

JOLIET TOWNSHIP
JOLIET, ILLINOIS

ANNUAL FINANCIAL REPORT

MARCH 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Joliet Township
Joliet, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Joliet Township, Illinois (the Township) as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Township'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Township as of March 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

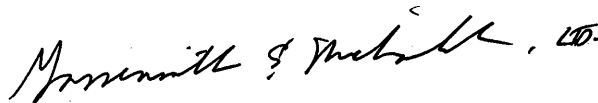
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and pages 34 through 48 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 Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.



Gassensmith & Michalesko, Ltd.
Certified Public Accountants

Joliet, Illinois
June 2, 2017

JOLIET TOWNSHIP
Management's Discussion and Analysis
For The Year Ended March 31, 2017
(Unaudited)

Introduction

As management of the Joliet Township (hereafter referred to as the Township), we offer the readers of the Township's basic financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2017. Please read in conjunction with the Township's basic financial statements and notes to the financial statements for a better understanding of the Township's financial performance.

Financial Highlights:

- The Township's total expenditures exceeded revenues, on modified accrual basis of accounting, by \$272,767 for the year.
- The Township General Town Fund revenues exceeded expenditures by \$751,839.
- The Township General Assistance Fund's revenues exceeded expenditures by \$188,282.
- The Township Road and Bridge Fund's expenditures exceeded revenues by \$734,194.
- The Township Animal Control Fund's expenditures exceeded revenues by \$359,847.
- The Township General Town Fund ended the year with a fund balance of \$2,336,339, and overall the Township ended the year with a fund balance of \$4,685,405.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's significant funds.

Reporting the Township As A Whole

The analysis of the Township as a whole begins on page 4. One of the most important questions asked about the Township's finances is "Is the Township as a whole better off or worse off as a result of the current year's activities?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Township's net position and changes in them. You can think of the Township's net position - the difference between assets and liabilities - as one

JOLIET TOWNSHIP
Management's Discussion and Analysis
For The Year Ended March 31, 2017
(Unaudited)

Reporting the Township As A Whole (continued)

way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net assets are an indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Township's property tax base, the quality of the programs provided and the condition of the Township's roads, to assess the overall health of the Township.

In the Statement of Net Position and the Statement of Activities, the Township reports governmental activities – all of the Township's basic services are reported here, including the assessor's office, general assistance, road department, senior services, animal control and general administration. Property taxes, personal property replacement tax and grants finance most of these activities.

Table 1
Condensed Statement of Net Position

	Governmental Activities	
	March 31, 2017	March 31, 2016
Current Assets	\$ 8,294,990	\$ 8,572,677
Noncurrent Assets	<u>3,388,098</u>	<u>3,190,735</u>
Total assets	<u>11,683,088</u>	<u>11,763,412</u>
<u>Deferred Outflows of Resources</u>	<u>411,925</u>	<u>-</u>
Current liabilities	128,343	174,548
Long-Term liabilities	<u>251,047</u>	<u>43,382</u>
Total liabilities	<u>379,390</u>	<u>217,930</u>
<u>Deferred Inflows of Resources</u>	<u>3,620,443</u>	<u>3,460,603</u>
<u>Net Position</u>		
Invested in capital assets	3,075,863	3,064,675
Restricted	895,487	754,181
Unrestricted	<u>4,252,173</u>	<u>4,266,023</u>
Total net position	<u>\$ 8,223,523</u>	<u>\$ 8,084,879</u>

JOLIET TOWNSHIP
Management's Discussion and Analysis
For The Year Ended March 31, 2017
(Unaudited)

Reporting the Township As A Whole (continued)

As seen in Table 1, Net Position of the Township increased by approximately 2% (\$8,223,523 compared to \$8,084,879). Unrestricted Net Assets—the part of net position that can be used to finance day-to-day operations without any constraints—decreased from \$4,266,023 to \$4,252,173.

Restricted net position of \$895,487 relate to amounts held in the Road and Bridge Fund for road and bridge projects.

Significant Balances

Current assets are comprised mainly of cash and investment, and taxes receivable. Cash and investments are major account balances and will continue to be since no major revenue is expected to be received until the collection of real estate taxes in June of each year. Another major asset is property taxes receivable of \$3,471,590, which is offset by a deferred inflow of resources of the same amount. Noncurrent assets represent capital assets which are discussed later.

As can be seen in Table 2, revenues were \$4,683,587 in 2017, the majority (75%) of which were related to property tax revenues. Expenses were \$4,575,223 in 2017, with road maintenance and general government making up most of the total. The Township's net position increased from a year ago by \$138,644.

Table 2
Condensed Statement of Activities

	Governmental Activities	
	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Revenues		
Program Revenues		
Charges for services	\$ 110,092	\$ 120,411
Operating grants & contributions	184,963	185,926
General Revenues		
Property Taxes	3,512,051	3,441,416
Replacement Taxes	793,813	755,688
Investment Income	17,615	15,752
Other General Revenues	65,053	349,654
Total Revenues	<u>\$ 4,683,587</u>	<u>\$ 4,868,847</u>

JOLIET TOWNSHIP
Management's Discussion and Analysis
For The Year Ended March 31, 2017
(Unaudited)

Significant Balances (continued)

	Governmental Activities	
	March 31, <u>2017</u>	March 31, <u>2016</u>
Program Expenses		
General Government	\$ 815,599	\$ 1,031,736
Assessor	416,650	422,623
General Assistance	294,295	352,147
Road and Bridge Maintenance	2,141,214	1,408,453
Animal Care	656,111	616,611
Senior Programs	<u>251,354</u>	<u>103,600</u>
Total Expenses	<u>4,575,223</u>	<u>3,935,170</u>
Excess (Deficiency) of Revenue		
Over Expenditures	<u>108,364</u>	<u>618,677</u>
Special Items		
Gain (Loss) on Sale of Assets	<u>30,280</u>	<u>-</u>
Change in Net Position	138,644	618,677
Beginning of Year Net Position	<u>8,084,879</u>	<u>7,340,142</u>
Prior period adjustment - GASB 68	<u>-</u>	<u>126,060</u>
End Of Year Net Position	<u>\$ 8,223,523</u>	<u>\$ 8,084,879</u>

Reporting The Township's Significant Funds

The fund financial statements begin on page 11 and provide detailed information about the funds, not the Township as a whole. Four of the Township's funds are considered to be major funds. The funds are established by State law and by a vote of the Township constituents.

Governmental funds - All of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash.

JOLIET TOWNSHIP
Management's Discussion and Analysis
For The Year Ended March 31, 2017
(Unaudited)

Reporting The Township's Significant Funds (continued)

The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation after each of the fund financial statements.

The Township maintained positive year end fund balances in each of its funds. The Township reported an end of the year fund balance of \$4,685,405 which is adequate to cover twelve months of Township expenditures. Property taxes continued to be the Township's main source of revenue. The Township recorded \$3.5 million of property tax revenue in 2017.

The General Assistance Fund revenues exceeded expenditures by \$188,282 and the Road and Bridge Fund expenditures exceeded revenues in the amount of \$734,194 during the year. The Animal Control Fund expenditures exceeded revenues in the amount of \$359,847. The Animal Control Fund received a \$350,000, and the Road & Bridge Fund received a \$850,000 transfer from the General Town Fund to cover the expenditures in excess of the revenues in the funds. All of these funds remain in stable financial condition.

Budgetary Highlights

The budget is prepared on the modified accrual basis of accounting. During the year medical payments in the General Assistance Fund were lower than expected due to a decrease in demand for assistance.

The Township adopted transfers of appropriations within individual funds in 2017 to cover expenditure line items that were going to exceed the original budgeted amount. Detailed budget to actual schedules appear on pages 34 through 44 and page 49.

Capital Assets

At March 31, 2017, the Township had invested \$3,153,265 in capital assets as indicated in Table 3. The most significant capital transactions during the year were attributed to Road & Bridge for vehicles and equipment.

The Township's investment in capital assets as of March 31, 2017 is summarized in Table 3, refer to Note 3 for more information.

JOLIET TOWNSHIP
Management's Discussion and Analysis
For The Year Ended March 31, 2017
(Unaudited)

Capital Assets (continued)

Table 3 - Capital Assets

	Governmental Activities	
	March 31, 2017	March 31, 2016
Land	\$ 41,146	\$ 41,146
Construction in Process	-	2,805
Infrastructure	889,461	918,399
Buildings	1,431,125	1,425,423
Office Equipment	179,860	175,132
Vehicle and Equipment	<u>611,673</u>	<u>501,770</u>
Total Capital Assets, net of accumulated depreciation	<u>\$ 3,153,265</u>	<u>\$ 3,064,675</u>

Long-Term Debt

The Township's long-term debt at year end consisted of compensated absences payable to employees of \$45,302. The amount will be expended from the various salary line items from the individual funds of the Township. The Township also entered into a \$158 thousand capital lease purchase for a new vehicle, \$77,402 is outstanding at March 31, 2017 and is expected to be paid in May 2017. More detailed information about the Township's long-term debt is presented in note 6 to the financial statements.

Economic Factors And Next Year's Budget And Rates

The Township's elected officials considered many factors when setting the March 31, 2017, fiscal year budget and its effect on tax rates. One of these factors is the economy. The Township's assessed valuation increased by \$47 million from tax year 2015 to 2016, which was the first significant increase in several years. The Township's tax revenue is expected to increase approximately \$11 thousand for fiscal year 2018.

Contacting the Township's Management

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives.

If you have any questions about this report or need additional financial information, contact the Township Supervisor at the Township office, 175 W. Jefferson St, Joliet, IL 60432-4107.

JOLIET TOWNSHIP
Statement of Net Position
March 31, 2017

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 678,885
Investments	3,935,796
Prepaid Expenses	9,651
Receivables:	
Property Taxes	3,471,590
Replacement Taxes	190,385
Due From Local Governmental Units	8,683
Total Current Assets	8,294,990
Noncurrent Assets:	
Capital Assets:	
Land	41,146
Infrastructure	1,157,511
Buildings and Improvements	2,584,668
Office Equipment	402,883
Vehicle and Equipment	1,934,305
Accumulated Depreciation	(2,967,248)
Total capital assets net of depreciation	3,153,265
Net Pension Asset	234,833
Total Noncurrent Assets	3,388,098
Total Assets	11,683,088
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	411,925
LIABILITIES	
Current Liabilities:	
Accounts Payable	95,055
Payroll and Related Taxes Payable	33,289
Total Current Liabilities	128,344
Noncurrent Liabilities:	
Long-Term Obligations, Due Within One Year:	
Capital Lease Payable	77,402
Compensated Absences Payable	45,302
Total Liabilities	251,048
DEFERRED INFLOWS	
Deferred Inflows Related to Pensions	148,852
Deferred Inflows of Resouces - Deferred Revenue	3,471,591
Total deferred inflows	3,620,443
NET POSITION	
Invested in Capital Assets	3,075,863
Restricted for Road Projects	895,486
Unrestricted Net Position	4,252,173
Total Net Position	\$ 8,223,522

The Notes to Financial Statements are an integral part of this statement.

JOLIET TOWNSHIP
Statement of Activities
For The Year Ended March 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>(Expense) Revenue And Changes In Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants And Contributions</u>	
Governmental Activities:				
General Government	\$ 815,599	\$ -	\$ -	\$ (815,599)
Assessor	416,650	-	-	(416,650)
General Assistance	294,295	-	-	(294,295)
Road and Bridge Maintenance	2,141,214	15,286	-	(2,125,928)
Animal Care	656,111	94,806	184,963	(376,342)
Senior Programs	<u>251,354</u>	<u>-</u>	<u>-</u>	<u>(251,354)</u>
Total Governmental Activities	\$ <u>4,575,223</u>	\$ <u>110,092</u>	\$ <u>184,963</u>	\$ <u>(4,280,168)</u>

Taxes:

Property Taxes	\$ 3,512,050
Replacement Taxes	793,813
Investment Earnings	17,615
Other General Revenues	<u>65,053</u>

Total General Revenues 4,388,531

Special Items:

Gain on Sale of Assets	30,280
Change in Net Position	138,643
Net Position - Beginning of Year	<u>8,084,879</u>

Net Position - End of Year \$ 8,223,522

The Notes to Financial Statements are an integral part of this statement.

JOLIET TOWNSHIP
 Balance Sheet
 Governmental Funds
 March 31, 2017

	General Town Fund	General Assistance Fund	Road And Bridge Fund	Animal Control Fund	Nonmajor Senior Citizens Fund	Total
Assets						
Cash And Cash Equivalents	\$ 535,111	\$ 14,993	\$ 53,593	\$ 52,008	\$ 23,180	\$ 678,885
Investments	1,791,035	750,156	770,634	555,117	68,854	3,935,796
Receivables:						
Property Taxes	2,069,506	389,005	882,373	-	130,706	3,471,590
Replacement Taxes	52,478	18,152	119,755	-	-	190,385
Due From Local Governmental Units	-	-	6,725	1,958	-	8,683
Accrued Interest	-	-	-	-	-	-
Total Assets	<u>\$4,448,130</u>	<u>\$ 1,172,306</u>	<u>\$ 1,833,080</u>	<u>\$ 609,083</u>	<u>\$ 222,740</u>	<u>\$ 8,285,339</u>
Liabilities						
Accounts Payable	\$ 11,051	\$ 878	\$ 54,237	\$ 28,889	\$ -	\$ 95,055
Payroll And Related Taxes Payable	31,234	-	983	1,072	-	33,289
Total Liabilities	<u>42,285</u>	<u>878</u>	<u>55,220</u>	<u>29,961</u>	<u>-</u>	<u>128,344</u>
Deferred Inflows of Resources						
Property taxes	<u>2,069,506</u>	<u>389,005</u>	<u>882,374</u>	<u>-</u>	<u>130,706</u>	<u>3,471,591</u>
Fund Balances:						
Restricted	-	782,423	895,486	579,122	92,034	2,349,065
Unassigned	<u>2,336,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,336,339</u>
Total Fund Balances	<u>2,336,339</u>	<u>782,423</u>	<u>895,486</u>	<u>579,122</u>	<u>92,034</u>	<u>4,685,404</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$4,448,130</u>	<u>\$ 1,172,306</u>	<u>\$ 1,833,080</u>	<u>\$ 609,083</u>	<u>\$ 222,740</u>	<u>\$ 8,285,339</u>

The Notes to Financial Statements are an integral part of this statement.

JOLIET TOWNSHIP
 Reconciliation to Statement of Net Position
 March 31, 2017

	<u>March 31,</u> <u>2017</u>
Reconciliation To Statement of Net Position:	
Fund Balances-total governmental funds	\$ 4,685,404
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Prepaid expenses are capitalized in the government-wide statements, but are recorded as expenditures in the fund financial statements:	9,651
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital Assets	6,120,513
Accumulated Depreciation	<u>(2,967,248)</u>
Net Capital Assets	3,153,265
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore are not reported in the funds:	
Deferred outflows of resources related to pensions	386,659
Deferred outflows of 2017 employers contributions	25,266
Deferred inflows of resources related to pensions	(148,852)
Some Liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds, these consist of:	
Capital lease obligation	(77,402)
Net pension asset (liability)	234,833
Compensated absence	<u>(45,302)</u>
 Net Position of Governmental Activities (Page 9)	 <u>\$ 8,223,522</u>

The Notes to Financial Statements are an integral part of this statement.

JOLIET TOWNSHIP
Statement Of Revenues, Expenditures And Change in Fund Balances
Governmental Funds
For the Year Ended March 31, 2017

	General Town Fund	General Assistance Fund	Road And Bridge Fund	Animal Control Fund	Nonmajor Senior Citizens Fund	Total
Revenues						
Property Taxes	\$ 2,099,841	\$ 394,048	\$ 886,200	\$ -	\$ 131,961	\$ 3,512,050
Personal Property						
Replacement Tax	218,807	75,683	499,323	-	-	793,813
Grants	-	-	-	-	-	-
Intergovernmental Revenue	-	6,230	-	178,733	-	184,963
Fees For Services	-	-	-	94,806	-	94,806
Rental Income	-	-	6,120	-	-	6,120
Road Fines	-	-	9,166	-	-	9,166
Interest Income	8,007	3,593	3,396	2,073	546	17,615
Miscellaneous	9,847	-	22,544	32,662	-	65,053
Total Revenues	<u>2,336,502</u>	<u>479,554</u>	<u>1,426,749</u>	<u>308,274</u>	<u>132,507</u>	<u>4,683,586</u>
Expenditures						
Current:						
General Government	1,154,513	-	-	-	-	1,154,513
Assessor	415,804	-	-	-	-	415,804
General Assistance	-	289,842	-	-	-	289,842
Road and Bridge						
Maintenance	-	-	2,041,061	-	-	2,041,061
Animal Care	-	-	-	612,886	-	612,886
Senior Programs	-	-	-	-	251,354	251,354
Capital Outlay	14,346	1,430	119,883	55,235	-	190,894
Total Expenditures	<u>1,584,663</u>	<u>291,272</u>	<u>2,160,944</u>	<u>668,121</u>	<u>251,354</u>	<u>4,956,354</u>
Excess (Deficiency) Of						
Revenue Over Expenditures	751,839	188,282	(734,195)	(359,847)	(118,847)	(272,768)
Other Financing Sources (Uses)						
Sale of Township Property	-	-	25,500	4,780	-	30,280
Transfers In	125,000	-	850,000	350,000	125,000	1,450,000
Transfers Out	(1,200,000)	(250,000)	-	-	-	(1,450,000)
Total Other Financing Sources (Uses)	<u>(1,075,000)</u>	<u>(250,000)</u>	<u>875,500</u>	<u>354,780</u>	<u>125,000</u>	<u>30,280</u>
Net Changes in Fund Balances	<u>(323,161)</u>	<u>(61,718)</u>	<u>141,305</u>	<u>(5,067)</u>	<u>6,153</u>	<u>(242,488)</u>
Fund Balances, Beginning of Year	<u>2,659,500</u>	<u>844,141</u>	<u>754,181</u>	<u>584,189</u>	<u>85,881</u>	<u>4,927,892</u>
Fund Balances, End of Year	<u>\$ 2,336,339</u>	<u>\$ 782,423</u>	<u>\$ 895,486</u>	<u>\$ 579,122</u>	<u>\$ 92,034</u>	<u>\$ 4,685,404</u>

The Notes to Financial Statements are an integral part of this statement.

JOLIET TOWNSHIP
 Reconciliation to Statement of Activities
 March 31, 2017

	<u>March 31,</u> <u>2017</u>
Reconciliation To Statement of Activities:	
Net Change in Total Fund Balances	\$ (242,488)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Decrease in the net pension asset is reported only in the statement of activities	108,772
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	
Expenditures that resulted in new capital assets	268,295
Depreciation Expense	(179,704)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding or when incurred in the statement of activities	
Issuance of notes payable	(157,633)
Payments of capital lease	80,231
Changes in deferred outflows and inflows of resources related to pensions are reported only in the statement of activities	
Deferred outflows and inflows of resources related to pensions	263,073
The net expenses reported in the statement of activities require the use of current financial resources as follows:	
Prepaid Insurance	17
Compensated Absences	<u>(1,920)</u>
Change in Net Position of Governmental Activities (Page 10)	<u>\$ 138,643</u>

The Notes to Financial Statements are an integral part of this statement.

JOLIET TOWNSHIP

Notes To Basic Financial Statements March 31, 2017

Note 1: Summary of Significant Accounting Policies

Joliet Township, Illinois (the Township) is an Illinois unit of local government which was incorporated on November 6, 1849, under the provisions of the State of Illinois. The Township maintains a general assistance fund which assists eligible residents within the Township's boundaries by subsidizing costs for shelter, food and medical supplies. Assessing property values within the Township and contributing to various community programs are additional activities of the Township. The Township operates a road and bridge fund which maintains the roads and bridges within the Township that are not under the jurisdiction of another governmental unit. Joliet Township also provides an animal control center for the public safety of animals as well as ensuring the humane care and treatment of those animals handled by the center. The Senior Citizens funds maintained by the Township provide funding for senior programs in the Township.

The accounting policies and the presentation of the basic financial statements of the Township have been prepared in conformity 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.

A. Reporting Entity

As defined by accounting principles generally accepted in the United States of America established by GASB, 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 Joliet Township (the primary government) and its component unit. The financial data of the component unit is included in the Township's reporting entity because of its significance of its operational relationship with the Township.

JOLIET TOWNSHIP

Notes To Basic Financial Statements March 31, 2017

Note 1: Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

Blended Component Unit

The “Road Township” of the Township is an Illinois local government, as such, it is a separate legal entity with its own management and budget authority. The members of the Township Board are elected by the citizens of the Township, to the Road and Bridge Board of Trustees at the same time they are elected to the Township Board; as a result, the operations of the Road Township (Road And Bridge Fund) as of and for the fiscal year ended March 31, 2017, are blended in the Township’s basic financial statements as a special revenue fund. There are no other component units that are required to be included with these financial statements.

B. Basis of Presentation - Fund Accounting

The Township’s basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis. Governmental activities normally are supported by taxes and intergovernmental revenues. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Township’s governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Township. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the Township.

The Township has reported two categories of program revenues in the statement of activities (1) charges for services and (2) program-specific operating grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of

JOLIET TOWNSHIP

Notes To Basic Financial Statements March 31, 2017

Note 1: Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Fund Accounting (continued)

Illinois; they reduce the net cost of each function to be financed from the Township's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

The Township maintains a policy for the elimination of the effect on assets and liabilities in the statement of net assets within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables, if any. Similarly, any transfers between funds have been eliminated in the statement of activities.

Fund Financial Statements

The financial transactions of the Township are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Nonmajor funds are aggregated in a single column.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due mainly to the inclusion of capital asset and long-term debt activity. Fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

C. 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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

JOLIET TOWNSHIP

Notes To Basic Financial Statements March 31, 2017

Note 1: Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The Township accounts for its financial position and results of operations in accordance with the cash basis of accounting applicable to governmental units, which is converted to the modified accrual basis for statement presentation. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Township considers all revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Nonexchange transactions, in which the Township receives value without directly giving equal value in return, include taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Tax levy year 2015 and prior year property taxes are considered available to the extent that they have been collected by Will County and have been distributed to the Township within sixty days of year-end. Revenue from other taxes is recognized when collected by the state, prior to disbursement to the Township. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements in which the Township must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Township on a reimbursement basis. Revenue from nonexchange transactions must also be available before it can be recognized. Revenues considered to be susceptible to accrual include property taxes and replacement taxes.

Fines and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenses and other long-term obligations, which are recognized when paid.

D. Fund Presentation

Governmental Funds - are those through which most governmental functions of the Township are financed. The Township's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The Township reports the following major governmental funds:

JOLIET TOWNSHIP

Notes To Basic Financial Statements March 31, 2017

Note 1: Summary of Significant Accounting Policies (continued)

D. Fund Presentation (continued)

- The General Fund - the Town Fund is the general operating fund of the Township and accounts for all financial resources except those required to be accounted for in another fund.
- The General Assistance Fund - a special revenue fund, used to account for the expenditures for relief provided within the Township and related administration.
- The Road and Bridge Fund (a blended component unit) - presented as a special revenue fund to account for various road and bridge maintenance, construction and repair projects.
- The Animal Control Fund - a special revenue fund, used to account for the expenditures for containment and care of stray animals.

E. Fund Equity/Net Position

Fund Balance:

In the fund financial statements, governmental funds now report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable* – includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items or inventories.
- Restricted* – refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or are imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.
- Committed* – refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Township's highest level of decision-making authority (the Board of Trustees). The Board commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the Township removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The Township did not have any committed resources as of March 31, 2017.
- Assigned* – refers to amounts that are constrained by the Township's intent to be used for a specific purpose, but are either restricted or committed. Intent may be expressed by the Board of Trustees, or the individual the Board of Trustees delegates the authority, to assign amounts to be used for specific purposes. The Township did not have any assigned resources as of March 31, 2017.

JOLIET TOWNSHIP

Notes To Basic Financial Statements March 31, 2017

Note 1: Summary of Significant Accounting Policies (continued)

E. Fund Equity/Net Position (continued)

Fund Balance (continued)

- e. Unassigned* – refers to all spendable amounts not contained in the other four classifications described above. In funds other than General Town Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally they act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

Net Position:

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

F. Investments

The Township is allowed to invest in (1) savings accounts, money market accounts and certificates of deposits; (2) commercial paper issued by a U.S. corporation with more than \$500 million in assets and with a rating within the three highest classifications by at least two standard rating services and must mature not later than 180 days from the purchase date; (3) State Treasurer's Investment Pool (Illinois Funds); (4) money market mutual funds that are registered under the Investment Company Act of 1940; (5) repurchase agreements; (6) credit unions or (7) obligations of the United States or its agencies and instrumentalities.

The Township's investment policy requires all deposits be in insured accounts by an agency of the Federal Government or otherwise collateralized. Township investments not insured by an agency of the Federal Government must be collateralized at 105% of the deposit amount.

For fiscal year 2017, the Township invested in certificates of deposit, money market accounts, and a state treasurer's investment pool which were carried at cost. The Township records all interest revenue related to investment activities in the respective funds.

JOLIET TOWNSHIP

Notes To Basic Financial Statements March 31, 2017

Note 1: Summary of Significant Accounting Policies (continued)

G. *Compensated Absences*

Earned vacation time is generally required to be used within one year of accrual. Upon termination any earned but unused vacation shall be liquidated in a cash payment to the terminating employee. Sick leave is not paid upon termination.

H. *Capital Assets*

Capital assets used in governmental fund operations (general capital assets) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the statement of net assets.

The Township defines capital assets, as assets with an initial individual cost of \$1,000 (\$25,000 for infrastructure) or more and an estimated useful life in excess of one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received.

The Township's policy provides for depreciation using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	50 years
Equipment	12 years
Transportation Equipment	5 - 7 years
Infrastructure	40 years
Land Improvements	20 years

I. *Deferred Inflows/ Deferred Outflow of Resources*

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred Outflows of resources represent a consumption of net position/fund balance that applies to a future period. At March 31, 2017, the Township has deferred outflows related to pension liabilities. In addition to liabilities, the Township may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At March 31, 2017, the Township reported deferred inflows of resources related to property taxes levied for a future period and amounts related to pension liabilities.

JOLIET TOWNSHIP

Notes To Basic Financial Statements March 31, 2017

Note 1: Summary of Significant Accounting Policies (continued)

J. Property Taxes

The Township budget anticipated that the 2015 property tax levy will be used to finance expenditures for the fiscal year ended March 31, 2017. The 2016 levy has been recognized as a receivable as of March 31, 2017 but recognition of revenue has been deferred to the fiscal year ended March 31, 2018 because the revenue is not considered available to finance expenditures for the fiscal year ended March 31, 2017.

Net property taxes receivable reflect the estimated collectible portion of the 2015 and 2014 levies uncollected as of March 31, 2017. An allowance of 2.0% of the taxes for the General Assistance, General Town, Senior Citizen Services and Road Bridge Levies extended for the fiscal year ended March 31, 2017 has been provided for anticipated tax collection losses.

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

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

K. Restricted Resources Policy

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position is either: (1) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available, it is the Township's policy to apply restricted resources first, then unrestricted resources as they are needed.

L. Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate the unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results could differ from those estimates.

JOLIET TOWNSHIP

Notes To Basic Financial Statements
March 31, 2017

Note 1: Summary of Significant Accounting Policies (continued)

M. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the balance sheet date are recorded as prepaid assets. The cost of the related payment is recorded as an expenditure over the time the related services are provided.

Note 2: Deposits and Investments

The Township maintained all of its cash and investments at March 31, 2017 in checking accounts, certificates of deposit and money market accounts, which were carried at cost.

All cash and investments of the Township are combined as deposits for note disclosure purposes. At March 31, 2017, the carrying amount of the Township's deposits was \$4,613,681, which excludes petty cash funds of \$1,000 held at the Township, and the bank balance was \$4,664,773.

Custodial Credit Risk -this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. At March 31, 2017, all of the bank balances are insured or collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.

Reconciliation of notes to financial statements:

Cash - Carrying Amount of Township Deposits Per Note Above	\$4,613,681
Cash on Hand - Per Note Above	<u>1,000</u>
Total	<u>\$ 4,614,681</u>
Cash and Cash Equivalents Per Statement of Net Position	\$ 678,885
Investments Per Statement of Net Position	<u>3,935,796</u>
Total	<u>\$ 4,614,681</u>

JOLIET TOWNSHIP

Notes To Basic Financial Statements
March 31, 2017

Note 3: General Capital Assets

A summary of changes in general capital assets is presented below:

	Balance 3/31/2016	Additions	Deletions	Balance 3/31/2017
Capital Assets Not Being Depreciated:				
Land	\$ 41,146	\$ -	\$ -	\$ 41,146
Construction in Process	2,805	-	(2,805)	-
Capital Assets Being Depreciated:				
Infrastructure	1,157,511	-	-	1,157,511
Buildings	2,536,970	47,698	-	2,584,668
Office Equipment	373,449	29,434	-	402,883
Vehicles and Equipment	1,795,454	193,968	(55,117)	1,934,305
Total Capital Assets Being Depreciated	5,863,384	271,100	(55,117)	6,079,367
Less Accumulated Depreciation For:				
Infrastructure	(239,112)	(28,938)	-	(268,050)
Buildings	(1,111,547)	(41,996)	-	(1,153,543)
Office Equipment	(198,318)	(24,705)	-	(223,023)
Vehicles and Equipment	(1,293,684)	(84,065)	55,117	(1,322,632)
Total Accumulated Depreciation	(2,842,661)	(179,704)	55,117	(2,967,248)
Total Capital Assets Being Depreciated, Net	3,020,723	91,396	-	3,112,119
Capital Assets, Net	\$ 3,064,674	\$ 91,396	\$ (2,805)	\$ 3,153,265

Depreciation expense for the year of \$179,704 was charged to expense functions as follows:

General Government \$31,027; General Assistance \$4,453; Assessor \$846; Road and Bridge Maintenance \$100,153; and Animal Control \$43,225.

The public domain infrastructure in the Township consists of roads and bridges. Current year acquisitions have been capitalized to date.

JOLIET TOWNSHIP

Notes To Basic Financial Statements
March 31, 2017

Note 4: Motor Fuel Tax Allocations

The Township is entitled to a portion of the State’s collections for Motor Fuel Tax. These funds, however, are not received directly by the Township, they are remitted to the County of Will who administers the funds. The funds can only be used for approved projects. The approval comes from two outside independent governmental units, one of which is the County of Will. Once there is an approved project, the County of Will supervises it and administers the payments directly to the vendors. The amounts relating to the Motor Fuel Tax generally have not been included in the Township’s financial statements due to the fact that they have no access to the funds and that other agencies must approve and administer the projects.

Note 5: Tax Rates

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	Maximum	Actual 2016	Actual 2015
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Town	0.2500	0.1995	0.2086
General Assistance	0.1000	0.0375	0.0392
Senior Service	0.1500	0.0126	0.0131
Road and Bridge	0.6600	<u>0.1481</u>	<u>0.1530</u>
Total		<u>0.3977</u>	<u>0.4139</u>

Note 6: General Long-Term Debt

The Township entered into a \$157,633 capital lease agreement for a vehicle. Payments are expected to be made from the Road & Bridge Fund. The capital lease matures in 2017 with a final principal payment of \$77,402 and interest of \$2,830. Leased equipment had \$10,539 of accumulated depreciation at year end.

The following is a summary of changes in long-term debt for the year ended March 31, 2017:

	Balance <u>3/31/2016</u>	Additions	Deletions	Balance <u>3/31/2017</u>
Capital Lease	-	157,633	(80,231)	77,402
Compensated Absences	43,382	45,302	(43,382)	45,302

JOLIET TOWNSHIP

Notes To Basic Financial Statements
March 31, 2017

Note 6: General Long-Term Debt (Continued)

Assessed Valuation - 2015 (Latest available amount)	<u>1,058,516,594</u>
Legal Debt Limit - 2.875% of Assessed Valuation	30,432,352
Amount of Debt Applicable to Debt Limit Total Fire Protection Notes	<u>77,402</u>
Legal Debt Margin	<u>30,354,950</u>

Note 7: Retirement Fund Commitments

Plan Description

The Township'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 Township's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15

JOLIET TOWNSHIP

Notes To Basic Financial Statements
March 31, 2017

Note 7: Retirement Fund Commitments: (continued)

years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

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

	Number of
Retirees and Beneficiaries	46
Inactive, Non-Retired Members	25
Active Members	34
Total	<u>105</u>
Covered Valuation Payroll	\$ 1,601,445

Contributions

As set by statute, the Township's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's annual contribution rate for calendar year 2016 was 6.8%. For the fiscal year ended 2017, the Township contributed \$108,898 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

JOLIET TOWNSHIP

Notes To Basic Financial Statements March 31, 2017

Note 7: Retirement Fund Commitments: (continued)

Net Pension Liability

The Township's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

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

JOLIET TOWNSHIP

Notes To Basic Financial Statements
March 31, 2017

Note 7: Retirement Fund Commitments: (continued)

Actuarial Assumptions (continued)

- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	<u>1%</u>	2.25%
Total	100%	

Single Discount Rate

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

JOLIET TOWNSHIP

Notes To Basic Financial Statements
March 31, 2017

Note 7: Retirement Fund Commitments: (continued)

Single Discount Rate (continued)

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

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

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	8,141,106	8,267,166	(126,060)
Changes for the year:			-
Service Cost	173,579	-	173,579
Interest on the Total Pension Liability	601,367	-	601,367
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(221,275)	-	(221,275)
Changes of Assumptions	-	-	-
Contributions - Employer	-	108,898	(108,898)
Contributions - Employees	-	72,065	(72,065)
Net Investment Income	-	570,672	(570,672)
Benefit Payments, including Refunds of Employee Contributions	(419,341)	(419,341)	-
Other (Net Transfer)	-	(89,191)	89,191
Net Changes	<u>134,330</u>	<u>243,103</u>	<u>(108,773)</u>
Balances at December 31, 2016	<u>8,275,436</u>	<u>8,510,269</u>	<u>(234,833)</u>

JOLIET TOWNSHIP

Notes To Basic Financial Statements
March 31, 2017

Note 7: Retirement Fund Commitments: (continued)

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

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.5%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability/(Asset)	786,688	(234,833)	(1,076,833)

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

For the year ended March 31, 2017, the Township incurred pension expense of \$241,953. At March 31, 2017, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	5,511	148,852
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	381,148	-
Total deferred amounts to be recognized in pension expense in the future periods	386,659	148,852
Pension contribution made subsequent to the measurement date	25,266	-
Total deferred amounts related to pensions	411,925	148,852

JOLIET TOWNSHIP

Notes To Basic Financial Statements
March 31, 2017

Note 7: Retirement Fund Commitments: (continued)

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

Year ended December 31:

2017	\$ 57,635
2018	52,182
2019	120,572
2020	7,418
2021	-

Note 8: Interfund Transfers

During the year the General Fund transferred \$350,000 to the Animal Control Fund to help fund the cost of the animal control center. The Township also made non-routine transfer of \$850,000 from the General Fund to the Road & Bridge Fund for road improvement projects; the General Assistance Fund transferred \$125,000 to the General Town Fund for a veteran recognition project, and \$125,000 to the Senior Citizens Fund for general needs of seniors. None of the transfers expect to be repaid.

Note 9: Risk Management

The Township is exposed to various risks of loss including but not limited to general liability, property casualty, worker's compensation and public officials liability. To limit exposure to these risks the Township has purchased insurance through the Township Officials of Illinois Risk Management Association. The Township is liable for various deductibles ranging from \$50 to \$60,000 depending on which coverage the liability occurs. There were no significant reductions in insurance coverage from the previous year. Settlements during the past three fiscal years did not exceed the insurance coverage.

Note 10: Deferred Compensation Plan

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contributions to the plan. The deferred compensation is not available to employees until termination, retirement or enforceable emergency. Deferred compensation is available to employees' beneficiaries in case of death.

JOLIET TOWNSHIP

Notes To Basic Financial Statements
March 31, 2017

Note 10: Deferred Compensation Plan (continued)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the participants and their beneficiaries. All assets of the Plan are held by an independent administrator.

Note 11: Commitments and Contingencies

Litigation

From time to time, the Township is involved in legal and administrative proceedings with respect to employment, civil rights, property tax protests and other matters. Although the Township is unable to predict the outcome of these matters, the Township believes that the final outcome of any actions will not have a material adverse effect on the results of operations or the financial position of the Township.

Federal Grant Programs

The Township currently participates in and in prior fiscal years has participated in various federal grant programs, principally FEMA and Community Development Block Grants. Federal grant programs are subject to program compliance audits by the grantor agencies. The Township's compliance with applicable grant requirements may be established at some future date; however, the Township believes that any noncompliance will not have a material effect on the financial statements.

JOLIET TOWNSHIP
Required Supplementary Information - Budgetary Comparison Information
General Town Fund
Schedule Of Revenues, Expenditures And Changes In Fund
Balance - Budget And Actual
For The Year Ended March 31, 2017

	<u>Original & Final Budget</u>	<u>Actual On GAAP Basis</u>	<u>Variance From Final Budget Positive (Negative)</u>
Revenues			
Property Taxes	\$ 2,111,017	\$ 2,099,841	\$ (11,176)
Personal Property Replacement Tax	220,200	218,807	(1,393)
Interest Income	7,700	8,007	307
Miscellaneous	9,000	9,847	847
Total Revenues	2,347,917	2,336,502	(11,415)
Expenditures			
Town Administration			
Personnel Services			
Salaries	527,000	516,970	10,030
Health Insurance	182,500	151,167	31,333
Unemployment Insurance	6,120	2,701	3,419
Worker's Compensation	2,750	2,327	423
Social Security	41,500	40,238	1,262
IMRF Contribution	33,600	32,033	1,567
Total Personnel Services	793,470	745,436	48,034
Contractual Services			
Building Maintenance	42,000	28,062	13,938
Equipment Maintenance	10,000	6,777	3,223
Committee On Youth	100,000	71,888	28,112
Veteran Assistance	125,000	111,500	13,500
Audit	6,200	6,200	-
Legal	45,000	40,308	4,692
Postage	2,500	955	1,545
Professional fees	69,200	15,820	53,380
Telephone	7,000	6,873	127
Publishing And Printing	2,500	1,170	1,330
Dues And Subscriptions	3,000	2,337	663
Travel Expenditures	18,000	14,400	3,600
Training	6,500	5,079	1,421
Utilities	23,700	18,321	5,379
General Insurance	14,375	10,940	3,435
Health And Safety	75,200	42,906	32,294
Total Contractual Services	550,175	383,536	166,639

JOLIET TOWNSHIP

Required Supplementary Information - Budgetary Comparison Information

General Town Fund

Schedule Of Revenues, Expenditures And Changes In Fund

Balance - Budget And Actual

For The Year Ended March 31, 2017

	Original & Final <u>Budget</u>	Actual On GAAP <u>Basis</u>	Variance From Final Budget Positive <u>(Negative)</u>
Expenditures (continued)			
Commodities			
Office Supplies	\$ 15,000	\$ 11,364	\$ 3,636
Operating Supplies	2,000	1,266	734
Total Commodities	<u>17,000</u>	<u>12,630</u>	<u>4,370</u>
Capital Outlay			
Equipment	10,000	6,672	3,328
Improvements	10,000	5,830	4,170
Buildings	25,000	-	25,000
Total Capital Outlay	<u>45,000</u>	<u>12,502</u>	<u>32,498</u>
Miscellaneous	11,000	9,471	1,529
Total Town Administration	<u>1,416,645</u>	<u>1,163,575</u>	<u>253,070</u>
Assessor			
Personnel Services			
Salaries	268,000	262,596	5,404
Health Insurance	111,000	79,127	31,873
Unemployment Insurance	7,650	3,698	3,952
Worker's Compensation	2,400	1,988	412
Social Security	20,800	20,184	616
IMRF Contribution	18,500	17,697	803
Total Personnel Services	<u>428,350</u>	<u>385,290</u>	<u>43,060</u>
Contractual Services			
Equipment Maintenance	2,500	1,962	538
Appraisals	3,000	-	3,000
Computer Fees	10,000	4,447	5,553
Postage	300	-	300
Professional fees	1,000	420	580
Telephone	7,500	6,938	562
Publishing And Printing	500	-	500
Dues And Subscriptions	1,800	380	1,420
Travel Expenditures	4,700	4,615	85
Training	6,500	6,366	134
Total Contractual Services	<u>37,800</u>	<u>25,128</u>	<u>12,672</u>
Commodities			
Office Supplies	<u>8,000</u>	<u>5,376</u>	<u>2,624</u>

JOLIET TOWNSHIP

Required Supplementary Information - Budgetary Comparison Information

General Town Fund

Schedule Of Revenues, Expenditures And Changes In Fund

Balance - Budget And Actual

For The Year Ended March 31, 2017

	<u>Original & Final Budget</u>	<u>Actual On GAAP Basis</u>	<u>Variance From Final Budget Positive (Negative)</u>
Expenditures (continued)			
Capital Outlay			
Equipment	\$ 4,000	\$ -	\$ 4,000
Miscellaneous	1,000	10	990
Total Assessor	<u>479,150</u>	<u>415,804</u>	<u>63,346</u>
Cemetery			
Contractual Services			
Maintenance Grounds	<u>5,000</u>	<u>3,440</u>	<u>1,560</u>
Capital Outlay			
Equipment	1,000	-	1,000
Improvements	<u>75,000</u>	<u>1,844</u>	<u>73,156</u>
Total Capital Outlay	<u>76,000</u>	<u>1,844</u>	<u>74,156</u>
Miscellaneous	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total Cemetery	<u>82,500</u>	<u>5,284</u>	<u>77,216</u>
Contingency	<u>87,500</u>	<u>-</u>	<u>87,500</u>
Total Expenditures	<u>2,065,795</u>	<u>1,584,663</u>	<u>481,132</u>
Excess (Deficiency) Of Revenue Over Expenditures	282,122	751,839	469,717
Other Financing Uses			
Transfers In	125,000	125,000	-
Transfers Out	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>-</u>
Net Change In Fund Balance	(792,878)	(323,161)	469,717
Fund Balance, Beginning Of Year		<u>2,659,500</u>	
Fund Balance, End Of Year		<u>\$ 2,336,339</u>	

JOLIET TOWNSHIP
Required Supplementary Information - Budgetary Comparison Information
General Assistance Fund
Schedule Of Revenues, Expenditures And Changes In Fund
Balance - Budget And Actual
For The Year Ended March 31, 2017

	Original & Final Budget	Actual On GAAP Basis	Variance From Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 396,701	\$ 394,048	\$ (2,653)
Personal Property Replacement Tax	76,200	75,683	(517)
Interest Income	3,000	3,593	593
SSI Reimbursement	10,000	6,230	(3,770)
Miscellaneous	-	-	-
Total Revenues	485,901	479,554	(6,347)
Expenditures			
Administration			
Personnel Services			
Salaries	175,200	135,686	39,514
Health Insurance	74,000	42,551	31,449
Unemployment Insurance	5,100	1,854	3,246
Worker's Compensation	1,200	1,034	166
Social Security	13,600	10,093	3,507
IMRF Contribution	12,000	8,850	3,150
Total Personnel Services	281,100	200,068	81,032
Contractual Services			
Equipment Maintenance	7,000	6,387	613
Professional Fees	1,000	-	1,000
Postage	1,800	940	860
Printing And Publishing Supplies	1,000	753	247
Travel Expenditures	3,000	-	3,000
Training	2,000	-	2,000
Catastrophic Insurance	4,000	3,175	825
Total Contractual Services	19,800	11,255	8,545
Commodities			
Office Supplies	4,500	1,057	3,443
Capital Outlay			
Equipment	1,500	1,430	70
Miscellaneous	2,000	487	1,513
Total Administration	308,900	214,297	94,603

JOLIET TOWNSHIP
Required Supplementary Information - Budgetary Comparison Information
General Assistance Fund
Schedule Of Revenues, Expenditures And Changes In Fund
Balance - Budget And Actual
For The Year Ended March 31, 2017

	<u>Original & Final Budget</u>	<u>Actual On GAAP Basis</u>	<u>Variance From Final Budget Positive (Negative)</u>
Expenditures (continued)			
Home Relief			
Contractual Services			
Medical	\$ 120,000	\$ 19,367	\$ 100,633
Funeral And Burial Service	1,000	-	1,000
Rent	100,000	37,197	62,803
Utilities	20,000	10,054	9,946
Transient Transportation	<u>6,000</u>	<u>355</u>	<u>5,645</u>
Total Contractual Services	<u>247,000</u>	<u>66,973</u>	<u>180,027</u>
Commodities			
Food	<u>12,000</u>	<u>10,002</u>	<u>1,998</u>
Total Commodities	<u>12,000</u>	<u>10,002</u>	<u>1,998</u>
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total Home Relief	<u>259,000</u>	<u>76,975</u>	<u>182,025</u>
Contingency	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>592,900</u>	<u>291,272</u>	<u>301,628</u>
Excess (Deficiency) Of Revenue Over Expenditures	(106,999)	188,282	295,281
Other Financing Uses			
Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ (356,999)</u>	<u>(61,718)</u>	<u>\$ 295,281</u>
Fund Balance, Beginning Of Year		<u>844,141</u>	
Fund Balance, End Of Year		<u>\$ 782,423</u>	

JOLIET TOWNSHIP
Required Supplementary Information - Budgetary Comparison Information
Road And Bridge Fund
Schedule Of Revenues, Expenditures And Changes In Fund
Balance - Budget And Actual
For The Year Ended March 31, 2017

	<u>Original & Final Budget</u>	<u>Actual On GAAP Basis</u>	<u>Variance From Final Budget Positive (Negative)</u>
Revenues			
Property Taxes	\$ 890,938	\$ 886,200	\$ (4,738)
Personal Property Replacement Tax	502,500	499,323	(3,177)
Rental Income	6,120	6,120	-
Road Fines	12,000	9,166	(2,834)
Interest Income	3,800	3,396	(404)
Grants	200,000	-	(200,000)
Sale of assets	-	25,500	25,500
Miscellaneous	8,500	22,544	14,044
Total Revenues	<u>1,623,858</u>	<u>1,452,249</u>	<u>(171,609)</u>
Expenditures			
Administration			
Personnel Services			
Salaries	47,300	46,438	862
Health Insurance	16,900	16,036	864
Unemployment Insurance	300	73	227
Worker's Compensation	1,145	1,100	45
Social Security	3,600	3,510	90
IMRF Contribution	3,200	3,078	122
Total Personnel Services	<u>72,445</u>	<u>70,235</u>	<u>2,210</u>
Contractual Services			
Audit	3,200	3,025	175
Legal	1,000	-	1,000
Postage	3,000	940	2,060
Utilities	13,500	8,714	4,786
Printing And Publishing	3,000	1,935	1,065
Travel And Meetings	-	-	-
General Insurance	18,000	14,276	3,724
Dues And Subscriptions	1,500	325	1,175
Training and Meetings	1,000	225	775
Telephone/Internet	4,000	3,477	523
Drug and Alcohol Testing	1,000	630	370
Total Contractual Services	<u>49,200</u>	<u>33,547</u>	<u>15,653</u>

JOLIET TOWNSHIP
Required Supplementary Information - Budgetary Comparison Information
Road And Bridge Fund
Schedule Of Revenues, Expenditures And Changes In Fund
Balance - Budget And Actual
For The Year Ended March 31, 2017

	<u>Original & Final Budget</u>	<u>Actual On GAAP Basis</u>	<u>Variance From Final Budget Positive (Negative)</u>
Expenditures (continued)			
Commodities			
Office Supplies	\$ 3,000	\$ 1,587	\$ 1,413
Uniforms	<u>3,000</u>	<u>1,287</u>	<u>1,713</u>
Total Commodities	<u>6,000</u>	<u>2,874</u>	<u>3,126</u>
Capital Outlay			
Equipment	<u>3,500</u>	<u>3,316</u>	<u>184</u>
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Municipal Replacement Tax	<u>57,000</u>	<u>54,813</u>	<u>2,187</u>
Total Administration	<u>188,145</u>	<u>164,785</u>	<u>23,360</u>
Maintenance			
Personnel Services			
Salaries	408,700	352,943	55,757
Health Insurance	130,950	90,755	40,195
Unemployment Insurance	1,230	431	799
Worker's Compensation	13,855	13,236	619
Social Security	31,400	26,917	4,483
IMRF Contribution	<u>27,800</u>	<u>23,572</u>	<u>4,228</u>
Total Personnel Services	<u>613,935</u>	<u>507,854</u>	<u>106,081</u>
Contractual Services			
Maintenance Service - Building	5,500	5,279	221
Maintenance Service - Equipment	77,000	78,285	(1,285)
Maintenance Service - Tree Removal	40,000	38,800	1,200
Maintenance Service - Sidewalks	1,500	-	1,500
Maintenance Service - Road/Drainage	998,500	966,411	32,089
Maintenance Service - Bridge	5,000	1,258	3,742
Environmental cleanup	210,000	-	210,000
Drug & Alcohol testing	-	-	-
Professional fees	10,000	-	10,000
Engineering Service	102,000	107,878	(5,878)
Street Lights	55,500	55,390	110
Equipment Rental	<u>10,000</u>	<u>4,004</u>	<u>5,996</u>
Total Contractual Services	<u>1,515,000</u>	<u>1,257,305</u>	<u>257,695</u>

JOLIET TOWNSHIP

Required Supplementary Information - Budgetary Comparison Information

Road And Bridge Fund

Schedule Of Revenues, Expenditures And Changes In Fund

Balance - Budget And Actual

For The Year Ended March 31, 2017

	<u>Original & Final Budget</u>	<u>Actual On GAAP Basis</u>	<u>Variance From Final Budget Positive (Negative)</u>
Expenditures (continued)			
Commodities			
Drainage, Flood Control	\$ 40,000	\$ 39,324	\$ 676
Operating Supplies/Materials	64,000	36,146	27,854
Small Tools	3,500	3,354	146
Snow Removal/Salt Supplies	25,000	22,485	2,515
Gasoline And Oil	<u>30,000</u>	<u>12,886</u>	<u>17,114</u>
Total Commodities	<u>162,500</u>	<u>114,195</u>	<u>48,305</u>
Capital Outlay			
Building	20,000	-	20,000
Vehicle	91,300	80,682	10,618
Equipment	<u>46,200</u>	<u>35,885</u>	<u>10,315</u>
Total Capital Outlay	<u>157,500</u>	<u>116,567</u>	<u>40,933</u>
Miscellaneous	<u>2,000</u>	<u>238</u>	<u>1,762</u>
Total Maintenance	<u>2,450,935</u>	<u>1,996,159</u>	<u>454,776</u>
Contingency	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total Expenditures	<u>2,664,080</u>	<u>2,160,944</u>	<u>503,136</u>
Excess (Deficiency) Of Revenue Over Expenditures	(1,040,222)	(708,695)	331,527
Other Financing Uses			
Transfers In	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ (190,222)</u>	141,305	<u>\$ 331,527</u>
Fund Balance, Beginning Of Year		<u>754,181</u>	
Fund Balance, End Of Year		<u>\$ 895,486</u>	

JOLIET TOWNSHIP
Required Supplementary Information - Budgetary Comparison Information
Animal Control Fund
Schedule Of Revenues, Expenditures And Changes In Fund
Balance - Budget And Actual
For The Year Ended March 31, 2017

	<u>Original & Final Budget</u>	<u>Actual On GAAP Basis</u>	<u>Variance From Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental Revenue	\$ 177,650	\$ 178,733	\$ 1,083
Fees for Services	102,650	94,806	(7,844)
Interest Income	1,000	2,073	1,073
Sales of Assets	-	4,780	4,780
Miscellaneous	<u>48,100</u>	<u>32,662</u>	<u>(15,438)</u>
Total Revenues	<u>329,400</u>	<u>313,054</u>	<u>(16,346)</u>
Expenditures			
Animal Control Center			
Personnel Services			
Salaries	346,600	337,701	8,899
Health Insurance	117,800	87,390	30,410
Unemployment Insurance	13,500	8,071	5,429
Worker's Compensation	2,000	1,712	288
Social Security	26,500	25,869	631
IMRF Contribution	<u>23,000</u>	<u>21,890</u>	<u>1,110</u>
Total Personnel Services	<u>529,400</u>	<u>482,633</u>	<u>46,767</u>
Contractual Services			
Building Maintenance	28,350	18,759	9,591
Service Equipment Maintenance	18,000	7,401	10,599
Service Grounds Maintenance	3,000	395	2,605
Professional Service	40,350	26,977	13,373
Postage	500	234	266
Telephone	10,000	8,598	1,402
Advertising	10,000	4,800	5,200
Publishing And Printing	1,000	861	139
Dues And Subscriptions	1,000	459	541
Travel Allowance	3,000	205	2,795
Conferences and Meetings	5,000	795	4,205
Utilities	18,500	12,034	6,466
Credit Card Fees	3,000	2,304	696
General Insurance	<u>6,000</u>	<u>5,443</u>	<u>557</u>
Total Contractual Services	<u>147,700</u>	<u>89,265</u>	<u>58,435</u>

JOLIET TOWNSHIP

Required Supplementary Information - Budgetary Comparison Information

Animal Control Fund

Schedule Of Revenues, Expenditures And Changes In Fund

Balance - Budget And Actual

For The Year Ended March 31, 2017

	Original & Final Budget	Actual On GAAP Basis	Variance From Final Budget Positive (Negative)
Expenditures (continued)			
Commodities			
Office Supplies	\$ 12,000	\$ 5,976	\$ 6,024
Operating Supplies	8,500	3,896	4,604
Animal Care Supplies	22,750	11,916	10,834
Food And Drugs	15,000	9,554	5,446
Volunteer Supplies	1,000	374	626
Uniforms	3,500	1,693	1,807
Gas And Oil	15,000	5,376	9,624
Total Commodities	<u>77,750</u>	<u>38,785</u>	<u>38,965</u>
Capital Outlay			
Equipment	53,100	47,910	5,190
Capital Improvements	93,900	7,325	86,575
Total Capital Outlay	<u>147,000</u>	<u>55,235</u>	<u>91,765</u>
Miscellaneous	<u>5,000</u>	<u>1,159</u>	<u>3,841</u>
Contingency	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Animal Control Center	<u>916,850</u>	<u>667,077</u>	<u>249,773</u>
Veterinary Services Escrow			
Contractual Services			
Refunds	<u>2,000</u>	<u>1,044</u>	<u>956</u>
Total Contractual Services	<u>2,000</u>	<u>1,044</u>	<u>956</u>
Total Veterinary Services Escrow	<u>2,000</u>	<u>1,044</u>	<u>956</u>
Total Expenditures	<u>918,850</u>	<u>668,121</u>	<u>250,729</u>

JOLIET TOWNSHIP
 Required Supplementary Information - Budgetary Comparison Information
 Animal Control Fund
 Schedule Of Revenues, Expenditures And Changes In Fund
 Balance - Budget And Actual
 For The Year Ended March 31, 2017

	<u>Original & Final Budget</u>	<u>Actual On GAAP Basis</u>	<u>Variance From Final Budget Positive (Negative)</u>
Expenditures (continued)			
Excess (Deficiency) Of Revenue Over Expenditures	\$ (589,450)	\$ (355,067)	\$ 234,383
Other Financing Sources (Uses) Transfers In	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ (239,450)</u>	(5,067)	<u>\$ 234,383</u>
Fund Balance, Beginning Of Year		<u>584,189</u>	
Fund Balance, End Of Year		<u>\$ 579,122</u>	

JOLIET TOWNSHIP
Notes to the Required Supplementary Information
March 31, 2017

Legal Compliance and Accountability – Budgets

The Township follows these procedures in establishing the budgetary data reflected in the combined financial statements:

1. The Supervisor and Accountant will submit a proposed budget for the fiscal year commencing April 1, to the Board at a regular or special meeting that will be held prior to June 1. The budget includes proposed expenditures and the means of financing them.
2. A public meeting is held to permit a review of the budget.
3. The budget is available for public inspection for at least 30 days prior to passage by the Board.
4. The budget is legally enacted through passage of an appropriation ordinance.
5. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds through an internal reporting basis. Unexpended appropriations lapse at March 31 each year.
6. Estimated revenues included in the combined financial statements are based on estimated cash collections for the period.

The budget and the accounting records are maintained on the modified accrual basis of accounting as provided by GAAP.

Line item budget transfers cannot exceed 10% of each individual budget. Budgetary expenditure changes increasing the total budget can only be made after the complete hearing process, and where additional revenue is expected to become available to cover these expenditures. The budget was adopted by the Board on May 23, 2016. However, line transfers of appropriations that did not exceed 10% of the original budget have been done, and such transfers are included in the budget numbers.

JOLIET TOWNSHIP

SCHEDULES OF OTHER INFORMATION - IMRF
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Calendar year ending December 31,	Last 10 Calendar Years									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
	(schedule to be built prospectively from 2015)									
Total Pension Liability										
Service Cost	173,579	161,058								
Interest on the Total Pension Liability	601,367	576,510								
Benefit Changes	-	-								
Difference between Expected and Actual Experience	(221,275)	16,475								
Assumption Changes	-	-								
Benefit Payments and Refunds	<u>(419,341)</u>	<u>(438,420)</u>								
Net Change in Total Pension Liability	134,330	315,623								
Total Pension Liability - Beginning	<u>8,141,106</u>	<u>7,825,483</u>								
Total Pension Liability - Ending (a)	<u>8,275,436</u>	<u>8,141,106</u>								
Plan Fiduciary Net Position										
Employer Contributions	108,898	117,970								
Employee Contributions	72,065	71,353								
Pension Plan Net Investment Income	570,672	41,952								
Benefit payments and Refunds	(419,341)	(438,420)								
Other	<u>(89,191)</u>	<u>(40,577)</u>								
Net Change in Plan Fiduciary Net Position	243,103	(247,722)								
Plan Fiduciary Net Position - Beginning	<u>8,267,166</u>	<u>8,514,888</u>								
Plan Fiduciary Net Position - Ending (b)	<u>8,510,269</u>	<u>8,267,166</u>								
Net Pension Liability (Asset) - Ending (a) - (b)	(234,833)	(126,060)								
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.84%	101.55%								
Current Valuation Payroll	1,601,445	1,585,614								
Net Pension Liability as a Percentage of Covered Valuation Payroll	-14.66%	-7.95%								

JOLIET TOWNSHIP

SCHEDULE OF EMPLOYER CONTRIBUTIONS - IMRF

MOST RECENT CALENDAR YEAR

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	117,970	117,970	-	1,585,614	7.44%
2016	108,898	108,898	-	1,601,445	6.80%

JOLIET TOWNSHIP

NOTES TO SCHEDULE OF CONTRIBUTIONS - IMRF

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2016 CONTRIBUTION RATE*

Valuation Date

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-taxing bodies: 10- year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees , an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees , an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives . For active members , an IMRF specific mortality table was used with fully generational projection s cale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation.

JOLIET TOWNSHIP

Senior Citizen's Fund

Schedule Of Revenues, Expenditures And Changes In Fund

Balance - Budget And Actual

For The Year Ended March 31, 2017

	Original & Final Budget	Actual On GAAP Basis	Variance From Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 131,912	\$ 131,961	\$ 49
Interest Income	400	546	146
Total Revenues	<u>132,312</u>	<u>132,507</u>	<u>195</u>
Expenditures			
Contractual Services			
Audit	375	375	-
Printing And Publishing	500	134	366
Senior Programs	130,000	125,845	4,155
Total Contractual Services	<u>130,875</u>	<u>126,354</u>	<u>4,521</u>
Seniors Grant	125,000	125,000	-
Miscellaneous Expenditures	1,000	-	1,000
Contingency	2,000	-	2,000
Total Expenditures	<u>258,875</u>	<u>251,354</u>	<u>7,521</u>
Excess (Deficiency) Of Revenue Over Expenditures	(126,563)	(118,847)	(7,326)
Other Financing Sources (Uses)			
Transfers In	125,000	125,000	-
Net Change In Fund Balance	<u>\$ (1,563)</u>	\$ 6,153	<u>\$ (7,326)</u>
Fund Balance, Beginning Of Year		<u>85,881</u>	
Fund Balance, End Of Year		<u>\$ 92,034</u>	

JOLIET TOWNSHIP
Schedule of Assessed Valuations, Tax Rates
Extensions And Collections
Last Four Tax Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed Valuations	\$1,058,516,594	\$1,011,992,830	\$ 999,806,745	\$1,039,447,498
Tax Rates				
General Town Fund	0.1995	0.2086	0.1991	0.1855
General Assistance Fund	0.0375	0.0392	0.0466	0.0460
Road And Bridge Fund	0.1481	0.1530	0.1517	0.1429
Senior Citizen Fund	<u>0.0126</u>	<u>0.0131</u>	<u>0.0130</u>	<u>0.0123</u>
	<u>0.3977</u>	<u>0.4139</u>	<u>0.4104</u>	<u>0.3867</u>
Tax Extensions				
General Town Fund	\$ 2,111,741	\$ 2,111,017	\$ 1,990,615	\$ 1,928,175
General Assistance Fund	396,944	396,701	465,910	478,146
Road And Bridge Fund	900,381	890,838	873,990	855,792
Senior Citizen Fund	<u>133,373</u>	<u>132,571</u>	<u>129,975</u>	<u>127,852</u>
	<u>\$ 3,542,439</u>	<u>\$ 3,531,127</u>	<u>\$ 3,460,490</u>	<u>\$ 3,389,965</u>
Tax Collections	<u>\$ -</u>	<u>\$ 3,512,050</u>	<u>\$ 3,441,413</u>	<u>\$ 3,379,124</u>
Percentage Of Extensions Collected				
During Fiscal Year	<u>0.00%</u>	<u>99.46%</u>	<u>99.45%</u>	<u>99.68%</u>

Note - Tax rates are per \$100 assessed valuation

JOLIET TOWNSHIP

Schedule of Legal Debt Margin

March 31, 2017

Assessed Valuation - 2016	1,058,516,594
Debt Limitation Percentage	2.875%
Debt Limitation	<u>30,432,352</u>
Total Bonded Indebtedness Subject to Debt Limitation Provisions	-
Other Indebtedness Subject to Debt Limitation Provisions	
Leases	<u>77,402</u>
Total Indebtedness Subject to Debt Limitation Provisions	<u>77,402</u>
Legal Debt Margin	<u><u>30,354,950</u></u>

JOLIET TOWNSHIP

Schedule of Investments Owned

March 31, 2017

<u>Bank</u>	<u>Cost</u>	<u>Interest Rate</u>
GENERAL TOWN FUND		
First Community Bank		
Money Market Account	118,554	0.420%
Money Market Account	714,860	0.420%
First Midwest Bank		
Money Market Account	572,903	0.480%
Illinois Funds		
LGIP	<u>384,718</u>	Variable
Total	<u>1,791,035</u>	
GENERAL ASSISTANCE FUND		
First Community Bank		
Money Market Account	399,942	0.420%
Illinois Funds		
LGIP	<u>350,214</u>	Variable
Total	<u>750,156</u>	
ROAD AND BRIDGE FUND		
First Community Bank		
Money Market Account	473,448	0.420%
Illinois Funds		
LGIP	<u>297,186</u>	Variable
Total	<u>770,634</u>	
ANIMAL CONTROL FUND		
First Community Bank		
Money Market Account	304,964	0.420%
Illinois Funds		
LGIP	<u>250,153</u>	Variable
Total	<u>555,117</u>	
SENIOR CITIZEN'S FUND		
Money Market Account	8,805	0.420%
Illinois Funds		
LGIP	<u>60,049</u>	Variable
	<u>68,854</u>	
Total All Funds	<u>\$ 3,935,796</u>	