

Village of Channahon
**POPULAR ANNUAL
FINANCIAL REPORT**
2022

Channahon, Illinois
Fiscal Year Ended April 30, 2022





Message from the Mayor

Dear Residents and Businesses of Channahon,

The Village of Channahon is proud to present the Popular Annual Financial Report (PAFR) for the fiscal year ending April 30, 2022.

Our intent with the PAFR is to provide our residents with easily accessible, reliable information about where the Village's revenues come from and where those dollars are spent. This report provides highlights of the Village's finances from the previous fiscal year by taking information from our recently completed Annual Comprehensive Financial Report and summarizing it in an easy to comprehend format.

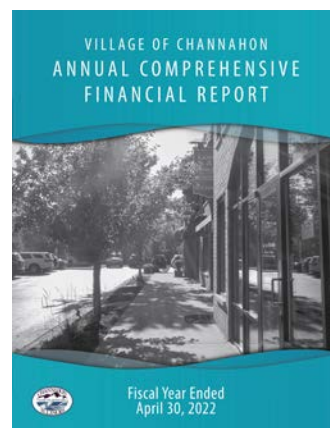
In addition to providing an overview of the Village's financial position, this report demonstrates what makes Channahon a fantastic place for people to plant their roots. The Village is home to nearly 14,000 residents, six school districts, and a wide range of diverse businesses. The PAFR demonstrates the importance of municipal government supporting these activities and creating the safe environment that exists in the Village.

As elected officials, we are committed to preserving the Village's long-term financial health, maintaining effective communication with our residents and businesses, and having a transparent and responsible government. We hope this report gives you a greater understanding of how we continuously strive to achieve one overarching goal: to improve the lives of all of our residents with thoughtful, sustainable growth.

Respectfully,

Missey Moorman Schumacher
Village President

The financial data highlighted in the **Popular Annual Financial Report (PAFR)** is designed to provide a summary view of the Village's financial activities for fiscal year 2021-2022. Information included in this report can be found in greater detail in the **fiscal year 2022 Annual Comprehensive Financial Report (ACFR)** located at Channahon.org/AnnualReport2022.



ABOUT CHANNAHON

The Village of Channahon's history dates back to when the Pottawatomie Indians who first settled here called the area Channahon, meaning "Meeting of the Waters."

Channahon grew along the I&M Canal at the intersection of three rivers - the Des Plaines, Kankakee and DuPage - that flow together to form the Illinois River. In 1836, construction began on the I&M Canal and Channahon became the site for one of the original Locktender houses at Lock 6.

These natural features dominate Channahon's landscape today and are prominently highlighted by the various community and state parks, pathways and destinations that Channahon offers its residents and visitors.

As a home-rule municipality with a very strong Aa2 bond rating, Channahon's mission is to continue to strengthen and maintain our Village as a family oriented, attractive community that provides economic diversity, high-quality schools, parks and public services for all of its residents and visitors.



CONTENTS

About Channahon	3
Strategic Goals/ Key Terms	4
Community Snapshot	5
General Fund	6
Revenues & Expenditures	8
Long-Term Debt	9
Water & Sewer Fund	10
Five-Year Capital Plan	11
Dept. Snapshot: Public Safety	12
Looking Ahead	14



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Village of Channahon
Illinois

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2021

Christopher P. Moriel
Executive Director/CEO

GFOA Award

For the **seventeenth consecutive year**, the Village of Channahon was awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for the fiscal year ended April 30, 2021. Additionally, the Village also received its **third consecutive** Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended April 30, 2021. Our commitment to the GFOA award programs is a testament to our belief that sharing financial information in formats consistent with the highest standards in governmental financial reporting is imperative.

For more information on the Government Finance Officers Association and its award programs, please visit www.gfoa.org.

Strategic Goals

1. Preserve Channahon as a wonderful community to work, live and play in.
2. Engage the community with a diversified and compassionate law enforcement agency.
3. Continue the Village's conservative approach to financial decisions.
4. Uphold a high standard of services provided to residents.
5. Maintain the pace of development within the Village guided by the comprehensive plan.



Community Demographics

13,383 Residents
4,744 Households
\$99,429 Median Household Income
\$307,000 Median Housing Value*



Public Works

83 Miles of Roads
1,000 Tons of Salt Used for Snow Removal
1,786,000 Peak Day Water Pumped (Gallons)
778,000 Average Daily Water Pumped (Gallons)
748,000 Average Daily Sewerage Treated (Gallons)



Community Development

3,413 Building Inspections Performed
108 Construction Permits Issued
4,869 Commercial Square Footage Permitted



Police Department

29 Officers
8,147 Calls for Service
211,723 Patrol Miles
2,744 Training Hours

*Combined median sale price of existing and new construction homes for calendar year 2021.

Key Terms

FUNDS

The generally accepted accounting principles (GAAP) basis classification divides funds into three broad fund categories: Governmental, Proprietary, and Fiduciary. This report focuses on the Village's largest or material funds - General, Water & Sewer and Capital Projects.

GENERAL FUND

Accounts for revenues and expenditures for general operations of the Village not required to be accounted for in separate funds.

CAPITAL OUTLAY

Money that is spent to maintain, upgrade, acquire or repair capital assets, or Village-owned property and equipment.

WATER & SEWER FUND

Accounts for the revenues and expenses related to providing a safe, drinkable water supply for domestic and industrial usage, fire protection and for maintaining a dependable system for collecting and treating wastewater of the Village. The fund also accounts for the Village's refuse disposal services.

NET POSITION

The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. A positive net position means the Village has more money available (assets) than it owes (liabilities).

INTERGOVERNMENTAL REVENUES

Revenues such as state and local sales tax, income tax, gaming tax, etc.

Village of Channahon's Top Employers

Employer	Employees	Employer	Employees
1. Amazon.com Services LLC	1,800	6. Brieser Construction	150
2. A&R Logistics	205	7. Aux Sable Liquid Products	150
3. Channahon Grade School District	198	8. Minooka Community High School	141
4. Channahon Park District	193	9. Love's Travel Stops & Country Stores	80
5. Utility Concrete Products, LLC	185	10. Novo Distribution, LLC	69

General Fund

The General Fund is the Village's general operating fund which is responsible for paying for services typically associated with governmental activities such as public safety, street and road maintenance, planning and community development, and the general administration of the Village. The General Fund Balance represents the Village's reserves and nonspendable amounts which are committed for special purposes, and utilized for future expenses and capital.

In Fiscal Year 2022, the General Fund Balance **increased more than \$2.2 million**, or 12.8%. The increase was a result of unanticipated state and federal grant monies and an increase in the total local and municipal sales tax revenues. In addition, several large capital equipment purchases did not occur as a result of supply chain issues and the equipment not being available for purchase.

The Village Board continues to maintain a healthy fund balance for future growth and to be prepared for any unanticipated expenses or for any unforeseen loss of revenue.

Fund Balance – General Fund

	2022	2021	2020
Assets			
Deferred outflows of resources	\$0	\$0	\$0
Liabilities			
Deferred inflows of resources (e.g. property taxes, sales taxes, income taxes)	\$2,837,228	\$2,638,246	\$2,343,807
General Fund Balance	\$19,932,276	\$17,662,964	\$14,854,293

General Fund Trends – Revenues

Source	FY 2022	FY 2021	FY 2020
Property Taxes	\$1,214,683	\$1,257,810	\$1,282,350
Police Pension Taxes	\$973,087	\$882,130	\$822,222
Other Taxes	\$2,479,493	\$1,924,821	\$1,210,703
Intergovernmental Revenues	\$5,309,010	\$5,065,526	\$3,242,618
Licenses & Permits	\$338,760	\$944,518	\$664,531
Fines & Fees	\$105,380	\$139,786	\$132,807
Charges for Services	\$418,297	\$455,858	\$441,268
TIF Payments in Lieu of Taxes	\$210,172	\$211,633	\$204,062
Interest Income	(\$318,301)	\$89,563	\$376,754
Grants & Allotments	\$1,113,329	\$0	\$0
Miscellaneous Revenues	\$577,682	\$1,066,204	\$761,730
GRAND TOTAL	\$12,421,592	\$12,037,849	\$9,139,045

General Fund Trends – Expenditures

Source	FY 2022	FY 2021	FY 2020
General Government*	\$1,250,741	\$1,213,860	\$1,180,688
Contributions to Police Pension Fund	\$973,087	\$882,130	\$822,222
Public Safety	\$4,007,178	\$3,801,152	\$3,631,505
Streets & Bridges	\$1,917,310	\$2,069,351	\$1,367,256
Community Development	\$713,681	\$636,148	\$570,716
Capital Outlay**	\$1,795,539	\$1,389,933	\$1,099,761
Debt Service	\$441,101	\$442,451	\$437,885
GRAND TOTAL	\$11,098,637	\$10,435,025	\$9,110,033

*Includes the following departments: Administration, Finance, and Emergency Management

**Includes various capital projects or capital items such as vehicles and equipment for public safety and other departments.

The Village is responsible for collecting funds to pay for the services that are provided to the residents and businesses. These sources of funds, or revenues, are typically raised through fees, charges, grants, and taxes. The Village takes pride in conservatively spending those revenues each year to provide excellent services to the community.

The Village had another successful fiscal year with General Fund revenues exceeding the prior year by \$0.4 million or 3.2% despite the low interest rates and continued decrease in interest income from the past two fiscal years. The Village continued to see development growth with over 100 residential homes built and several new businesses joining the community and constructing new buildings. The Village saw an increase in the Equalized Assessed Value (EAV) in both Will and Grundy counties, which demonstrates growth and an increased value within the municipality.

General Fund expenditures increased \$0.7 million or 6.4%. Rising costs, additional staff, and capital projects contributed to the increase in expenditures in the current fiscal year. Expenditures are constantly monitored and reviewed to ensure proper use of municipal funds.

Where does the money come from?

42.7%

Intergovernmental Revenues

The Village receives various state and federal grants throughout the fiscal year.

20.0%

Other Taxes

State and local sales tax, income and local use tax, gaming tax, cannabis tax, fuel and diesel tax.

9.8%

Property Taxes - Village

The Village collects approx. 6.9% of total property taxes paid by residential, commercial and industrial parcels.

9.0%

Grants & Allotments

State and Federal grants received to offset expenses related to infrastructure, capital projects, and safety equipment.

7.8%

Property Taxes - Police Pension

A portion of the property taxes that the Village levies is designated for the current and future payments related to the Police Pension Fund.

6.9%

Licenses, Permits & Related Fees

Revenues related to various licenses, permits, fines and fees, and charges for services.

3.8%

Interest Income & Other Revenues

Interest income on various checking, money market and investment accounts, in addition to misc. revenues from other sources.

Where does the money go?

36.1%

Public Safety

24/7 police response provided to the community.

20.0%

General Government

General government administration.

17.3%

Streets & Bridges

Funds used to maintain and improve upon the Villages streets and bridges.

16.2%

Capital Outlay

Capital project costs related to equipment, vehicles, infrastructure, etc.

6.4%

Community Development

Village planning and development services.

4.0%

Debt Service

Payment for outstanding debt balances initiated by significant bonds previously issued for capital and infrastructure expenses.



The Village has approximately \$8.1 million of General Obligation bonds outstanding and approximately \$11.4 million of Illinois Environmental Protection Agency (IEPA) loans outstanding.

The following is a summary of the Village's outstanding debt as of April 30, 2022.

GENERAL OBLIGATION BOND RATINGS

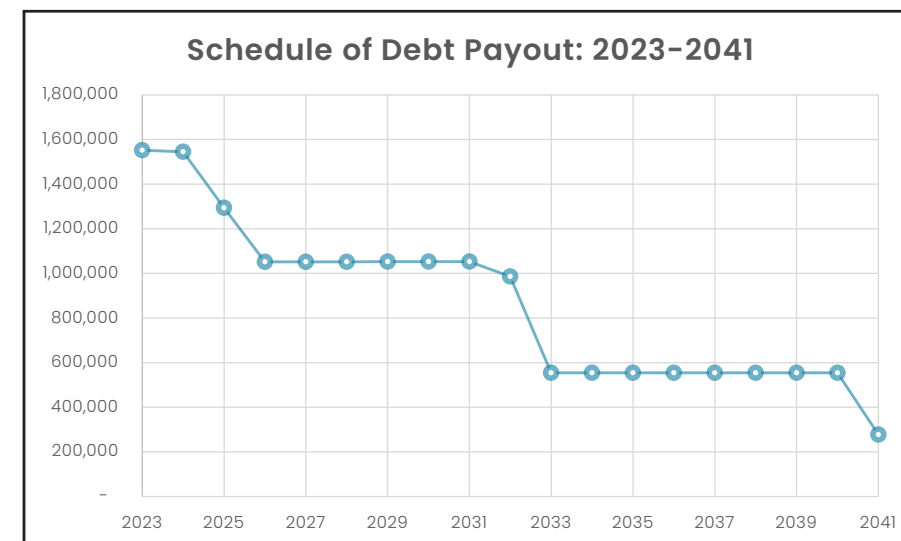
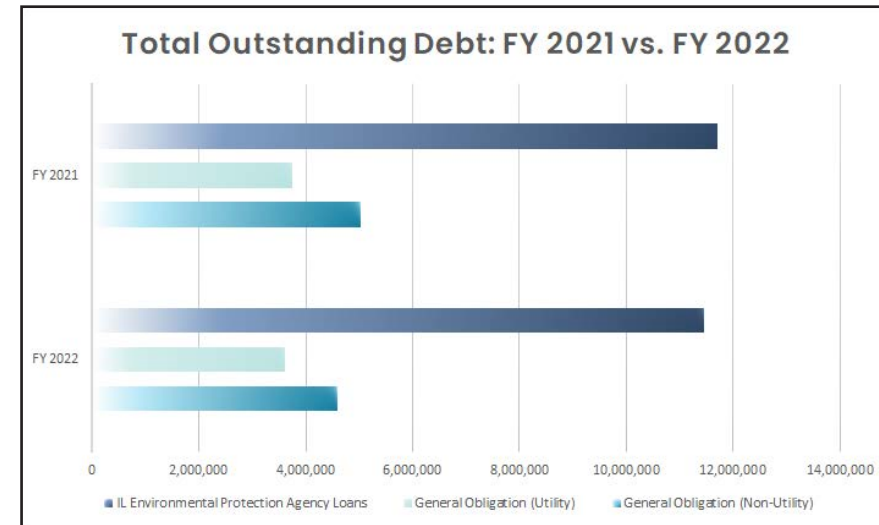
MOODY'S
Aa2
(very strong)

The Village's bond ratings reflect a very strong ability to fulfill its debt obligations on an annual basis. Maintaining a solid credit rating is a great marketing tool to attract developers, businesses, and future residents. It demonstrates a fiscally responsible municipality.

FY 2022 Total Outstanding Debt

23.3%	General Obligation - Non-Utility	\$4,584,300
18.3%	General Obligation - Utility	\$3,606,237
58.3%	IEPA* Loans - Utility	\$11,461,993
	Total Outstanding Debt	\$19,652,530

*Illinois Environmental Protection Agency



A majority of the Village's outstanding debt is related to utility infrastructure. Several utility improvements have been made over the past few years, including the expansion of the Village's wastewater treatment plant, new water and sewer main construction in development areas, and other various utility infrastructure-related projects. The Village maintains ample reserves in both the General and Utility funds to cover future principal and interest debt payments.

Long-Term Debt

Water & Sewer Fund



Water & Sewer Fund Revenues Trends

Source	FY 2022	FY 2021
Water & Sewer Billings	\$3,494,049	\$3,279,722
Water Meters	\$49,717	\$59,348
Water System Recapture	\$33,650	\$17,330
Water & Sewer Tap/Turn-On Fees	\$877,576	\$1,511,797
Refuse Disposal	\$1,162,363	\$1,098,231
Grants	\$0	\$48,039
Miscellaneous Income	\$211,760	\$272,930
GRAND TOTAL	\$5,829,115	\$6,287,397

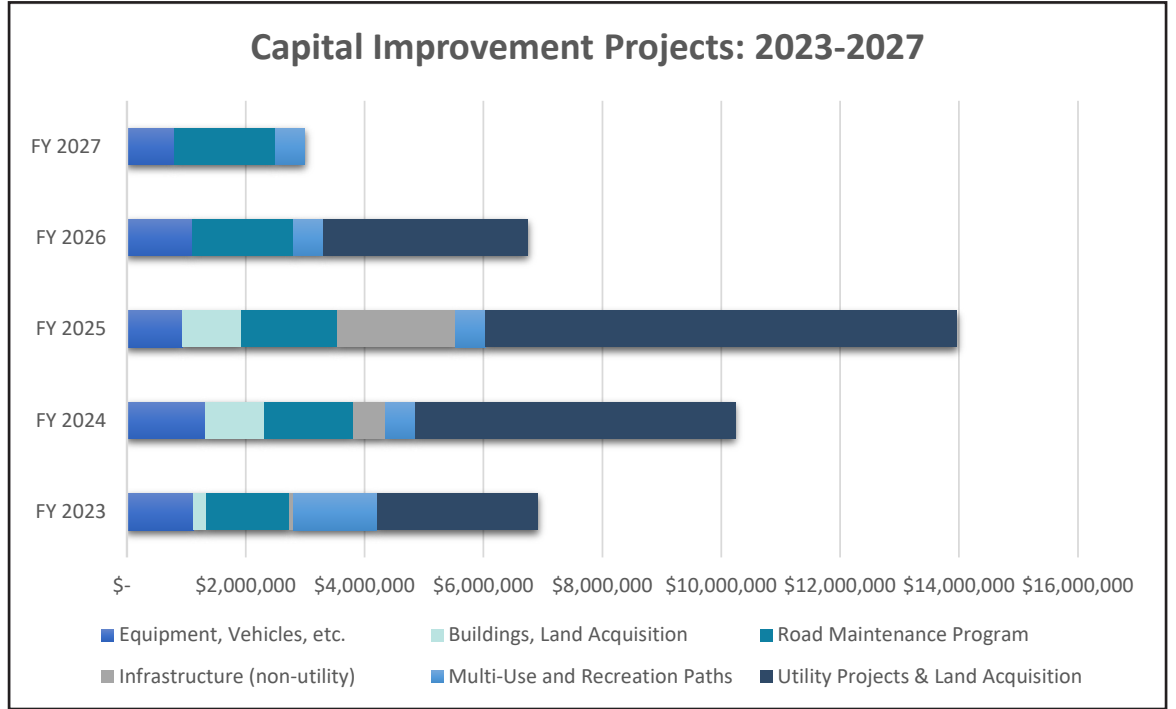
Water & Sewer Fund Expenditures Trends

Source	FY 2022	FY 2021
Salaries & Employee Benefits	\$953,914	\$1,080,462
Legal & Professional Fees	\$7,435	\$87,183
Engineering Fees	\$175,471	\$83,426
Sewage Transportation	\$226,371	\$184,511
Refuse Removal Contract	\$1,082,658	\$1,026,017
Utilities	\$419,597	\$442,855
Billing & Office	\$58,290	\$83,274
Repair & Maintenance	\$629,394	\$333,532
Depreciation	\$1,791,967	\$1,679,315
Chemical Supplies & Testing	\$74,172	\$52,610
Miscellaneous Expenses	\$34,792	\$6,668
GRAND TOTAL	\$5,454,061	\$5,059,853

The Village's Water & Sewer Fund net position increased by approximately \$3.8 million, or 9.3%. Total revenues decreased by approximately \$0.5 million, or 7.9%, due to a reduction in water and sewer tap on and turn on fees. This was as a result of the Village not having a large industrial building permitted in the fiscal year.

The Village Board voted to join the Grand Prairie Water Commission which will supply Lake Michigan water to Channahon residents by the year 2030. The Water & Sewer utility fund will see significant changes in the next several years related to revenues and expenditures due to the construction of infrastructure to support this project.

A Capital Improvement Plan (CIP) for Fiscal Years 2023-2027 was approved by the Village Board. The CIP is intended to operate in conjunction with the annual budget process. Previously, this document had been prepared and utilized by the Village, but during the downturn of the economy, the preparation of this document was placed on hold since most capital expenses were not included in the budgets.



Water & Sewer Fund – Net Position

	FY 2022	FY 2021
Assets	\$57,367,047	\$54,836,919
Deferred outflows of resources	\$39,126	\$256,118
Liabilities	\$11,886,878	\$13,503,136
Deferred inflows of resources (e.g. property taxes, sales taxes, income taxes)	\$476,610	\$392,949
Water & Sewer Fund Net Position	\$45,042,685	\$41,196,952

During the annual budgeting process, staff identifies future capital improvement projects, equipment, and infrastructure needs. Each capital item is evaluated and prioritized by staff and combined into the Five-Year CIP document and assigned a rank of importance which spans from high, moderate, or low.

Quarterly meetings are held by Village staff to update the current fiscal year capital projects and to discuss the future or any new capital needs that have been identified. The Village Board approves the CIP document prior to the annual budget process. To view the full 2023-2027 Capital Improvement Plan, please visit www.channahon.org/CapitalImprovementPlan.

Five-Year Capital Plan

Department Snapshot

Public Safety

The Channahon Police Department and its members are dedicated to the community in striving to build and maintain the greatest level of trust and confidence of our citizens. Through positive partnerships with the Village's citizens and businesses, the Channahon Police Department commits to serve the community with the highest standards of honor, integrity and professionalism to protect life, property and environment.

As a state-accredited organization, the Channahon Police Department is dedicated to the community in striving to build and maintain the greatest level of trust and confidence of its citizens. Led by Chief Shane Casey, the department is comprised of various divisions, including:

- Administration
- Community Relations
- Domestic Violence
- Investigations
- Patrol
- Records
- School Resources



The Channahon Police Department is currently staffed by 27 sworn members, three civilian records clerks, and one Community Service Officer. The Channahon Police Department is led by Chief of Police Shane Casey (appointed Dec. 2017) and two Deputy Chiefs of Police: Deputy Chief of Patrol Adam Bogart, and Deputy Chief of Administrations and Investigations Craig Gunty. The patrol division consists of four 12-hour shifts (two day shifts from 6 a.m. to 6 p.m., and two night shifts from 6 p.m. to 6 a.m.). Each shift is currently staffed with a Patrol Sergeant and three to four patrol officers. The investigations division is staffed by Det. Sgt. Matt Brooks and two investigators. In addition, the department has a full-time School Resource Officer at the South Campus of Minooka High School, and one officer attached to the Grundy County Proactive Unit.

The department has also assigned members to area task forces, including ILEAS Mobile Field Force and Weapons of Mass Destruction team. Detectives are assigned to the Will/Grundy Major Crimes Task Force, and Deputy Chiefs Bogart and Gunty are trained in Internet Crimes Against Children (ICAC).

In the fall of 2016, the Channahon Police Department added its first police K9 with the addition of K9 Hutch. Sergeant Carlson is assigned as his handler, and Hutch is certified in tracking, article searches and narcotics detection.



CHANNAHON POLICE OATH OF HONOR

On my honor, I will never betray my badge, my integrity my character or the public trust.

I will always have the courage to hold myself and others accountable for our actions.

I will always uphold the Constitution, my community and the agency I serve.



The Channahon Police Department has been an ILEAP accredited agency since January 2010. Having taken an active role in community policing initiatives, the department has maintained successful programs such as National Night Out, Citizens Police Academy, Neighborhood Watch and Police Cadet programs. The Channahon Police have an active Citizens Police Academy alumni program which together volunteer time and services to assist in the mission of the organization. Officers have also been assigned on a part-time basis as School Resource Officers to the Channahon grade schools - teaching classes, conducting drills and working with faculty to foster strong relationships. With these community programs and officer initiatives, the Village of Channahon has consistently ranked as one of the safest cities in the state of Illinois, and top 100 safest cities in the nation over the past several years.



Looking Ahead

The economic outlook for the Village of Channahon is a positive one. The Village of Channahon is, has been and will continue to experience growth. The pace of development continues to increase in the Village, and the overall interest in investing in the community is expected to continue in upcoming years. Our goal for the future is to account for that continued growth while also remaining conservative in nature. This positive growth is a result of sound fiscal management by staff, the Village's conservative approach to budgeting and thoughtful consideration related to all decisions made by the Village Board. Channahon continues to be a community in which people want to live, work and play.



ACKNOWLEDGEMENTS

This report and the information contained herein has been prepared with the help of the Village's Administrator, Finance Department staff and the cooperation of each Village department. The guidance, support and leadership provided by the Mayor and Board of Trustees in the preparation of this report are all recognized and greatly appreciated.

The information contained in the PAFR is a general overview of the Village's finances. Questions or requests for additional information may be addressed to **Finance Director Heather Wagonblott** at **(815) 467-6644**, **hwagonblott@channahon.org** or to:

Village of Channahon
Finance Department
24555 S. Navajo Drive
Channahon, IL 60410







Village of Channahon
24555 S. Navajo Drive
Channahon, IL 60410
(815) 467-6644
www.channahon.org

FOLLOW US!

 @channahon

 @vochannahon

 @village_of_channahon