344,904</u>	<u>144,036</u>
-	141,051	<u>\$ 168,601</u>
<u>-</u>	<u>111,620</u>	
<u>\$ -</u>	<u>\$ 252,671</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 600,000	\$ 600,000	\$ 605,281	\$ -
Interest Earnings	<u>-</u>	<u>100</u>	<u>126</u>	<u>-</u>
Total Revenue	<u>600,000</u>	<u>600,100</u>	<u>605,407</u>	<u>-</u>
Expenditures				
Community Development Property and Projects	<u>600,000</u>	<u>800,000</u>	<u>672,624</u>	<u>(19,520)</u>
Total Expenditures	<u>600,000</u>	<u>800,000</u>	<u>672,624</u>	<u>(19,520)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(\$ 199,900)</u>	(67,217)	19,520
Fund Balance, Beginning of Year			<u>623,116</u>	<u>(19,520)</u>
Fund Balance, End of Year			<u>\$ 555,899</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 605,281	\$ 5,281
-	126	26
-	605,407	5,307
-	653,104	146,896
-	653,104	146,896
-	(47,697)	<u>\$ 152,203</u>
-	603,596	
<u>\$ -</u>	<u>\$ 555,899</u>	

CITY OF JOLIET, ILLINOIS

Tax Incremental Financing Fund #3
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
 For the Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP Basis</u>	<u>Less Beginning Encumbrances</u>
Revenue				
Property Taxes	\$ 20,000	\$ 63,400	\$ 63,822	\$ -
Interest Earnings	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total Revenue	<u>20,000</u>	<u>63,400</u>	<u>63,823</u>	<u>-</u>
Expenditures				
Community Development Property and Projects	<u>20,000</u>	<u>54,000</u>	<u>53,333</u>	<u>-</u>
Total Expenditures	<u>20,000</u>	<u>54,000</u>	<u>53,333</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 9,400</u>	10,490	-
Fund Balance, Beginning of Year			<u>16,991</u>	<u>-</u>
Fund Balance, End of Year			<u>\$ 27,481</u>	<u>\$ -</u>

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 63,822	\$ 422
<u>-</u>	<u>1</u>	<u>1</u>
<u>-</u>	<u>63,823</u>	<u>423</u>
<u>-</u>	<u>53,333</u>	<u>667</u>
<u>-</u>	<u>53,333</u>	<u>667</u>
<u>-</u>	<u>10,490</u>	<u>\$ 1,090</u>
<u>-</u>	<u>16,991</u>	
<u>\$ -</u>	<u>\$ 27,481</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, 2014

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Federal, State and Private Grants and Allotments	\$ 30,909,500	\$ 10,832,500	\$ 6,611,929	\$ -
Charges for Services	-	221,447	221,447	-
Interest Earnings	-	4,100	5,446	-
Fines and Forfeitures	175,000	215,400	275,077	-
Other	2,122,000	920,393	941,952	-
Total Revenue	33,206,500	12,193,840	8,055,851	-
Expenditures				
Grants and Special Accounts				
Personnel Services	1,751,100	1,528,000	1,199,909	-
Professional Services	1,484,500	400,280	1,217,993	-
Property Services	131,050	154,696	156,382	(126,412)
Other Services	54,200	46,560	47,407	-
Supplies	671,050	426,880	405,085	(49,560)
Property and Projects	30,285,700	12,426,823	9,173,327	(5,749,185)
Total Expenditures	34,377,600	14,983,239	12,200,103	(5,925,157)
Net Change in Fund Balance	(\$ 1,171,100)	(\$ 2,789,399)	(4,144,252)	5,925,157
Fund Balance, Beginning of Year			5,230,925	(5,925,157)
Fund Balance, End of Year			\$ 1,086,673	\$ -

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 6,611,929	(\$ 4,220,571)
-	221,447	-
-	5,446	1,346
-	275,077	59,677
-	<u>941,952</u>	<u>21,559</u>
-	<u>8,055,851</u>	<u>(4,137,989)</u>
-	1,199,909	328,091
-	1,217,993	(817,713)
-	29,970	124,726
-	47,407	(847)
-	355,525	71,355
-	<u>3,424,142</u>	<u>9,002,681</u>
-	<u>6,274,946</u>	<u>8,708,293</u>
-	1,780,905	<u>\$ 4,570,304</u>
-	<u>(694,232)</u>	
<u>\$ -</u>	<u>\$ 1,086,673</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, 2014

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Property Taxes	\$ 1,163,260	\$ 1,163,360	\$ 1,155,645	\$ -
Interest Earnings	-	-	16	-
Total Revenue	1,163,260	1,163,360	1,155,661	-
Expenditures				
Debt Service				
Principal	825,000	825,000	825,000	-
Interest	338,260	338,260	338,256	-
Total Expenditures	1,163,260	1,163,260	1,163,256	-
Net Change in Fund Balance	\$ -	\$ 100	(7,595)	-
Fund Balance, Beginning of Year			157	-
Fund Balance (Deficit), End of Year			(\$ 7,438)	\$ -

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 1,155,645	(\$ 7,715)
-	16	16
-	<u>1,155,661</u>	<u>(7,699)</u>
-	825,000	-
-	<u>338,256</u>	<u>4</u>
-	<u>1,163,256</u>	<u>4</u>
-	(7,595)	<u>(\$ 7,695)</u>
-	<u>157</u>	
<u>\$ -</u>	<u>(\$ 7,438)</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, 2014

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Federal, State and Private Grants and Allotments	\$ -	\$ 33,496	\$ 43,496	\$ -
Interest Earnings	-	4,000	14,614	-
Total Revenue	-	37,496	58,110	-
Expenditures				
General Government Property and Projects	7,993,615	5,333,261	3,074,304	(1,180,213)
Total Expenditures	7,993,615	5,333,261	3,074,304	(1,180,213)
Revenue Over (Under) Expenditures	(7,993,615)	(5,295,765)	(3,016,194)	1,180,213
Other Financing Sources				
Transfers In	-	2,000,000	2,000,000	-
Net Change in Fund Balance	(\$ 7,993,615)	(\$ 3,295,765)	(1,016,194)	1,180,213
Fund Balance, Beginning of Year			5,371,182	(1,180,213)
Fund Balance, End of Year			\$ 4,354,988	\$ -

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 43,496	\$ 10,000
-	14,614	10,614
-	58,110	20,614
-	1,894,091	3,439,170
-	1,894,091	3,439,170
-	(1,835,981)	3,459,784
-	2,000,000	-
-	164,019	<u>\$ 3,459,784</u>
-	4,190,969	
<u>\$ -</u>	<u>\$ 4,354,988</u>	

CITY OF JOLIET, ILLINOIS

Property Improvement Fund
 Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)
 For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Less Beginning Encumbrances
Revenue				
Interest Earnings	\$ -	\$ -	\$ 615	\$ -
Special Assessments	-	-	31,938	-
Other	1,000,000	357,000	-	-
Total Revenue	1,000,000	357,000	32,553	-
Expenditures				
Public Works				
Professional Services	-	-	371,299	-
Property and Projects	5,000,000	357,500	284,466	(5,677)
Total Expenditures	5,000,000	357,500	655,765	(5,677)
Net Change in Fund Balance	(\$ 4,000,000)	(\$ 500)	(623,212)	5,677
Fund Balance, Beginning of Year			4,825,358	(5,677)
Fund Balance, End of Year			\$ 4,202,146	\$ -

<u>Plus Ending Encumbrances</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$ -	\$ 615	\$ 615
-	31,938	31,938
<u>-</u>	<u>-</u>	<u>(357,000)</u>
-	32,553	(324,447)
-	371,299	(371,299)
<u>-</u>	<u>278,789</u>	<u>78,711</u>
-	650,088	(292,588)
-	(617,535)	<u>(\$ 617,035)</u>
<u>-</u>	<u>4,819,681</u>	
<u>\$ -</u>	<u>\$ 4,202,146</u>	

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TRUST AND AGENCY FUNDS

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

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

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

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

CITY OF JOLIET, ILLINOIS

Pension Trust Funds
Combining Statement of Net Position
December 31, 2014

	Joliet Police Pension Fund	Joliet Firefighters' Pension Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 15,093	\$ 1,214	\$ 16,307
Investments, at Fair Value			
U.S. Government and Agency Securities	13,174,827	23,081,738	36,256,565
U.S. Government Sponsored Agency Securities	16,232,164	6,644,954	22,877,118
State and Local Government Securities	1,166,042	973,872	2,139,914
Certificates of Deposit	560,410	-	560,410
Money Market Mutual Funds	13,357,963	8,469,491	21,827,454
Mutual Funds	108,003,362	16,569,322	124,572,684
Common Stock	-	42,799,850	42,799,850
Corporate Bonds	18,790,028	16,012,605	34,802,633
Total Investments	<u>171,284,796</u>	<u>114,551,832</u>	<u>285,836,628</u>
Accrued Interest Receivable	<u>371,044</u>	<u>323,301</u>	<u>694,345</u>
Total Assets	<u>171,670,933</u>	<u>114,876,347</u>	<u>286,547,280</u>
LIABILITIES			
Accrued Investment Expenses	<u>22,157</u>	<u>46,031</u>	<u>68,188</u>
Total Liabilities	<u>22,157</u>	<u>46,031</u>	<u>68,188</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 171,648,776</u>	<u>\$ 114,830,316</u>	<u>\$ 286,479,092</u>

CITY OF JOLIET, ILLINOIS

Pension Trust Funds Combining Statement of Changes in Net Position For the Year Ended December 31, 2014

	Joliet Police Pension Fund	Joliet Firefighters' Pension Fund	Total
Additions			
Contributions			
Employer Contributions	\$ 13,610,557	\$ 12,098,687	\$ 25,709,244
Plan Member Contributions	<u>3,216,045</u>	<u>2,067,693</u>	<u>5,283,738</u>
Total Contributions	<u>16,826,602</u>	<u>14,166,380</u>	<u>30,992,982</u>
Investment Income			
Net Increase (Decrease) in Fair Value of Investments	(901,888)	2,409,436	1,507,548
Interest and Dividends	<u>8,223,710</u>	<u>2,664,331</u>	<u>10,888,041</u>
	7,321,822	5,073,767	12,395,589
Less Investment Expenses	<u>139,519</u>	<u>558,041</u>	<u>697,560</u>
Net Investment Income	<u>7,182,303</u>	<u>4,515,726</u>	<u>11,698,029</u>
Miscellaneous Income	<u>20,039</u>	-	<u>20,039</u>
Total Additions	<u>24,028,944</u>	<u>18,682,106</u>	<u>42,711,050</u>
Deductions			
Benefit Payments (Including Refunds of Plan Member Contributions)	11,424,994	9,343,434	20,768,428
Administrative and Other Expenses	<u>97,033</u>	<u>80,858</u>	<u>177,891</u>
Total Deductions	<u>11,522,027</u>	<u>9,424,292</u>	<u>20,946,319</u>
Net Increase	12,506,917	9,257,814	21,764,731
Net Position Restricted for Pensions			
Beginning of Year	<u>159,141,859</u>	<u>105,572,502</u>	<u>264,714,361</u>
End of Year	<u>\$ 171,648,776</u>	<u>\$ 114,830,316</u>	<u>\$ 286,479,092</u>

CITY OF JOLIET, ILLINOIS

Schedule of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2014

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at End of Year</u>
Assets				
Cash and Cash Equivalents	\$ 283,167	\$ 132,402	\$ 188,264	\$ 227,305
Total Assets	<u>\$ 283,167</u>	<u>\$ 132,402</u>	<u>\$ 188,264</u>	<u>\$ 227,305</u>
Liabilities				
Due to Other Governments	\$ 283,167	\$ 132,402	\$ 188,264	\$ 227,305
Total Liabilities	<u>\$ 283,167</u>	<u>\$ 132,402</u>	<u>\$ 188,264</u>	<u>\$ 227,305</u>

Other Schedules

CITY OF JOLIET, ILLINOIS

General Obligation Bonds
Schedule of Debt Service Requirements
December 31, 2014

Due in Fiscal Year	Series 2005		Series 2014C		Series 2014D	
	Interest	Principal	Interest	Principal	Interest	Principal
2015	\$ 305,256	\$ 860,000	\$ 23,240	\$ -	\$ 27,100	\$ -
2016	270,856	895,000	43,350	-	45,900	465,000
2017	232,819	935,000	43,350	-	35,313	475,000
2018	193,081	980,000	43,350	-	23,313	485,000
2019	151,431	1,025,000	43,350	-	9,750	500,000
2020	104,025	1,070,000	36,750	440,000	1,125	75,000
2021	53,200	1,120,000	22,200	530,000	-	-
2022	-	-	7,125	475,000	-	-
	<u>\$ 1,310,668</u>	<u>\$ 6,885,000</u>	<u>\$ 262,715</u>	<u>\$ 1,445,000</u>	<u>\$ 142,500</u>	<u>\$ 2,000,000</u>

Total G. O. Bonds		
Interest	Principal	Total
\$ 355,597	\$ 860,000	\$ 1,215,597
360,106	1,360,000	1,720,106
311,482	1,410,000	1,721,482
259,744	1,465,000	1,724,744
204,531	1,525,000	1,729,531
141,900	1,585,000	1,726,900
75,400	1,650,000	1,725,400
<u>7,125</u>	<u>475,000</u>	<u>482,125</u>
<u>\$ 1,715,884</u>	<u>\$ 10,330,000</u>	<u>\$ 12,045,884</u>

CITY OF JOLIET, ILLINOIS

Waterworks and Sewerage Fund Revenue Bonds
 Schedule of Debt Service Requirements
 December 31, 2014

<u>Due in Fiscal Year</u>	<u>Series 2006</u>		<u>Series 2010</u>		<u>Series 2011</u>		<u>Series 2012</u>	
	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2015	\$ 600	\$ 30,000	\$ 236,700	\$ 1,110,000	\$ 364,800	\$ -	\$ 301,600	\$ 4,415,000
2016	-	-	196,100	920,000	364,800	-	110,300	4,120,000
2017	-	-	148,225	1,310,000	294,000	3,540,000	3,650	365,000
2018	-	-	81,625	1,485,000	141,400	4,090,000	-	-
2019	-	-	22,250	890,000	29,800	1,490,000	-	-
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
	<u>\$ 600</u>	<u>\$ 30,000</u>	<u>\$ 684,900</u>	<u>\$ 5,715,000</u>	<u>\$ 1,194,800</u>	<u>\$ 9,120,000</u>	<u>\$ 415,550</u>	<u>\$ 8,900,000</u>

Series 2014A		Series 2014B		Total		Total
Interest	Principal	Interest	Principal	Interest	Principal	
\$ 69,896	\$ -	\$ 124,133	\$ 35,000	\$ 1,097,729	\$ 5,590,000	\$ 6,687,729
94,400	625,000	168,350	70,000	933,950	5,735,000	6,668,950
88,150	-	167,650	-	701,675	5,215,000	5,916,675
88,150	-	167,650	-	478,825	5,575,000	6,053,825
83,900	340,000	158,400	740,000	294,350	3,460,000	3,754,350
72,825	455,000	127,900	1,700,000	200,725	2,155,000	2,355,725
62,850	210,000	80,475	1,745,000	143,325	1,955,000	2,098,325
56,700	200,000	27,150	1,810,000	83,850	2,010,000	2,093,850
37,650	1,070,000	-	-	37,650	1,070,000	1,107,650
<u>10,800</u>	<u>720,000</u>	<u>-</u>	<u>-</u>	<u>10,800</u>	<u>720,000</u>	<u>730,800</u>
<u>\$ 665,321</u>	<u>\$ 3,620,000</u>	<u>\$ 1,021,708</u>	<u>\$ 6,100,000</u>	<u>\$ 3,982,879</u>	<u>\$ 33,485,000</u>	<u>\$ 37,467,879</u>

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STATISTICAL SECTION (UNAUDITED)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources:

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

CITY OF JOLIET, ILLINOIS

Net Position by Component Last Ten Fiscal Years

	2014	2013	2012	2011
Governmental Activities				
Net Investment in Capital Assets	\$ 376,649,499	\$ 377,188,517	\$ 374,635,842	\$ 379,531,425
Restricted	19,541,759	21,276,963	20,263,209	19,314,093
Unrestricted	(73,536,818)	(65,588,191)	(58,751,206)	(53,366,863)
 Total Governmental Activities				
Net Position	\$ 322,654,440	\$ 332,877,289	\$ 336,147,845	\$ 345,478,655
 Business-Type Activities				
Net Investment in Capital Assets	\$ 235,856,362	\$ 244,064,609	\$ 234,034,466	\$ 222,493,984
Restricted	6,079,544	8,681,359	8,019,154	9,594,342
Unrestricted	22,132,491	10,979,892	19,569,328	23,703,071
 Total Business-Type Activities				
Net Position	\$ 264,068,397	\$ 263,725,860	\$ 261,622,948	\$ 255,791,397
 Primary Government				
Net Investment in Capital Assets	\$ 612,505,861	\$ 621,253,126	\$ 608,670,308	\$ 602,025,409
Restricted	25,621,303	29,958,322	28,282,363	28,908,435
Unrestricted	(51,404,327)	(54,608,299)	(39,181,878)	(29,663,792)
 Total Primary Government				
Net Position	\$ 586,722,837	\$ 596,603,149	\$ 597,770,793	\$ 601,270,052

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 373,509,063	\$ 381,901,309	\$ 377,669,877	\$ 364,334,790	\$ 352,424,325	\$ 326,102,181
244,185	414,923	1,370,429	2,091,174	73,947	443,153
(14,349,723)	(9,890,018)	6,508,615	37,208,326	39,660,871	37,003,935
<u>\$ 359,403,525</u>	<u>\$ 372,426,214</u>	<u>\$ 385,548,921</u>	<u>\$ 403,634,290</u>	<u>\$ 392,159,143</u>	<u>\$ 363,549,269</u>
\$ 220,816,972	\$ 222,692,317	\$ 216,776,933	\$ 209,109,400	\$ 191,243,475	\$ 160,926,084
8,655,872	9,548,247	9,414,994	13,756,137	21,801,551	30,329,666
23,903,213	20,064,730	28,122,539	39,139,071	45,382,111	45,536,983
<u>\$ 253,376,057</u>	<u>\$ 252,305,294</u>	<u>\$ 254,314,466</u>	<u>\$ 262,004,608</u>	<u>\$ 258,427,137</u>	<u>\$ 236,792,733</u>
\$ 594,326,035	\$ 604,593,626	\$ 594,446,810	\$ 573,444,190	\$ 543,667,800	\$ 487,028,265
8,900,057	9,963,170	10,785,423	15,847,311	21,875,498	30,772,819
9,553,490	10,174,712	34,631,154	76,347,397	85,042,982	82,540,918
<u>\$ 612,779,582</u>	<u>\$ 624,731,508</u>	<u>\$ 639,863,387</u>	<u>\$ 665,638,898</u>	<u>\$ 650,586,280</u>	<u>\$ 600,342,002</u>

CITY OF JOLIET, ILLINOIS

Changes in Net Position Last Ten Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses				
Governmental Activities:				
General Government	\$ 15,751,882	\$ 14,552,182	\$ 17,298,465	\$ 22,061,979
Public Safety	114,186,347	112,863,777	116,695,006	108,979,553
Public Works	36,393,134	35,550,897	27,907,922	31,889,815
Refuse Disposal	11,845,815	11,407,720	10,978,538	10,546,940
Culture and Recreation	1,714,220	2,166,555	2,788,463	3,249,607
Community Development	7,870,988	7,141,386	9,663,232	4,708,194
Interest on Long-Term Debt	468,967	514,305	561,864	439,371
Total Governmental Activities Expenses	<u>188,231,353</u>	<u>184,196,822</u>	<u>185,893,490</u>	<u>181,875,459</u>
Business-Type Activities:				
Water and Sewer	42,778,789	43,034,733	37,202,721	37,821,535
Parking Facilities	1,466,101	1,504,329	1,639,633	1,422,352
Total Business-Type Activities Expenses	<u>44,244,890</u>	<u>44,539,062</u>	<u>38,842,354</u>	<u>39,243,887</u>
Total Primary Government Expenses	<u>\$ 232,476,243</u>	<u>\$ 228,735,884</u>	<u>\$ 224,735,844</u>	<u>\$ 221,119,346</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 3,340,855	\$ 2,512,469	\$ 2,880,989	\$ 2,495,764
Public Safety	7,284,876	8,686,164	7,164,844	6,023,522
Public Works	1,382,069	1,381,998	926,339	906,232
Refuse Disposal	12,383,990	12,188,081	12,240,215	12,162,774
Culture and Recreation	153,326	146,768	476,079	171,270
Community Development	9,089	20,729	24,569	6,623
Operating Grants and Contributions	1,137,998	1,601,715	824,300	6,670,230
Capital Grants and Contributions	11,936,775	16,887,444	19,506,531	9,345,254
Total Governmental Activities Program Revenues	<u>37,628,978</u>	<u>43,425,368</u>	<u>44,043,866</u>	<u>37,781,669</u>
Business-Type Activities:				
Charges for Services				
Water and Sewer	43,332,748	44,374,858	42,480,156	41,929,836
Parking Facilities	1,302,072	1,433,678	1,405,190	1,448,573
Operating Grants and Contributions	98,419	820,000	-	-
Capital Grants and Contributions	-	-	757,740	174,674
Total Business-Type Activities Program Revenues	<u>44,733,239</u>	<u>46,628,536</u>	<u>44,643,086</u>	<u>43,553,083</u>
Total Primary Government Program Revenues	<u>\$ 82,362,217</u>	<u>\$ 90,053,904</u>	<u>\$ 88,686,952</u>	<u>\$ 81,334,752</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 17,545,676	\$ 23,144,672	\$ 27,069,722	\$ 22,932,619	\$ 21,878,761	\$ 19,138,670
105,344,768	105,967,623	98,063,825	90,944,778	85,980,530	71,598,074
34,953,065	30,827,138	51,196,479	37,908,724	32,034,838	28,333,225
10,588,260	10,222,673	9,852,028	9,459,051	8,266,788	7,607,550
3,697,898	3,491,107	4,481,841	6,372,833	4,593,641	3,195,445
7,841,765	8,325,682	8,775,716	8,890,826	8,098,295	7,437,589
469,555	498,314	522,772	546,196	552,000	361,466
<u>180,440,987</u>	<u>182,477,209</u>	<u>199,962,383</u>	<u>177,055,027</u>	<u>161,404,853</u>	<u>137,672,019</u>
35,704,270	33,661,521	36,651,247	36,640,643	27,438,111	28,365,348
1,588,954	1,393,857	1,423,655	1,458,763	1,136,609	1,122,023
<u>37,293,224</u>	<u>35,055,378</u>	<u>38,074,902</u>	<u>38,099,406</u>	<u>28,574,720</u>	<u>29,487,371</u>
<u>\$ 217,734,211</u>	<u>\$ 217,532,587</u>	<u>\$ 238,037,285</u>	<u>\$ 215,154,433</u>	<u>\$ 189,979,573</u>	<u>\$ 167,159,390</u>
\$ 2,703,606	\$ 2,168,967	\$ 2,682,279	\$ 4,264,712	\$ 5,118,941	\$ 6,020,650
6,983,331	8,240,120	6,437,350	6,863,317	5,361,136	4,228,209
1,175,970	836,177	1,550,996	2,741,548	3,208,114	3,015,508
12,112,871	10,518,900	9,072,301	7,302,364	5,458,214	3,959,888
135,430	306,679	304,173	452,068	387,962	461,577
5,335	22,860	140,922	208,240	121,832	316,044
7,613,958	10,794,819	3,983,962	5,081,147	4,521,406	4,564,759
<u>7,621,589</u>	<u>14,916,322</u>	<u>18,849,370</u>	<u>18,088,538</u>	<u>31,230,684</u>	<u>20,681,752</u>
<u>38,352,090</u>	<u>47,804,844</u>	<u>43,021,353</u>	<u>45,001,934</u>	<u>55,408,289</u>	<u>43,248,387</u>
38,851,226	30,192,054	27,975,227	32,504,462	34,758,371	34,240,733
1,514,746	1,124,409	1,135,680	1,164,001	1,051,746	1,023,457
-	-	-	-	-	-
<u>157,782</u>	<u>5,005,153</u>	<u>2,504,453</u>	<u>7,377,108</u>	<u>10,831,934</u>	<u>7,752,232</u>
<u>40,523,754</u>	<u>36,321,616</u>	<u>31,615,360</u>	<u>41,045,571</u>	<u>46,642,051</u>	<u>43,016,422</u>
<u>\$ 78,875,844</u>	<u>\$ 84,126,460</u>	<u>\$ 74,636,713</u>	<u>\$ 86,047,505</u>	<u>\$ 102,050,340</u>	<u>\$ 86,264,809</u>

(Continued)

CITY OF JOLIET, ILLINOIS

Changes in Net Position

Last Ten Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue				
Governmental Activities	(\$ 150,602,375)	(\$ 140,771,454)	(\$ 141,849,624)	(\$ 144,093,790)
Business-Type Activities	488,349	2,089,474	5,800,732	4,309,196
Total Primary Government Net Expense	(\$ 150,114,026)	(\$ 138,681,980)	(\$ 136,048,892)	(\$ 139,784,594)
 General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 35,410,013	\$ 35,125,574	\$ 34,661,294	\$ 36,213,525
Gaming Taxes	19,193,131	19,735,099	20,827,811	21,834,751
State Sales Taxes	20,889,677	19,927,122	18,966,737	20,636,612
Home Rule Sales Taxes	24,225,098	23,564,369	22,095,309	15,414,536
Utility Taxes	9,045,029	8,632,678	9,109,210	7,049,102
State Income Taxes	13,962,209	14,217,853	11,214,456	13,644,198
Other Taxes	15,464,161	13,916,711	13,260,209	10,486,694
Interest and Investment Earnings	41,295	49,366	94,512	97,622
Other General Revenues	1,994,967	2,332,126	2,289,276	2,865,110
Special Item - Loss on Disposal of Assets	-	-	-	-
Transfers	153,946	-	-	1,926,770
Total Governmental Activities General Revenues and Other	140,379,526	137,500,898	132,518,814	130,168,920
Business-Type Activities:				
Interest and Investment Earnings	8,134	13,438	30,819	32,914
Transfers	(153,946)	-	-	(1,926,770)
Total Business-Type Activities General Revenues and Other	(145,812)	13,438	30,819	(1,893,856)
Total Primary Government General Revenues and Other	\$ 140,233,714	\$ 137,514,336	\$ 132,549,633	\$ 128,275,064
 Change In Net Position				
Governmental Activities	(\$ 10,222,849)	(\$ 3,270,556)	(\$ 9,330,810)	(\$ 13,924,870)
Business-Type Activities	342,537	2,102,912	5,831,551	2,415,340
Total Primary Government	(\$ 9,880,312)	(\$ 1,167,644)	(\$ 3,499,259)	(\$ 11,509,530)
 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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
(\$ 142,088,897)	(\$ 134,672,365)	(\$ 156,941,030)	(\$ 132,053,093)	(\$ 105,996,564)	(\$ 94,423,632)
<u>3,230,530</u>	<u>1,266,238</u>	<u>(6,459,542)</u>	<u>2,946,165</u>	<u>18,067,331</u>	<u>13,529,051</u>
<u>(\$ 138,858,367)</u>	<u>(\$ 133,406,127)</u>	<u>(\$ 163,400,572)</u>	<u>(\$ 129,106,928)</u>	<u>(\$ 87,929,233)</u>	<u>(\$ 80,894,581)</u>
\$ 36,128,857	\$ 31,324,337	\$ 33,781,957	\$ 29,210,224	\$ 25,955,040	\$ 22,551,564
22,975,414	23,573,344	28,335,881	36,168,333	34,864,387	31,721,572
19,979,488	19,515,274	20,914,827	20,563,871	21,070,529	18,793,757
15,125,451	14,719,562	15,750,282	16,391,645	17,018,542	16,014,490
6,907,977	6,895,665	7,138,173	7,716,126	6,400,816	6,859,743
14,155,166	10,058,532	13,786,109	13,015,939	11,703,021	9,551,066
9,550,458	10,600,868	11,562,774	13,442,987	13,430,759	13,280,246
182,897	693,152	2,672,413	2,334,715	2,219,941	984,894
1,848,337	415,103	1,082,713	683,045	608,008	332,969
-	-	-	-	-	(379,137)
<u>2,212,163</u>	<u>3,753,822</u>	<u>3,830,533</u>	<u>4,001,355</u>	<u>1,335,395</u>	<u>4,264,034</u>
<u>129,066,208</u>	<u>121,549,659</u>	<u>138,855,662</u>	<u>143,528,240</u>	<u>134,606,438</u>	<u>123,975,198</u>
52,396	478,411	1,600,997	4,632,661	4,902,468	3,981,165
(2,212,163)	(3,753,822)	(3,830,533)	(4,001,355)	(1,335,395)	(4,264,034)
(2,159,767)	(3,275,411)	(2,229,536)	631,306	3,567,073	(282,869)
<u>\$ 126,906,441</u>	<u>\$ 118,274,248</u>	<u>\$ 136,626,126</u>	<u>\$ 144,159,546</u>	<u>\$ 138,173,511</u>	<u>\$ 123,692,329</u>
(\$ 13,022,689)	(\$ 13,122,706)	(\$ 18,085,368)	\$ 11,475,147	\$ 28,609,874	\$ 29,551,566
<u>1,070,763</u>	<u>(2,009,173)</u>	<u>(8,689,078)</u>	<u>3,577,471</u>	<u>21,634,404</u>	<u>13,246,182</u>
<u>(\$ 11,951,926)</u>	<u>(\$ 15,131,879)</u>	<u>(\$ 26,774,446)</u>	<u>\$ 15,052,618</u>	<u>\$ 50,244,278</u>	<u>\$ 42,797,748</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 50,989,474)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 998,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF JOLIET, ILLINOIS

Fund Balances, Governmental Funds Last Ten Fiscal Years

	2014	2013	2012	2011
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	-	-	-	856,382
Restricted	-	-	-	8,662,751
Assigned	8,677,323	1,304,614	733,274	5,223,867
Unassigned	43,911,182	47,757,166	39,994,486	43,076,645
 Total General Fund	 \$ 52,588,505	 \$ 49,061,780	 \$ 40,727,760	 \$ 57,819,645
 All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:				
Special Revenue Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Nonspendable	185,000	957,500	912,101	-
Restricted	19,541,759	21,277,120	20,263,209	10,651,342
Assigned	4,633,318	5,648,767	7,631,348	2,092,069
Unassigned	(2,391,627)	(1,982,508)	-	-
 Total All Other Governmental Funds	 \$ 21,968,450	 \$ 25,900,879	 \$ 28,806,658	 \$ 12,743,411
 Total All Governmental Funds	 \$ 74,556,955	 \$ 74,962,659	 \$ 69,534,418	 \$ 70,563,056

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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 4,765,478	\$ 3,639,311	\$ 3,451,512	\$ 9,979,794	\$ 3,204,129	\$ 4,498,398
36,723,856	35,931,604	42,415,343	46,075,575	47,019,728	30,232,094
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 41,489,334</u>	<u>\$ 39,570,915</u>	<u>\$ 45,866,855</u>	<u>\$ 56,055,369</u>	<u>\$ 50,223,857</u>	<u>\$ 34,730,492</u>
\$ 4,381,426	\$ 3,530,553	\$ 2,986,663	\$ 7,118,551	\$ 4,512,388	\$ 4,932,273
20,425,627	15,044,931	13,156,953	15,621,865	12,205,079	8,611,521
20	2,290	2,283	2,260	52,716	52,049
244,165	237,510	(1,201,339)	(2,535,607)	(2,890,802)	(4,568,644)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 25,051,238</u>	<u>\$ 18,815,284</u>	<u>\$ 14,944,560</u>	<u>\$ 20,207,069</u>	<u>\$ 13,879,381</u>	<u>\$ 9,027,199</u>
<u>\$ 66,540,572</u>	<u>\$ 58,386,199</u>	<u>\$ 60,811,415</u>	<u>\$ 76,262,438</u>	<u>\$ 64,103,238</u>	<u>\$ 43,757,691</u>

CITY OF JOLIET, ILLINOIS

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

	2014	2013	2012	2011
Revenues				
Property Taxes	\$ 35,410,013	\$ 35,125,574	\$ 34,661,294	\$ 36,213,525
Other Taxes	100,323,936	100,052,973	92,143,857	87,267,187
Federal, State and Private Grants and Allotments	12,450,048	17,621,226	13,345,254	13,984,796
Charges for Services	6,994,409	8,057,811	6,681,320	5,490,192
Interest Earnings	41,295	49,366	94,512	97,622
Licenses, Permits, Rentals and Fees	18,178,809	16,595,345	17,268,228	16,580,245
Fines	1,241,385	1,070,712	1,314,072	1,010,342
Special Assessments	76,876	137,753	53,370	66,474
Other	2,514,062	5,022,686	7,854,680	5,066,549
Total Revenues	177,230,833	183,733,446	173,416,587	165,776,932
Expenditures				
Current:				
General Government	9,636,620	8,627,123	10,325,895	9,965,638
Public Safety	62,600,079	62,407,135	62,553,750	58,822,833
Public Works	18,771,628	18,825,891	15,058,690	16,960,881
Refuse Disposal	11,845,815	11,407,720	10,978,538	10,546,940
Culture and Recreation	1,519,372	1,946,028	3,169,416	2,760,278
Employee Benefits and Pension Plans	51,708,771	50,903,221	48,571,619	49,876,205
Community Development	6,174,112	5,828,196	3,642,130	5,117,148
Capital Projects	13,588,883	16,647,740	23,498,279	10,435,236
Debt Service - Principal	1,480,893	1,210,503	955,435	873,960
Debt Service - Interest and Fees	524,307	510,648	478,382	427,196
Total Expenditures	177,850,480	178,314,205	179,232,134	165,786,315
Revenue Over (Under) Expenditures	(619,647)	5,419,241	(5,815,547)	(9,383)
Other Financing Sources (Uses)				
Issuance of Bonds	3,445,000	-	-	-
Premium on Bonds Sold	116,060	-	-	-
Issuance of Loans and Leases	-	-	4,778,677	-
Proceeds from Sale of Capital Assets	783	9,000	8,232	-
Transfer to Escrow Paying Agent	(3,501,846)	-	-	-
Transfers In	2,153,946	2,020,803	-	5,919,943
Transfers Out	(2,000,000)	(2,020,803)	-	(1,888,076)
Total Other Financing Sources (Uses)	213,943	9,000	4,786,909	4,031,867
Net Change in Fund Balances	(\$ 405,704)	\$ 5,428,241	(\$ 1,028,638)	\$ 4,022,484
Other Change in Fund Balances				
Adjustments to Prior Year Balances	\$ -	\$ -	\$ -	\$ -
Debt Service as a Percentage of Noncapital Expenditures				
	1.2%	1.1%	0.9%	0.8%
Expenditures Capitalized as Assets	\$ 13,588,883	\$ 16,647,740	\$ 23,498,279	\$ 10,435,236

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	36,128,857	\$ 31,324,337	\$ 33,781,957	\$ 29,210,224	\$ 25,955,040	\$ 22,551,564
	86,619,198	83,112,563	96,754,686	106,020,669	103,289,592	95,167,814
	10,440,390	9,013,806	7,472,427	9,149,378	8,612,533	8,062,111
	6,257,956	7,438,158	5,421,214	6,125,613	4,459,979	4,171,023
	182,897	693,151	2,672,413	2,334,715	2,219,941	984,894
	17,121,743	14,634,261	14,380,443	15,102,761	14,715,231	13,881,396
	1,059,806	1,175,943	1,359,202	1,562,620	1,176,800	1,197,945
	107,611	158,098	138,174	193,267	242,658	569,421
	4,224,717	6,497,394	1,682,323	1,495,643	1,272,442	1,183,026
	<u>162,143,175</u>	<u>154,047,711</u>	<u>163,662,839</u>	<u>171,194,890</u>	<u>161,944,216</u>	<u>147,769,194</u>
	11,036,782	10,866,938	14,030,951	12,308,246	11,821,623	11,441,358
	57,229,089	59,466,192	60,119,513	57,388,366	54,508,454	49,959,829
	20,460,810	20,094,756	35,412,435	25,499,068	21,410,705	23,341,457
	10,588,005	10,222,430	9,840,329	9,445,833	8,254,884	7,607,550
	2,766,683	3,197,550	4,257,142	5,720,398	4,240,117	2,957,061
	46,001,220	46,726,908	38,338,617	36,346,596	31,974,841	29,636,038
	5,674,347	5,999,950	6,218,589	6,667,331	5,548,019	5,491,588
	3,127,228	4,753,006	15,539,943	10,475,444	10,551,061	7,653,425
	838,980	804,165	774,460	745,016	585,000	2,355,000
	456,681	484,771	508,677	531,746	538,044	352,451
	<u>158,179,825</u>	<u>162,616,666</u>	<u>185,040,656</u>	<u>165,128,044</u>	<u>149,432,748</u>	<u>140,795,757</u>
	<u>3,963,350</u>	<u>(8,568,955)</u>	<u>(21,377,817)</u>	<u>6,066,846</u>	<u>12,511,468</u>	<u>6,973,437</u>
	-	-	-	-	-	12,855,000
	-	-	-	-	-	252,184
	-	-	-	-	696,581	-
	1,760	16,345	4,600	37,475	35,360	23,837
	-	-	-	-	-	(12,882,798)
	13,262,417	21,225,209	22,814,883	21,691,679	19,957,908	24,198,472
	<u>(9,073,154)</u>	<u>(15,097,814)</u>	<u>(16,892,688)</u>	<u>(15,636,800)</u>	<u>(17,026,488)</u>	<u>(18,274,422)</u>
	<u>4,191,023</u>	<u>6,143,740</u>	<u>5,926,795</u>	<u>6,092,354</u>	<u>3,663,361</u>	<u>6,172,273</u>
\$	<u>8,154,373</u>	<u>(\$ 2,425,215)</u>	<u>(\$ 15,451,022)</u>	<u>\$ 12,159,200</u>	<u>\$ 16,174,829</u>	<u>\$ 13,145,710</u>
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,170,718</u>	<u>\$ 10,300,117</u>
	<u>0.8%</u>	<u>0.8%</u>	<u>0.7%</u>	<u>0.8%</u>	<u>0.8%</u>	<u>2.1%</u>
\$	<u>3,058,400</u>	<u>\$ 7,587,716</u>	<u>\$ 12,739,623</u>	<u>\$ 11,611,339</u>	<u>\$ 11,807,784</u>	<u>\$ 11,848,044</u>

CITY OF JOLIET, ILLINOIS

Gaming Tax Collections Last Ten Fiscal Years

Year	Gaming Privilege Tax	Gaming Admissions Tax	Video Gaming Tax	Total Gaming Tax Revenues
2014	\$ 16,082,640	\$ 2,728,561	\$ 381,930	\$ 19,193,131
2013	16,686,389	2,896,733	151,977	19,735,099
2012	17,681,081	3,144,886	1,844	20,827,811
2011	18,537,648	3,297,103	-	21,834,751
2010	19,495,987	3,479,427	-	22,975,414
2009	19,939,459	3,633,885	-	23,573,344
2008	24,086,643	4,249,238	-	28,335,881
2007	31,066,684	5,101,649	-	36,168,333
2006	30,069,186	4,795,201	-	34,864,387
2005	27,582,327	4,139,245	-	31,721,572

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
2014	\$ 1,097,781	\$ 122,578,335	\$ 28,908,521	\$ 7,226,698
2013	1,237,432	131,183,854	32,023,169	7,802,556
2012	1,346,101	141,806,184	35,559,920	8,421,904
2011	1,411,387	146,401,419	37,214,541	8,736,399
2010	1,265,691	143,440,540	36,016,732	8,437,235
2009	1,116,396	119,954,225	28,105,729	7,116,061
2008	1,678,360	183,930,419	52,566,025	10,876,398
2007	2,109,545	240,209,935	84,512,628	14,120,042
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

Harrah's Joliet Casino & Hotel

Start Date: May 4, 1993

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

Total Two Casinos Combined

Year	Admissions	Taxable AGR	Taxes Collected	
			State	City
2014	\$ 2,728,561	\$ 321,652,801	\$ 87,563,413	\$ 18,811,201
2013	2,896,733	333,553,112	92,058,151	19,583,122
2012	3,144,886	353,801,765	100,229,994	20,825,967
2011	3,297,103	370,115,716	107,135,913	21,834,751
2010	3,479,427	389,858,399	116,989,183	22,975,414
2009	3,633,885	398,685,058	124,223,847	23,573,344
2008	4,249,238	481,605,142	157,333,230	28,335,881
2007	5,101,649	621,333,671	227,627,516	36,168,333
2006	4,795,201	601,383,720	220,745,708	34,864,387
2005	4,139,245	551,646,540	213,598,351	31,721,572

Source of Information: Illinois Gaming Board

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

CITY OF JOLIET, ILLINOIS

Equalized Assessed Valuation and Estimated Actual Valuation Last Ten Tax Years

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

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

Kendall County			Total Equalized Assessed Value Both Counties	City Direct Tax Rate	Total Estimated Actual Taxable Value	Equalized Assessed Value as a Percentage of Estimated Actual Taxable Value
Farm Property	Non-Farm Property	Total Equalized Assessed Value				
\$ 2,118,622	\$ 171,197,075	\$ 173,315,697	\$ 2,506,783,571	1.5645	\$ 7,520,350,713	33.33%
2,009,352	168,368,546	170,377,898	2,543,920,043	1.5224	7,631,760,129	33.33%
1,910,432	177,102,961	179,013,393	2,676,345,255	1.4466	8,029,035,765	33.33%
1,823,078	193,972,979	195,796,057	2,892,252,345	1.3291	8,676,757,035	33.33%
1,875,136	210,934,803	212,809,939	3,056,272,146	1.2669	9,168,816,438	33.33%
1,963,407	223,154,953	225,118,360	3,241,041,308	1.1969	9,723,123,924	33.33%
1,823,467	216,547,266	218,370,733	3,193,631,812	1.0639	9,580,895,436	33.33%
723,845	189,032,411	189,756,256	2,948,958,126	1.0637	8,846,874,378	33.33%
780,585	130,665,722	131,446,307	2,595,493,301	1.0590	7,786,479,903	33.33%
750,581	93,298,261	94,048,842	2,295,978,934	1.0590	6,887,936,802	33.33%

CITY OF JOLIET, ILLINOIS

Direct And Overlapping Property Tax Rates Last Ten Tax Years

Tax Rates Per \$100 Assessed Valuation (1)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
City of Joliet (2)	1.5645	1.5224	1.4466	1.3291	1.2669
Will County (Including Forest Preserve)	0.8410	0.8186	0.7767	0.7244	0.6841
Joliet Township	0.4164	0.3867	0.3437	0.2994	0.2757
School District #204	2.8749	2.7030	2.4858	2.2280	2.0560
School District #86	4.6168	4.2949	3.7592	3.2405	2.8963
Community College #525	0.3085	0.2943	0.2724	0.2447	0.2271
Joliet Park District	<u>0.4893</u>	<u>0.3966</u>	<u>0.3657</u>	<u>0.3265</u>	<u>0.3008</u>
Total (3)	<u><u>11.1114</u></u>	<u><u>10.4165</u></u>	<u><u>9.4501</u></u>	<u><u>8.3926</u></u>	<u><u>7.7069</u></u>
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
City of Joliet (2)	1.1969	1.0639	1.0637	1.0590	1.0590
Will County (Including Forest Preserve)	0.6543	0.6387	0.6367	0.6523	0.6861
Joliet Township	0.2523	0.2509	0.2520	0.2672	0.2780
School District #204	1.8972	1.8868	1.9572	2.0244	2.0894
School District #86	2.6112	2.5429	2.5248	2.6346	2.7192
Community College #525	0.2144	0.1896	0.1901	0.1936	0.2088
Joliet Park District	<u>0.2772</u>	<u>0.2782</u>	<u>0.2879</u>	<u>0.3184</u>	<u>0.3371</u>
Total (3)	<u><u>7.1035</u></u>	<u><u>6.8510</u></u>	<u><u>6.9124</u></u>	<u><u>7.1495</u></u>	<u><u>7.3776</u></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 2014 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	2013 Equalized Assessed Valuation	Percentage of Total 2013 Equalized Assessed Valuation	2013 Rank
Desplaines Development LP	Harrah's/Gaming	\$ 24,498,970	0.96%	1
Star-West Louis Joliet LLC	Westfield Louis Joliet Mall	23,716,445	0.93%	2
GLP Capital LP	Hollywood/Gaming	19,971,443	0.79%	3
Centerpoint Joliet Trml RR LLC	Intermodal Center	17,866,269	0.70%	4
American President Lines	Transportation/Shipping	14,278,278	0.56%	5
Wal-Mart RE Business Trust	Retail Store	13,238,793	0.52%	6
Teachers Insurance & Annuity Assoc.	Financial Services	12,767,219	0.50%	7
Dollar Tree Distribution Inc.	Dollar Tree Distribution Center	11,335,089	0.45%	8
2700 Ellis Road Acquisiton Corp.	Northern Builders Warehousing	11,112,432	0.44%	9
GCI Joliet LLC	Central Grocers Distribution Cntr.	<u>9,930,280</u>	0.39%	10
		<u>\$ 134,216,248</u>	<u>4.35%</u>	
Total City Assessed Valuation		<u>\$ 2,543,920,043</u>		

Taxpayer	Type of Business, Property	2004 Equalized Assessed Valuation	Percentage of Total 2004 Equalized Assessed Valuation	2004 Rank
Louis Joliet LLC	Westfield Louis Joliet Mall	\$ 19,496,421	0.97%	1
Empress River Casino Co.	Empress/Gaming	12,928,954	0.64%	2
Teachers Insurance & Annuity Assoc	Rock Run Industrial Park	11,941,777	0.60%	3
Dollar Tree Distribution Inc.	Dollar Tree Distribution Center	10,940,440	0.55%	4
Raceway Associates LLC	Racetrack	10,095,030	0.50%	5
Desplaines Development LP	Harrah's/Gaming	8,463,766	0.42%	6
Gahlberg Ryan Kelly LLC	Laraway Crossings/Warehousing	6,134,312	0.31%	7
Equity Industrial LP IV	Toys R Us/Warehousing	5,941,626	0.30%	8
Menard, Inc.	Jefferson Square Mall	4,964,842	0.25%	9
Larkin Village LP	Apartment Complex	<u>4,772,808</u>	0.24%	10
		<u>\$ 95,679,976</u>	<u>4.78%</u>	
Total City Assessed Valuation		<u>\$ 2,004,645,190</u>		

Note: Every effort has been made to identify the largest taxpayers. However, some taxpayers may have multiple parcels which may have been overlooked. Details for the 2013 EAV is the most current available.

* Prior to enterprise zone tax abatement

Source of Information: Office of Will County Clerk.

CITY OF JOLIET, ILLINOIS

Property Tax Rates - Levies and Collections Last Ten Tax Years

Rates Extended	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General	0.0084	0.0086	0.0108	0.0513
Police Protection	0.1137	0.1337	0.1495	0.1443
Fire Protection	0.1047	0.1192	0.1203	0.1243
Street and Bridge (Excluding Township Portion)	-	-	-	-
Street Lighting	-	-	-	-
School Crossing Guard	-	-	-	-
E.S.D.A.	-	-	-	-
Illinois Municipal Retirement Fund	-	-	-	-
Coliseum	-	-	-	-
Corporate Purpose Bond and Interest	0.0690	0.0458	0.0434	0.0396
Joliet Police Pension	0.5561	0.5230	0.4828	0.4077
Joliet Firemen Pension	0.4815	0.4666	0.4255	0.3649
Joliet Public Library	0.2311	0.2255	0.2143	0.1970
Total Rates Extended	<u>1.5645</u>	<u>1.5224</u>	<u>1.4466</u>	<u>1.3291</u>
Levies Extended				
General	\$ 210,483	\$ 218,777	\$ 289,048	\$ 1,494,092
Police Protection	2,850,213	3,401,221	4,001,174	4,202,679
Fire Protection	2,599,921	3,000,349	3,201,577	3,600,840
Street and Bridge (Excluding Township Portion)	-	-	-	-
Street Lighting	-	-	-	-
School Crossing Guard	-	-	-	-
E.S.D.A.	-	-	-	-
Illinois Municipal Retirement Fund	-	-	-	-
Coliseum	-	-	-	-
Corporate Purpose Bond and Interest	1,729,525	1,165,115	1,161,545	1,153,334
Joliet Police Pension	13,940,224	13,304,702	12,921,516	11,874,097
Joliet Firemen Pension	12,070,111	11,869,931	11,387,956	10,627,564
Joliet Public Library	5,793,107	5,736,540	5,735,462	5,737,545
Total Levies Extended	<u>\$ 39,193,584</u>	<u>\$ 38,696,635</u>	<u>\$ 38,698,278</u>	<u>\$ 38,690,150</u>
Current Year Collections	\$ -	\$ 37,963,932	\$ 38,434,584	\$ 38,060,501
Subsequent Collections	-	7,923	5,055	21,883
Total Collections	<u>\$ -</u>	<u>\$ 37,971,855</u>	<u>\$ 38,439,639</u>	<u>\$ 38,082,384</u>
Percentage of Extensions Collected				
Current Year Collections	0.00%	98.11%	99.32%	98.37%
Total Collections	<u>0.00%</u>	<u>98.13%</u>	<u>99.33%</u>	<u>98.43%</u>

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

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

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

2010	2009	2008	2007	2006	2005
0.0605	0.0696	0.1087	0.1171	0.1046	0.1264
0.1363	0.1287	0.1479	0.2439	0.2164	0.2103
0.1200	0.1135	0.0957	0.1060	0.0922	0.0706
-	0.0234	-	-	0.0307	0.0538
-	0.0064	0.0264	0.0286	0.0324	0.0365
0.0035	0.0033	0.0036	0.0039	0.0044	0.0049
-	0.0014	0.0006	0.0006	0.0006	0.0006
-	0.0319	0.0172	0.0187	0.0212	0.0239
-	0.0004	0.0026	0.0028	0.0032	0.0036
0.0376	0.0354	-	-	-	-
0.3624	0.3131	0.2432	0.2008	0.2057	0.1947
0.3589	0.2949	0.2202	0.1835	0.1852	0.1679
0.1877	0.1749	0.1775	0.1578	0.1624	0.1658
<u>1.2669</u>	<u>1.1969</u>	<u>1.0436</u>	<u>1.0637</u>	<u>1.0590</u>	<u>1.0590</u>
\$ 1,849,045	\$ 2,252,585	\$ 3,471,445	\$ 3,447,660	\$ 2,855,369	\$ 2,915,636
4,165,700	4,165,341	4,726,529	7,180,908	5,907,276	4,862,454
3,649,073	3,649,138	3,054,465	3,112,405	2,512,360	1,631,414
-	757,335	648,301	-	817,636	1,242,015
-	207,134	843,111	842,042	884,415	842,550
106,970	106,803	114,969	114,824	120,106	112,493
-	45,311	19,161	17,665	16,377	13,775
-	1,032,435	549,299	550,566	578,690	550,986
-	12,946	83,034	82,438	87,349	82,648
1,149,159	1,145,711	-	-	-	-
11,075,933	10,133,397	7,770,032	5,911,957	5,615,201	4,502,017
10,968,963	9,544,359	7,035,504	5,402,610	5,055,617	3,884,454
5,736,624	5,660,591	5,671,836	4,640,062	4,433,253	3,836,242
<u>\$ 38,701,467</u>	<u>\$ 38,713,086</u>	<u>\$ 33,987,686</u>	<u>\$ 31,303,137</u>	<u>\$ 28,883,649</u>	<u>\$ 24,476,684</u>
\$ 38,521,596	\$ 38,431,133	\$ 33,724,323	\$ 31,127,257	\$ 28,650,484	\$ 24,334,150
44,566	19,393	68,238	74,769	45,222	54,559
<u>\$ 38,566,162</u>	<u>\$ 38,450,526</u>	<u>\$ 33,792,561</u>	<u>\$ 31,202,026</u>	<u>\$ 28,695,706</u>	<u>\$ 24,388,709</u>
99.54%	99.27%	99.23%	99.44%	99.19%	99.42%
<u>99.65%</u>	<u>99.32%</u>	<u>99.43%</u>	<u>99.68%</u>	<u>99.35%</u>	<u>99.64%</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	
2014	\$ 10,505,190	\$ -	\$ -	\$ 34,724,358	\$ 14,715,409	\$ 59,944,957
2013	7,784,390	4,157,739	-	37,231,789	13,772,581	62,946,499
2012	8,591,076	4,578,242	-	43,201,265	11,714,756	68,085,339
2011	9,364,039	-	-	48,398,670	3,437,072	61,199,781
2010	10,108,147	-	148,960	50,950,735	-	61,207,842
2009	10,675,000	-	292,940	54,035,000	-	70,227,105
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

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
2014	1.69%	147,433	\$ 71	\$ 407	0.14%	\$ 769
2013	1.82%	147,433	53	427	0.10%	838
2012	2.03%	147,433	58	462	0.11%	974
2011	1.85%	147,433	64	416	0.11%	1,079
2010	1.88%	147,433	69	415	0.11%	1,138
2009	2.08%	152,813	70	460	0.11%	1,207
2008	1.88%	145,803	78	482	0.12%	1,312
2007	2.04%	145,803	82	506	0.14%	1,437
2006	2.19%	145,803	86	530	0.16%	1,561
2005	2.33%	145,803	90	543	0.19%	1,684

Source of Information: Various City Offices

CITY OF JOLIET, ILLINOIS

Computation of Direct and Overlapping Bonded Debt

December 31, 2014

	Total Debt	Applicable Percent (1)	Overlapping Debt
<u>Direct Debt</u>			
City of Joliet*	\$ 10,505,190	100.000%	\$ 10,505,190
<u>Overlapping Debt</u>			
<u>Schools</u>			
Elementary			
Troy Community Consolidated			
School District #30C	89,065,000	58.160%	51,800,204
Laraway Community Consolidated			
School District #70C	1,055,000	44.700%	471,585
Union School District #81	4,934,083	59.160%	2,919,004
Rockdale School District #84	1,500,000	27.240%	408,600
Joliet Public Schools District #86	55,603,227	87.050%	48,402,609
Manhattan School District #114	9,885,025	0.060%	5,931
New Lenox School District #122	129,073,439	7.160%	9,241,658
High Schools and College			
Minooka Community High School District #111	62,075,000	3.550%	2,203,663
Elwood School District #203	1,300,000	5.710%	74,230
Joliet Township High School District #204	90,060,000	58.040%	52,270,824
Lockport Township High School District #205	9,250,707	0.010%	925
New Lenox Township High School District #210	211,870,843	1.330%	2,817,882
Unit School District #202U	311,370,000	25.680%	79,959,816
Community College District #525	199,805,000	12.920%	25,814,806
Total Schools			276,391,737
Other Than Schools			
Will County (2)	137,180,000	12.750%	17,490,450
Will County Forest Preserve District	143,953,104	12.750%	18,354,021
New Lenox Township	1,380,893	5.590%	77,192
Channahon Park District	7,891,115	1.040%	82,068
Joliet Park District	11,235,000	83.280%	9,356,508
Lockport Park District	3,241,000	0.020%	648
New Lenox Park District	1,421,000	11.340%	161,141
Plainfield Park District	4,575,000	31.290%	1,431,518
White Oak Library District	22,975,000	0.020%	4,595
Total Other Than Schools			46,958,141
Total Overlapping Debt			\$ 323,349,878
Total Direct and Overlapping Debt			\$ 333,855,068

Notes: (1) Overlapping debt percentages based on 2013 EAV.
(2) Includes the Public Building Commission.

* Amount includes unamortized premium on bonds issued of \$175,190.

CITY OF JOLIET, ILLINOIS

Legal Debt Margin Information

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

CITY OF JOLIET, ILLINOIS

Pledged Revenue Coverage
Last Ten Fiscal Years

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

At December 31, 2014, there were six bond issues and four loans with outstanding balances payable from water/sewer revenues. Details about the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses. Debt service principal does not include amounts defeased by new debt.

CITY OF JOLIET, ILLINOIS

Demographic and Economic Statistics Last Ten Years

Year	(a) Population	(b) Per Capita Income	(a) x (b) Personal Income	Unemployment Rate
2014	147,433	\$ 24,118	3,555,789,094	9.0
2013	147,433	23,600	3,479,418,800	12.0
2012	147,433	22,826	3,365,305,658	11.5
2011	147,433	22,572	3,327,857,676	12.4
2010	147,433	22,111	3,259,891,063	12.9
2009	152,813	22,133	3,382,210,129	12.7
2008	145,803	25,617	3,735,035,451	9.3
2007	145,803	24,826	3,619,705,278	6.2
2006	145,803	24,138	3,519,392,814	4.6
2005	145,803	23,347	3,404,062,641	7.0

Sources of Information: 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 Current Year and Eight Years Prior

Employer	Type of Business or Property	2014 Number of Employees	2014 Rank	Percentage of 2014 Total Employment
Presence St. Joseph Medical Center	Hospital	2,673	1	3.28%
Will County	County Government	2,065	2	2.53%
Harrah's Casino	Riverboat Casino	1,100	3	1.35%
NRG Energy	Electric Utility Company	987	4	1.21%
Joliet Corrections Dept.	State Government	950	5	1.16%
City of Joliet	City Government	851	6	1.04%
Hollywood Casino	Riverboat Casino	685	7	0.84%
Filtration Group	Filtration	600	8	0.74%
Central Grocers	Grocery Cooperative	600	9	0.74%
Caterpillar Inc	Tractors and Earthmoving Equipment	500	10	0.61%

Employer	Type of Business or Property	2006 Number of Employees	2006 Rank	Percentage of 2006 Total Employment
Presence St. Joseph Medical Center	Hospital	2,600	1	4.12%
Will County	County Government	1,666	2	2.64%
Caterpillar Inc	Tractors and Earthmoving Equipment	1,525	3	2.42%
Silver Cross Hospital	Hospital	1,500	4	2.38%
Argosy's Empress Casino	Riverboat Casino	1,400	5	2.22%
Harrah's Casino	Riverboat Casino	1,110	6	1.76%
City of Joliet	City Government	1,027	7	1.62%
Joliet School District # 86	Elementary School District	800	8	1.27%
Joliet Junior College District #525	Community College District	775	9	1.23%
T.J. Lambrecht Construction	Construction	700	10	1.11%

Sources of Information: Will County Center for Economic Development, City of Joliet,

This schedule is intended to show the most current year available and nine years prior.
Information for nine years prior was not available.

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CITY OF JOLIET, ILLINOIS

City Employment Statistics Last Ten Fiscal Years

Function	2014		2013		2012		2011		2010	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	61	25	58	20	68	25	75	27	74	30
Public Safety										
Police Department	319	33	320	33	319	49	336	50	346	54
Fire Department	210	1	204	1	210	2	208	2	210	3
Streets and Bridges	46	-	41	-	42	-	51	-	54	-
Refuse Disposal (1)	-	-	-	-	-	-	-	-	-	-
Culture and Recreation (2)	4	1	5	2	5	-	4	1	4	1
Community Development	23	1	26	4	31	8	31	7	36	2
Public Works	21	-	22	-	20	-	22	-	23	15
Water and Sewer (3)	91	1	79	4	89	1	87	1	92	1
Parking Facilities (4)	1	13	1	11	3	12	3	10	3	15
Subtotals	<u>776</u>	<u>75</u>	<u>756</u>	<u>75</u>	<u>787</u>	<u>97</u>	<u>817</u>	<u>98</u>	<u>842</u>	<u>121</u>
TOTAL STAFF		<u>851</u>		<u>831</u>		<u>884</u>		<u>915</u>		<u>963</u>

Function	2009		2008		2007		2006		2005	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
General Government	86	31	86	31	87	31	85	31	84	31
Public Safety										
Police Department	391	57	391	57	391	57	378	59	366	50
Fire Department	216	3	216	3	216	3	213	3	183	3
Streets and Bridges	54	-	54	-	54	-	52	-	51	-
Refuse Disposal (1)	-	1	-	1	-	1	-	1	-	1
Culture and Recreation (2)	6	1	6	1	6	1	6	1	6	1
Community Development	43	3	43	3	43	3	41	3	41	2
Public Works	28	15	28	15	28	15	33	15	33	15
Water and Sewer (3)	97	1	97	1	99	1	86	1	82	1
Parking Facilities (4)	4	15	4	15	4	15	4	15	4	15
Subtotals	<u>925</u>	<u>127</u>	<u>925</u>	<u>127</u>	<u>928</u>	<u>127</u>	<u>898</u>	<u>129</u>	<u>850</u>	<u>119</u>
TOTAL STAFF		<u>1,052</u>		<u>1,052</u>		<u>1,055</u>		<u>1,027</u>		<u>969</u>

- (1) Part-time Recycling Coordinator in Deputy City Manager's Office.
- (2) Includes Visitors' Service Division in 2005-2013, not in 2014.
- (3) Includes Customer Services Division Employees.
- (4) Includes One Clerk-Typist position from Collector's Office in 2005-09, not in 2010-14.

Source of Information: City of Joliet Annual Budgets

CITY OF JOLIET, ILLINOIS

Operating Indicators by Function Last Nine Fiscal Years

Function	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Government					
Fiscal					
Purchase Orders Processed	4,043	4,549	5,391	5,411	5,659
Nonpayroll Checks Issued	8,793	8,290	8,061	8,584	8,788
Maintenance					
Square Footage Maintained by Staff (City Hall)	62,007	62,007	62,007	62,007	62,007
Information Technology Services					
Wireless Network Locations	67	67	65	65	37
Point-to-point Networks Monitored	116	116	114	114	93
Public Safety					
Police					
Physical Arrests Made	5,158	5,005	5,435	6,575	7,563
Traffic Violations	17,135	17,347	17,141	19,051	18,974
Parking Violations	17,325	22,513	19,410	27,464	19,258
911 Emergency Calls Received	98,705	93,252	99,625	93,517	101,836
Fire					
Emergency Responses	19,706	27,131	26,701	26,469	26,422
Inspections	1,494	1,617	1,504	953	953
Calls For Service	19,706	19,263	18,958	18,793	18,873
Significant Fires Extinguished	76	71	65	56	49
Streets and Bridges					
Lane Miles of Road Resurfaced	9.34	10.00	13.00	13.00	15.50
Potholes Repaired	22,515	21,513	21,315	15,724	16,000
Culture and Recreation					
Programs Sponsored	4	3	3	3	7
Water and Sewer					
Water and Sewer Accounts	44,826	44,314	44,452	44,350	44,840
Water Only Accounts	268	261	260	262	244
Sewer Only Accounts	34	32	35	38	36
New Connections (Net)	512	(138)	102	(490)	50
Water Main Breaks	304	250	232	258	225
Average Daily Consumption in Gallons	10,380,387	10,467,059	14,431,978	13,462,570	10,615,500
Parking Facilities					
Parking Spaces	2,696	3,229	2,801	2,801	2,801

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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
5,863	6,539	6,629	6,701
9,391	12,888	10,781	11,322
62,007	62,007	62,007	62,007
55	49	34	34
93	92	88	80
7,454	8,583	8,422	7,368
27,724	32,136	39,697	34,722
31,487	36,380	41,205	3,551
112,369	116,491	110,481	118,903
26,236	26,055	25,056	22,760
953	953	952	1,200
18,740	18,611	17,865	16,330
58	59	97	55
8.60	15.57	13.30	24.95
16,180	15,922	15,463	3,000
10	19	17	16
44,790	44,770	43,227	42,378
233	226	225	224
40	39	38	38
20	1,543	850	2,055
169	200	245	140
11,339,279	12,059,926	13,660,959	12,370,768
2,983	2,859	2,859	2,689

CITY OF JOLIET, ILLINOIS

Capital Asset Statistics by Function Last Nine Fiscal Years

Function	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Public Safety					
Police					
Stations	2	2	2	2	2
Substations	1	1	1	1	1
Patrol Units	350	335	334	334	334
Fire					
Active Stations	9	9	9	9	9
Vehicles	60	57	55	60	60
Streets and Bridges					
Miles of Streets	516	513	512	510	510
Bridges	35	31	31	31	31
Traffic Signals	123	123	123	123	123
Warning Flashers	38	38	38	38	38
Public Works					
Vehicles	136	110	114	117	137
Water and Sewer					
Vehicles	87	92	77	93	93
Water					
Water Mains (Miles)	620	550	540	437	437
Fire Hydrants	7,655	8,476	7,500	7,500	6,850
Storage Capacity in Gallons	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Sewer					
Sanitary Sewers (Miles)	560	520	406	406	406
Storm Sewers (Miles)	557	557	557	557	557
Parking Facilities					
Lots	9	11	10	10	10
Decks	2	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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
2	2	2	2
1	1	1	1
339	329	334	317
9	9	9	9
60	57	60	61
510	507	510	500
31	27	27	27
119	118	118	117
38	38	38	34
138	144	142	139
95	93	92	88
436	435	430	416
6,822	6,800	6,608	6,416
16,500,000	14,750,000	14,750,000	14,750,000
405	402	400	391
557	555	549	540
9	7	7	5
2	2	2	2

CITY OF JOLIET, ILLINOIS

Miscellaneous Statistics

December 31, 2014

Date of Organization:	January 19, 1852
Form of Government:	City Manager
Governing Body:	City Council
Land Area:	Approximately 63.3 square miles
Number of Housing Units:	51,285
Number of Registered Voters:	44,960
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