



**PA  
FR**

**POPULAR  
ANNUAL  
FINANCIAL  
REPORT**

FISCAL YEAR ENDED APRIL 30, 2023 | VILLAGE OF CHANNAHON, ILLINOIS



# Message from the Mayor



Dear Residents and Businesses of Channahon,

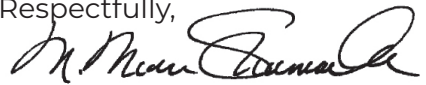
As part of the Village's ongoing efforts to promote financial transparency, the Village of Channahon is pleased to present its Popular Annual Financial Report (PAFR) for the fiscal year ending April 30, 2023.

The PAFR is intended to summarize and clearly present the highlights of the Fiscal Year 2023 Annual Comprehensive Financial Report (ACFR) with the goal of making Village finances more accessible to all Channahon residents and taxpayers. Village staff is dedicated to creating clear and effective budgeting and financial documents. The PAFR is designed to be a useful tool for residents interested in learning about Village finances, regardless of their background in financial accounting and reporting.

The ACFR was prepared following generally accepted accounting principles. The Village's ACFR for the fiscal year ending April 30, 2023 has been given an unmodified or clean opinion from the outside audit firm Miller Cooper & Co., Ltd., which was engaged to perform the required annual financial audit of the Village.

The Village is home to nearly 14,000 residents, six school districts, and a wide range of diverse businesses. In addition to providing an overview of the Village's financial position, the PAFR demonstrates what makes Channahon a fantastic place to live, work and call home. This report highlights 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 thank you for your interest in the Village's fiscal health, and we hope this report gives you a greater understanding of how we continuously strive to achieve our overarching goal: to improve the lives of all of our residents with sustainable, thoughtful 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 ending April 30, 2023. Information included in this report can be found in greater detail in the **fiscal year 2023 ACFR** via the QR code here or at [www.Channahon.org/AnnualReport2023](http://www.Channahon.org/AnnualReport2023).



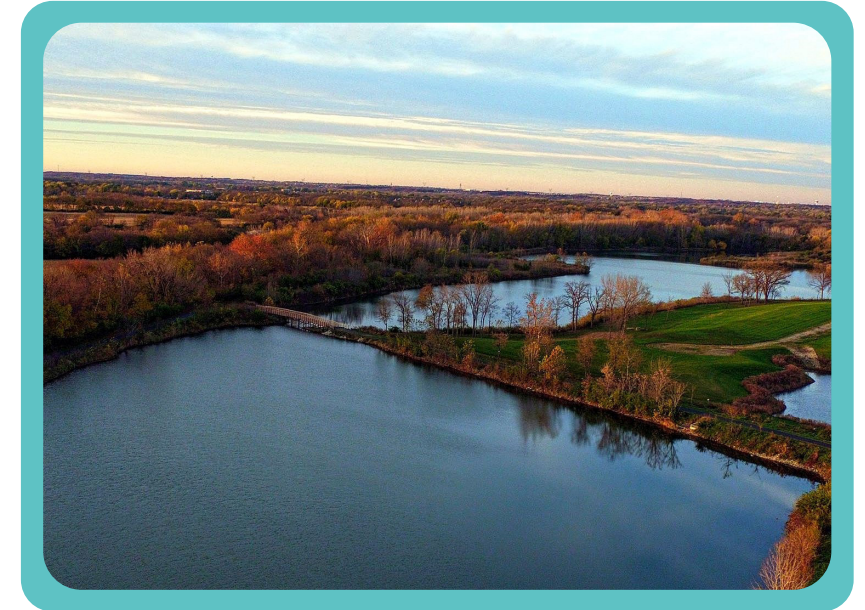
# Channahon at a Glance

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.

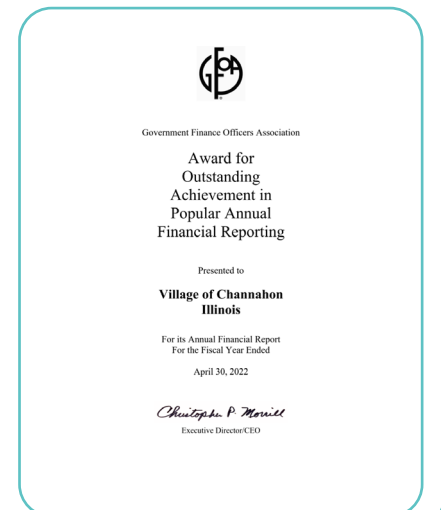
As a home-rule municipality with a very strong Aa2 bond rating, Channahon's mission is to continue to strengthen and maintain our Village as a family-oriented, attractive community that provides economic diversity, high-quality schools, parks, and public services for all of its residents and visitors.



## GFOA Award

For the **eighteenth 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, 2022. Additionally, the Village also received its **fourth consecutive** Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended April 30, 2022. 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](http://www.gfoa.org).



## CONTENTS

- Channahon at a Glance 3
- Community Snapshot 4
- Organizational Structure 6
- Fiscal Year 2023
- Financial Highlights 7
- Financial Results:
- Fund Financials General Fund 8
- Long-Term Debt 10
- Property Taxes at a Glance 11
- Water & Sewer Fund 12
- Five-Year Capital Plan 13
- Looking Ahead 14
- Glossary of Key Terms 15

# Community Snapshot

FY 2023



13,383

Residents

Source: U.S. Census Bureau



83

Miles of Roads Maintained

37

Ordinances Adopted

### Top Employers

1. Amazon.com Services LLC
2. A&R Logistics, Inc.
3. Channahon Grade School District 17
4. Channahon Park District
5. Utility Concrete Products, LLC
6. Minooka Community High School District 201
7. Brieser Construction
8. Aux Sable Liquid Products
9. Love's Travel Stops & Country Stores
10. Doka

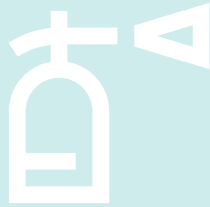
30

Police Officers



2

Fire Stations



### Assessed Property Valuations

Residential Property - \$390.8 million  
 Farm Property - \$2.1 million  
 Non-Farm Property - \$2451. million

Total - \$638.0 million

\$105,156

Median Household Income (2020)

Source: U.S. Census Bureau

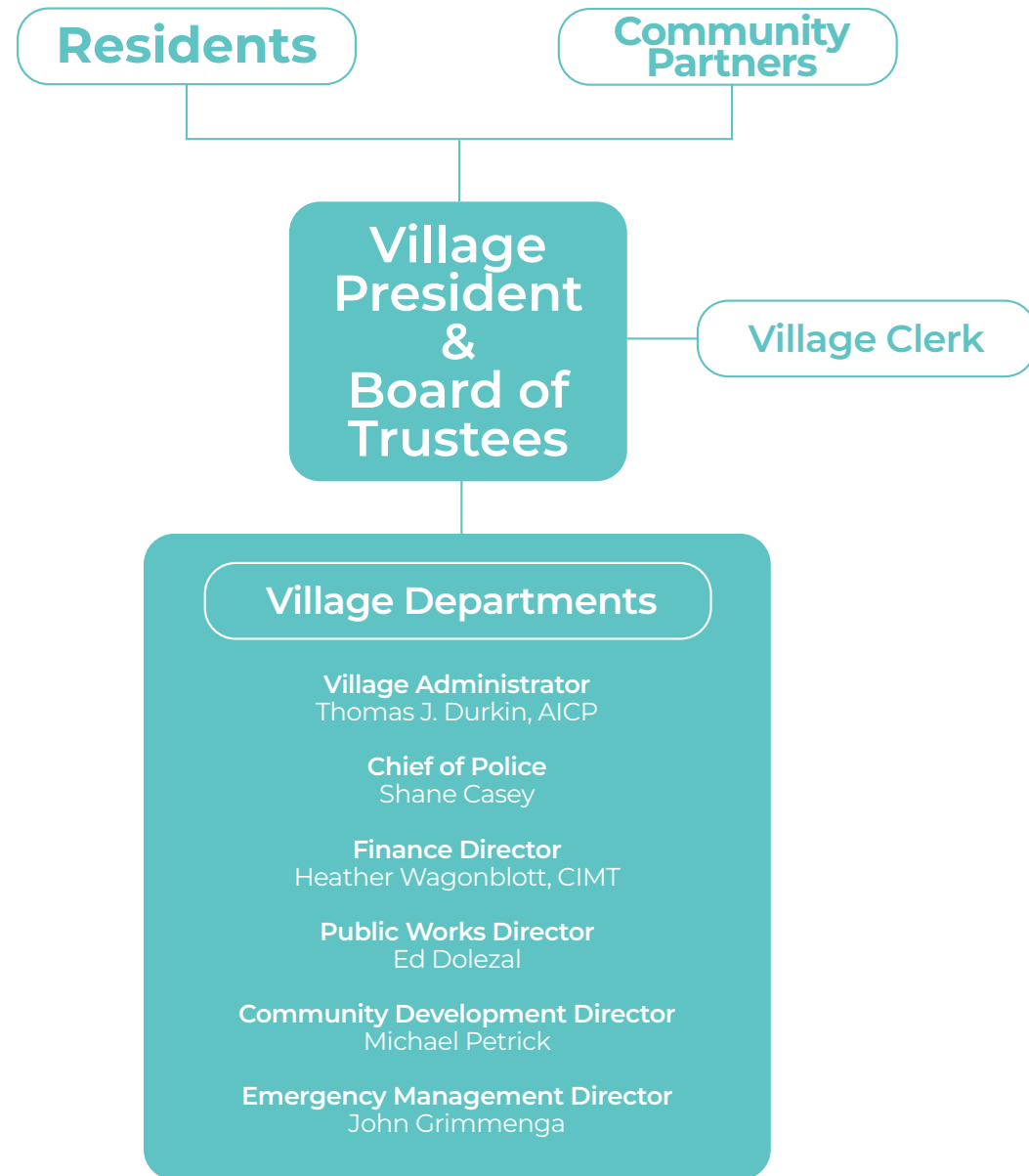


37.7 years  
 Median Age (2020)

Source: U.S. Census Bureau



# Organizational Structure



## 69 Village of Channahon Employees

5	Administration	Full-Time
30	Police	29 Full-Time, 1 Part-Time
5	Finance	Full-Time
22	Public Works	Full-Time
6	Community Development	5 Full-Time, 1 Part-Time
1	Emergency Management	Part-Time

**66** Full-Time  
**3** Part-Time

# Fiscal Year 2023 Financial Highlights

## Fund Balance - General Fund

	2023	2022	2021
<b>Assets</b>			
Deferred outflows of resources	\$31,022,646	\$23,531,318	\$21,218,068
	-	-	-
<b>Liabilities</b>			
Deferred inflows of resources (e.g. property taxes, sales taxes, income taxes)	\$1,391,548	\$761,814	\$916,858
	\$3,356,919	\$2,837,228	\$2,638,246
<b>General Fund Balance</b>	<b>\$26,274,179</b>	<b>\$19,932,276</b>	<b>\$17,662,964</b>

The General Fund Balance represents the Village's reserves and nonspendable amounts which are committed for special purposes, and utilized for future expenses. The ACFR for the fiscal year ending April 30, 2023 reported a **\$6.3 million, or 31.8% increase** in the General Fund Balance.

The contributing factors to the current fiscal year's increased General Fund Balance can be attributed to increased state, local, and municipal sales tax revenues and a significant increase in interest income as a result of the current economy. Several capital vehicles and equipment were not available for delivery during the fiscal year as a result of supply chain delays. The funds intended to be spent on the budgeted capital items remain in the fund in anticipation of payment in the upcoming fiscal year.

The Village Board continues to maintain a healthy fund balance for future growth and financial stability in the event of any unanticipated loss of revenues or unanticipated expenses. Fund reserves are continuously monitored and available for future operating, capital or infrastructure expenses. Fund reserves are also invested conservatively, with the intent of maximizing interest income, in a diversified manner.

## Sales Tax Revenues

Sales tax revenues are the largest source of funding for the General Fund. Sales taxes have increased for the Village as a result of **development** and **significant growth** within the community.

	2023	2022	2021
State & Local Sales Tax Revenue	\$5,719,822	\$4,377,326	\$3,315,898
Total General Fund Revenues	\$14,969,266	\$12,421,592	\$12,037,849
Sales Tax as a % of Total Revenues	38.2%	35.2%	27.5%

# Financial Results: Fund Financials

## General Fund

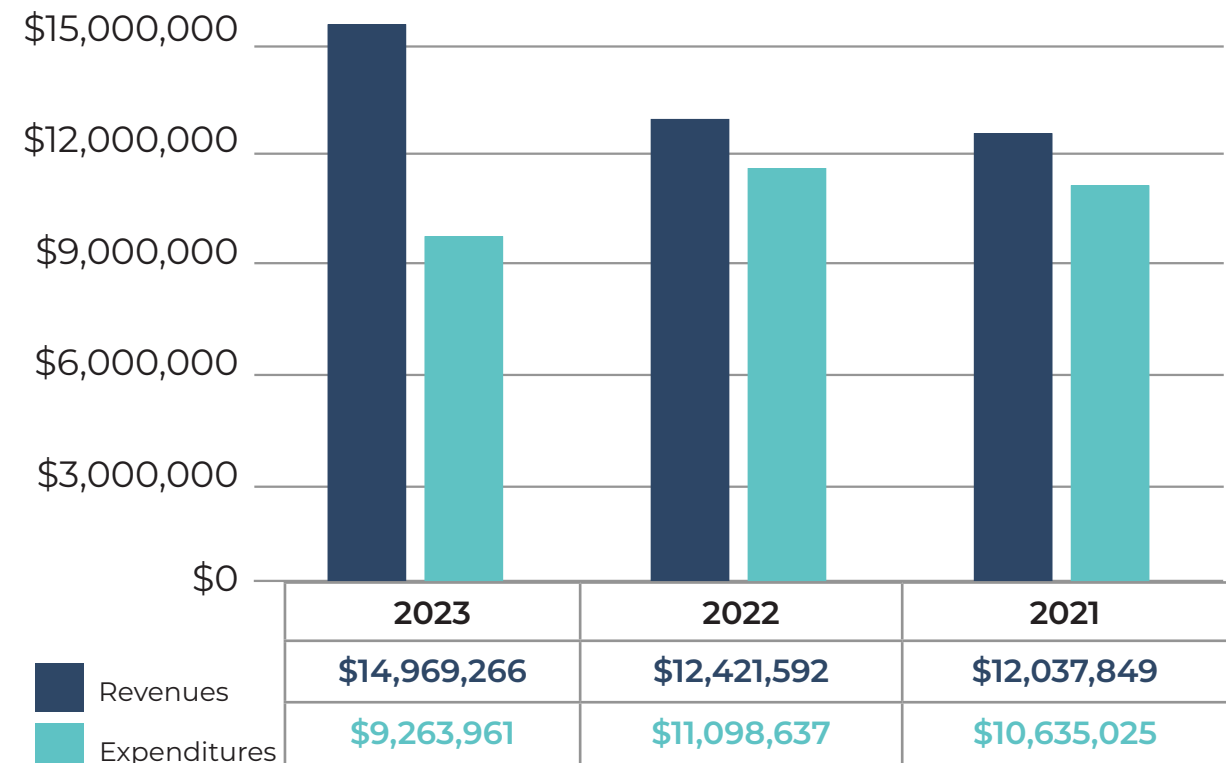
The General Fund is the Village's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund. General Fund expenses are largely supported by revenue from taxes and fees.



### 73% Dedicated Funds

- 47%** Water & Sewer Fund
- 15%** Other Funds  
Includes Fiduciary Funds such as Police Pension and a Custodial Fund.
- 9%** Special Revenue Funds
- 2%** Capital Project Funds

### General Fund Revenues and Expenditures: Three-Year Trend

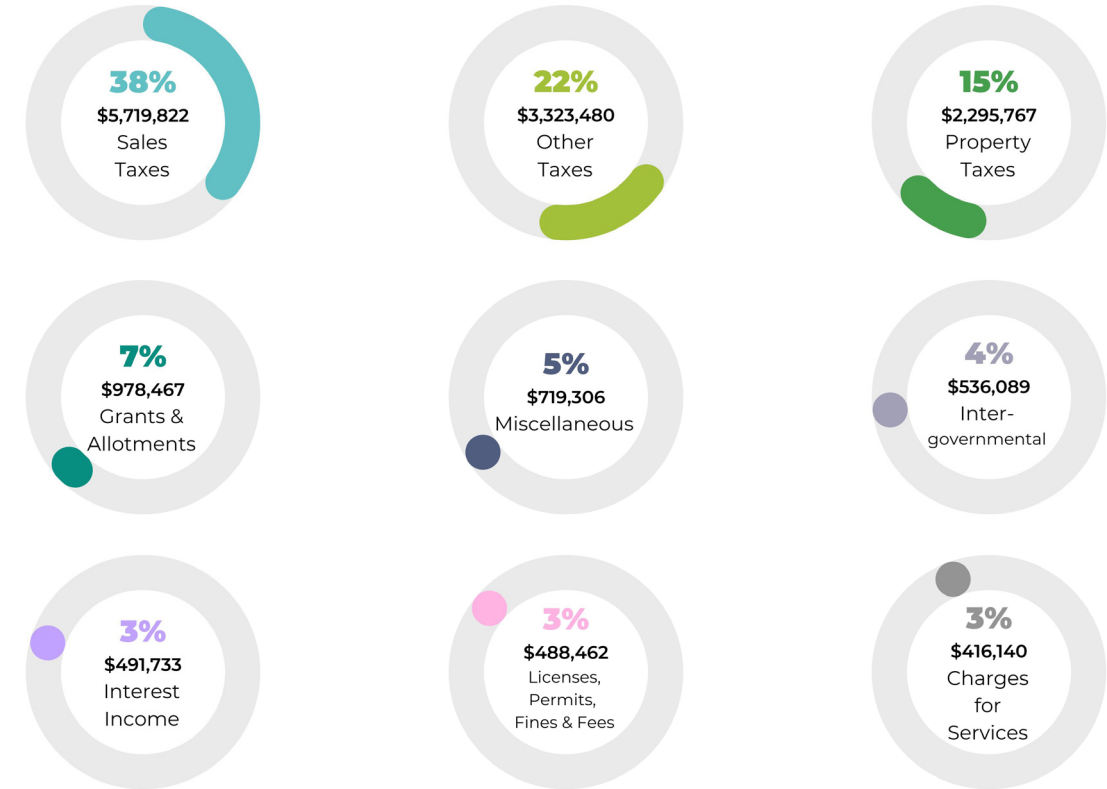


The Village's expenditures significantly decreased during fiscal year 2023 as a result of supply chain delays related to a significant amount of capital vehicles and equipment that was intended to be purchased, but were not due to unavailability.

### General Fund Revenues

Fiscal Year Ended April 30, 2023

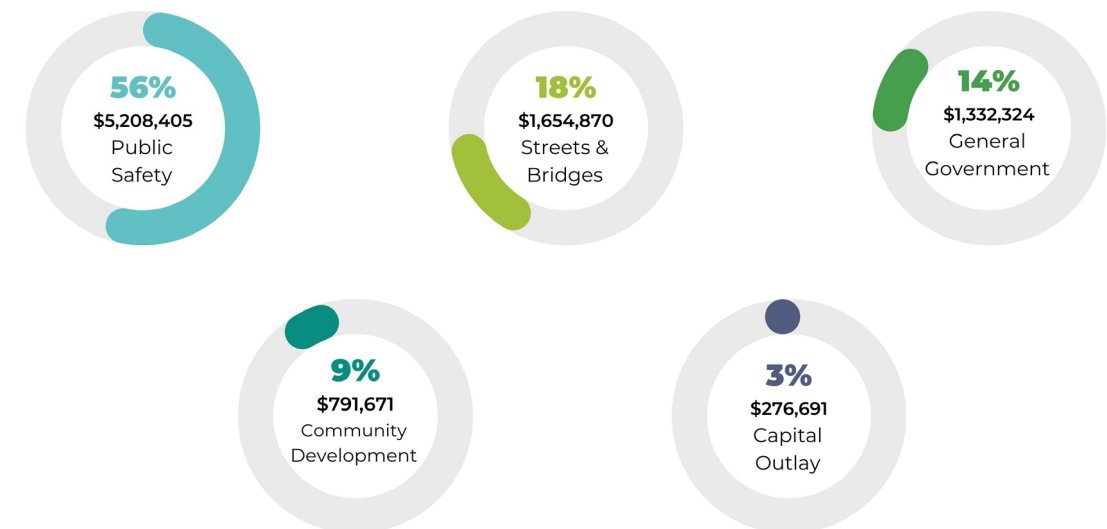
**\$14,969,266**



### General Fund Expenditures

Fiscal Year Ended April 30, 2023

**\$9,263,961**



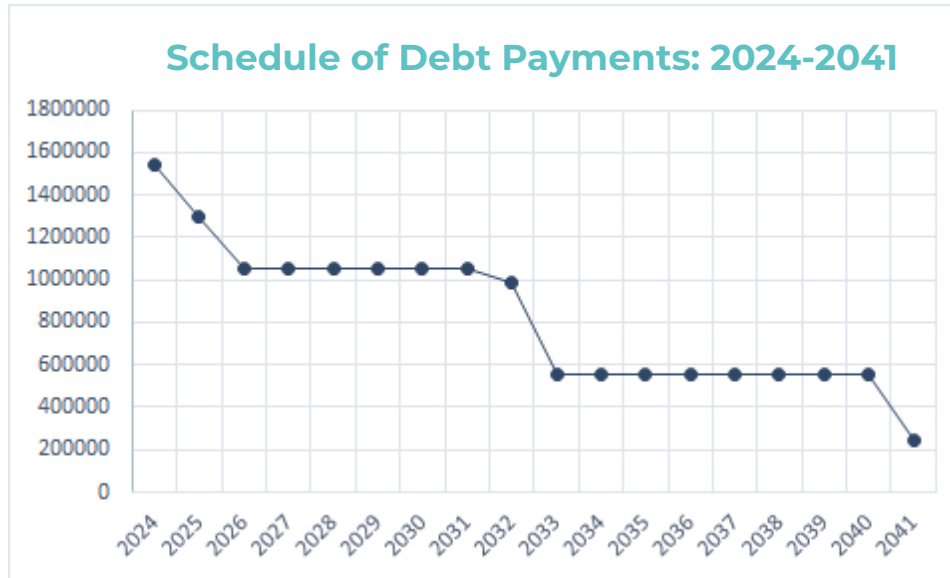
# Long-Term Debt

The Village has approximately \$4.6 million of General Obligation (GO) bonds outstanding and approximately \$10.2 million of Illinois Environmental Protection Agency (IEPA) loans outstanding. Currently, the last GO debt payment will be made in fiscal year 2032 and the last scheduled IEPA debt payment is scheduled for fiscal year 2041.

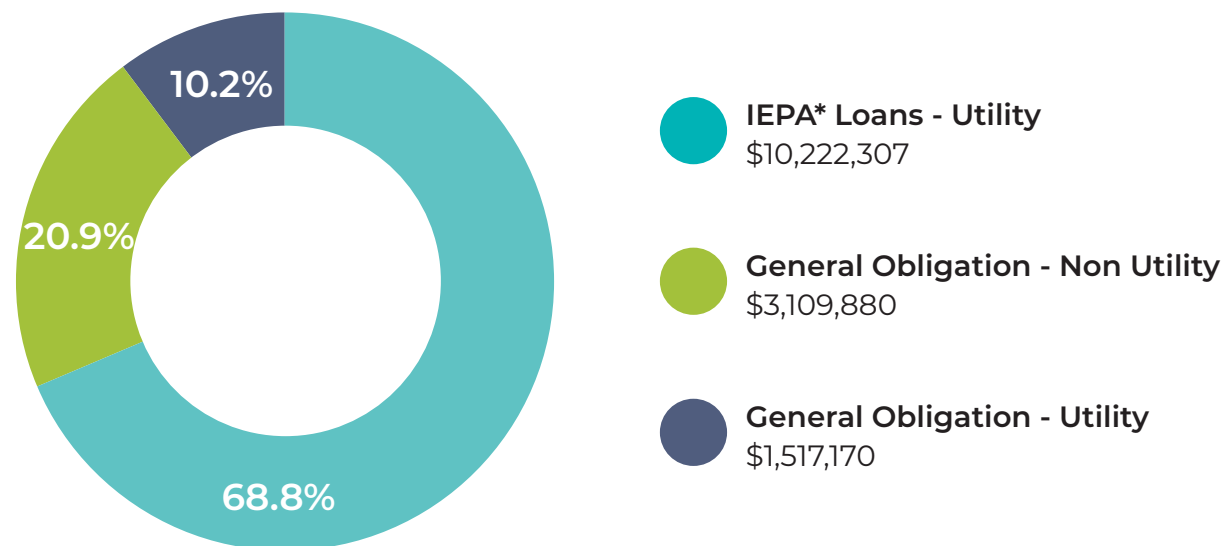
The Village of Channahon takes pride that for countless years, **all General Obligation bond payments have been abated from the annual levy**. The Village utilizes other revenue sources such as state and local taxes, fines and user fees to pay the annual principal and interest payments related to the outstanding bond obligations.

The financial rating firm, Moody's, reaffirmed the Village's **bond rating of Aa2** in relation to the Village's General Obligation bonds. The Village's bond rating reflects a very strong ability to fulfill its future debt obligations. The Village strives to maintain a solid credit rating which in turn helps to attract developers, businesses, and future residents. A very strong credit rating is also indicative of a fiscally responsible municipality.

The financial position of the Village is consistently monitored to ensure an adequate fund balance in operating funds to maintain liquidity, pay current debt obligations, as well as provide the city with capital in the event of unexpected financial impacts, such as economic downturns and natural disasters.

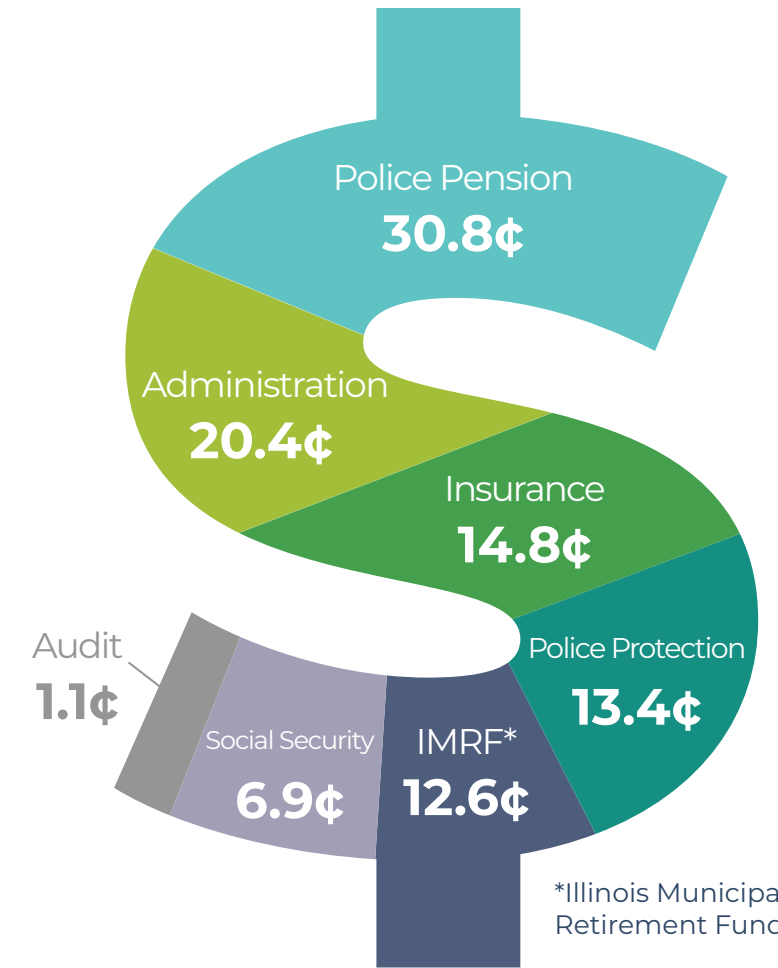


## FY 2023 Total Outstanding Debt



\*Illinois Environmental Protection Agency

# Property Taxes at a Glance



\*Illinois Municipal Retirement Fund

The illustration on page 9 shows the various classifications of the Village's General Fund revenue sources. In contrast, the graphic on the left demonstrates only the portion of the local property taxes which were levied in 2022 by function. Bear in mind that **property taxes account for only 8% of total General Fund revenues**. Only the Administration and Police Protection categories in the graph to the right are attributed to the General Fund budget. The remaining property tax levy categories are either special revenue funds or fiduciary funds (police pension fund).

The Village Board has **consistently approved property tax rate decreases over the past 8 years**, decreasing the property tax rates over that time period **more than 18%**. The Village Board strives to maintain a reasonable tax rate for residents and businesses within the community. The Village has also been committed to designating revenue sources other than property taxes to repay any outstanding debt obligations. By designating other revenue sources for repayment of long-term debt, the Village Board effectively keeps the Village's property tax rate at a reasonable rate.

Levy Year	Village Tax Rate
2018	0.7303
2019	0.7049
2020	0.6860
2021	0.6494
2022	0.6261

# Water & Sewer Fund

## Water & Sewer Fund Revenue Trends

Source	FY 2023	FY 2022	FY 2021
Water & Sewer Billings	\$3,644,109	\$3,494,049	\$3,279,722
Water Meters	\$36,640	\$49,717	\$59,348
Water System Recapture	\$22,405	\$33,650	\$17,330
Water & Sewer Tap/Turn-On Fees	\$684,383	\$877,576	\$1,511,797
Refuse Disposal	\$1,226,497	\$1,162,363	\$1,098,231
Grants	-	-	\$48,039
Interest Income	\$144,340	\$13,074	\$40,858
Misc. Income	\$249,773	\$211,760	\$272,930
<b>GRAND TOTAL</b>	<b>\$6,008,147</b>	<b>\$5,842,189</b>	<b>\$6,328,255</b>

Total revenues and expenditures for the Village's Water & Sewer Fund were static when compared to the previous fiscal year. The Village saw an increase in revenues of approximately 3% and the Water & Sewer Fund net position increased less than a percent. While the Village experienced a significant increase in the interest income received in fiscal year 2023, the water and sewer tap on fees were significantly less than the previous year. The increase in expenditures of 4% was minimal considering the current economic condition and the effects of inflation.

The Village is one of six members of the Grand Prairie Water Commission which will supply Lake Michigan water to Channahon residents by the year 2030. **The Village was recently approved for the Lake Michigan water allocation permit from the Department of Natural Resources.** The Water & Sewer utility fund will incur significant expenditures in the near future related to the construction of infrastructure in order to facilitate the future water source.

## Water & Sewer Fund Expenditures Trends

Source	FY 2023	FY 2022	FY 2021
Salaries & Employee Benefits	\$1,072,663	\$953,914	\$1,080,462
Legal & Professional Fees	\$7,432	\$7,435	\$87,183
Engineering Fees	\$296,956	\$175,471	\$83,426
Sewage Transportation	\$236,052	\$226,371	\$184,511
Refuse Removal Contract	\$1,143,011	\$1,082,658	\$1,026,017
Utilities	\$402,360	\$419,597	\$442,855
Billing & Office	\$68,204	\$58,290	\$83,274
Repairs & Maintenance	\$574,921	\$629,394	\$333,532
Depreciation	\$1,797,830	\$1,791,967	\$1,679,315
Chemical Supplies & Testing	\$77,015	\$74,172	\$52,610
Interest Expense	\$165,991	\$203,342	\$170,728
Misc. Expenses	\$25,830	\$34,792	\$6,668
<b>GRAND TOTAL</b>	<b>\$5,868,265</b>	<b>\$5,657,403</b>	<b>\$5,230,581</b>

## Water & Sewer Fund - Net Position

	2023	2022	2021
<b>Assets</b>	\$56,392,774	\$57,367,047	\$54,836,919
Deferred outflows of resources	\$367,993	\$39,126	\$256,118
<b>Liabilities</b>	(\$11,543,325)	(\$11,886,878)	(\$13,503,136)
Deferred inflows of resources (e.g. property taxes, sales taxes, income taxes)	(\$34,875)	(\$476,610)	(\$392,949)
<b>Water &amp; Sewer Fund Net Position</b>	<b>\$45,182,567</b>	<b>\$45,042,685</b>	<b>\$41,196,952</b>

# Five-Year Capital Plan

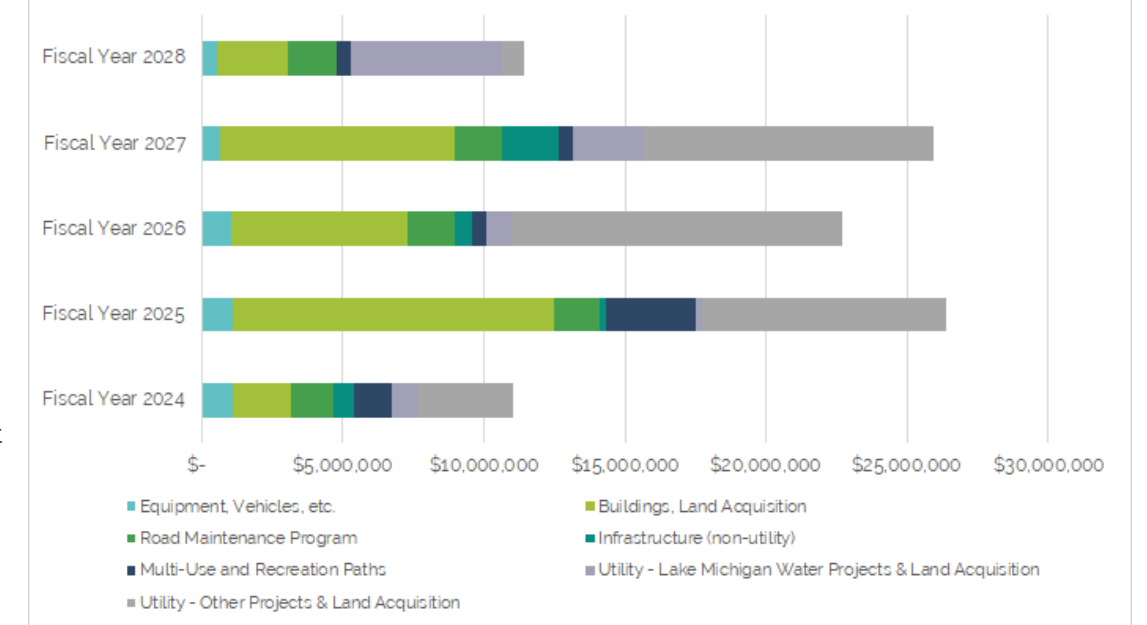
The Village Board approved the **Capital Improvement Plan (CIP)** for Fiscal Years 2024-2028 earlier this year. The CIP is intended to operate in conjunction with the annual budget process. The Village has prepared and utilized a CIP for the past several budget years.

Capital improvement projects, infrastructure and equipment are identified and prioritized after discussions with the Village Board. Estimates of the projects, vehicles or equipment are gathered or estimated by staff and combined into a full CIP document.

Over the past several years, the purchase of several capital equipment and vehicles were delayed due to supply chain shortages. This resulted in several capital equipment and vehicles having to be pushed into future fiscal year budgets causing a difference in the fiscal years in which the capital item was planned and when it was actually purchased or received.

A CIP assists to ensure that the Village can be financially responsible and prepared for future infrastructure and equipment. To view the approved CIP document for Fiscal Years 2024-2028, please visit [www.channahon.org/capitalimprovementplan](http://www.channahon.org/capitalimprovementplan).

## Capital Improvement Projects: 2024-2028



# 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 that draws people in for its career, recreational and living amenities.

## Glossary of Key Terms

### Annual Comprehensive Financial Report (ACFR)

Provides complete and accurate financial information prepared in conformance with generally accepted accounting principles.

### Assets

Village controlled resources with economic value.

### Assigned Funds

Amounts set aside by the Village for specific purposes that are not restricted or committed.

### Capital Investment Plan (CIP)

A multi-year plan detailing annual appropriations from specific funding sources for capital projects such as street improvements, other infrastructure, or capital equipment or vehicles.

### Capital Outlay

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

### Committed Funds

Amounts that can only be used for a specific purpose by formal action from the Village Board.

### Dedicated Funds

Amounts set aside for a specific purpose.

### Deferred Outflows of Resources

Amounts pending recognition as expenses in future periods.

### Deferred Inflows of Resources

Amounts pending recognition as revenues in future periods.

### Fiscal Year

A one-year fiscal period. The Village's fiscal year begins May 1 and ends April 30.

### Fund

An accounting entity with a self-balancing set of accounts used for recording financial transactions of segregated, specific activities.

### General Fund

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

### Generally Accepted Accounting Principles (GAAP)

A common set of accounting principles, standards, and procedures that must be followed when compiling financial information for the ACFR.

### Intergovernmental

Revenue recognized from grant awards and reimbursement of operating costs by other funds.

### Liabilities

Present obligations to relinquish economic resources the government has little or no discretion to avoid.

### Long-Term Debt

A liability that arises from a contractual obligation to relinquish economic resources in one or more payments to settle an amount fixed at the date the contractual obligation is established.

### Net Position

The net position of the Village is equal to Village assets and deferred outflows reduced by liabilities and deferred inflows.

# Acknowledgments

This report and the information contained herein has been prepared with the help of the Village's Administrator, Finance Department staff, Marketing and Communications Manager 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

## Connect with Us!



[www.channahon.org](http://www.channahon.org)



@Channahon



@Village\_Of\_Channahon



@VOChannahon