

Thoughtful Growth

2019
Popular
Annual
Financial
Report

FISCAL YEAR ENDED APRIL 30, 2019





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Pottawatomi Indians called the area "Channahon," meaning – *where the waters meet.*

Village of Channahon

RESIDENTS AND BUSINESSES:

It is with great pride that I present the Village of Channahon’s first Popular Annual Financial Report (PAFR) for the fiscal year ended April 30, 2019. The Village Board believes in maintaining effective communication with residents and businesses. Therefore, the purpose of the PAFR is to provide a simplified presentation of the Village’s activities within the Comprehensive Annual Financial Report (CAFR).

The Village’s CAFR includes over 160 pages of detailed financial information prepared in compliance with Generally Accepted Accounting Principles (GAAP) and can be a complicated document to decipher. The PAFR, while not required by any regulatory body, has been prepared to communicate clear and concise financial information to our constituents. The complete CAFR document can be found on the Village’s website at www.channahon.org.

The Village received its fourteenth consecutive Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association (GFOA) of the United States and Canada for the fiscal year ended April 30, 2018. Our commitment to the GFOA award programs is a testament to our belief that we share financial information in formats consistent with the highest standards in governmental financial reporting is imperative.

As elected officials, we strongly believe in maintaining good communication with our residents and businesses to promote transparency and responsible government. We hope you find the PAFR to be a valuable resource that provides insightful information about your community. We appreciate your input and continued commitment to the place we all call home.



Respectfully,

Missey Moorman Schumacher
Village President

Government Organization

Thoughtful Growth

INCORPORATED IN 1961, CHANNAHON OFFERS

A THRIVING ENVIRONMENT with nature surrounding the community and its residents. Our mission is to strengthen and maintain the Village of Channahon as a family-oriented, attractive community that provides economic diversity, high-quality schools, parks and public services for all residents.

The Village operates under the Board-Trustee form of government with a Village President, Village Clerk, and a six-member Board of Trustees. Municipal services are overseen by the Village Administrator and four department heads with the assistance of professional staff. Village Board meetings are held on the first and third Mondays of each month.



The Village's population is estimated at **12,600** and expected to increase after the results of the upcoming 2020 census.



Board of Trustees

Missey Moorman Schumacher, Village President; Kristin Hall, Village Clerk; Trustees include: Sam Greco, Chantal Host, Scott McMillin, Patricia Perinar, Mark Scaggs, and Scott Slocum.



General Fund

THE GENERAL FUND is the Village's primary operating fund used to account for all financial resources which support core municipal services.

Revenues

General revenues significantly exceeded the amounts originally budgeted. Overall, the General Fund increased close to \$1 million. This increase was a result of investments and money market accounts thriving in a robust economy, an increase in State and local sales and income taxes, and overall fiscal responsibility.

Expenditures

The actual General expenditures were less than originally budgeted. Various road and capital projects were anticipated during fiscal year 2019; however, for reasons out of the Village's control, these projects did not incur as many expenditures as originally budgeted. The Dove Drive and Bridge Street Multi-use Path projects were in progress during fiscal year 2019. The majority of the expenditures will occur in fiscal year 2020 for these projects.

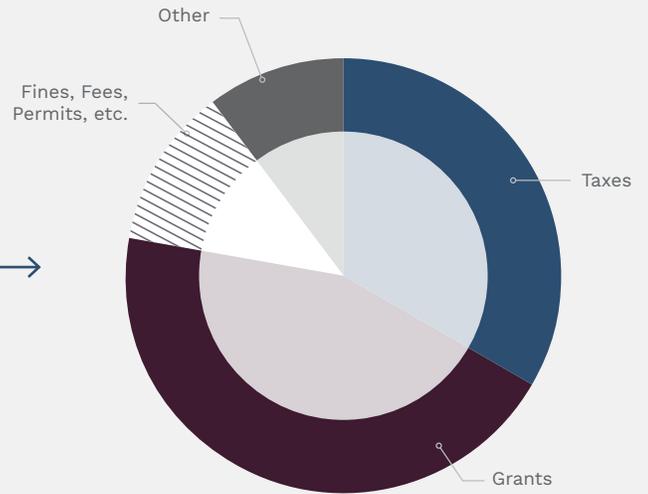
The DuPage, Des Plaines and Kankakee Rivers all meet at one point across the 18 square miles of the Village.

Incorporated in 1961, Channahon offers a thriving environment with economic diversity, high-quality schools, parks and public services.

Photo credit: Cynthia Prokop

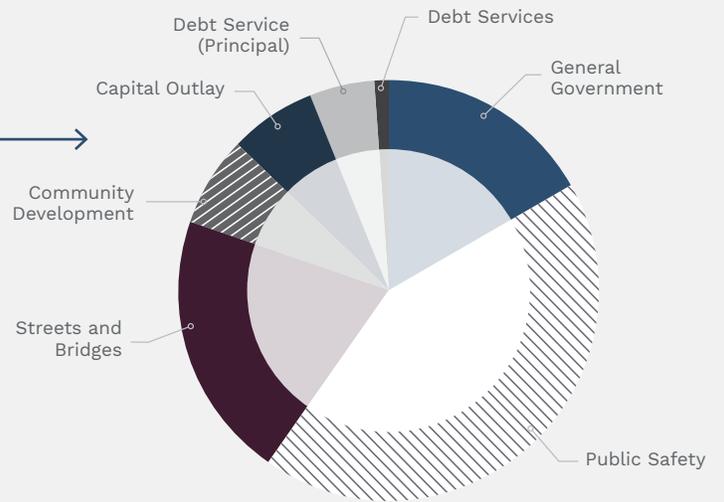
Revenues

	BUDGET	ACTUAL
Taxes	\$2,170,700	\$2,503,812
Grants	2,822,500	3,344,284
Fines, Fees, Permits, etc.	779,000	894,931
Other	190,700	749,229
TOTAL REVENUES	\$5,962,900	\$7,492,256



Expenditures

	BUDGET	ACTUAL
General Government	\$1,402,537	\$1,249,475
Public Safety	3,415,085	3,254,579
Streets and Bridges	1,690,153	1,527,540
Community Development	541,810	490,688
Capital Outlay	1,706,975	488,118
Debt Service (Principal)	386,250	386,250
Debt Services (Interest & Other)	53,792	53,792
TOTAL EXPENDITURES	\$9,196,602	\$7,450,442



Economic Development & Operational Achievements

ECONOMIC DEVELOPMENT ACHIEVEMENTS:

Homebuilding

During fiscal year 2019, 101 permits were issued for the new construction of homes with an average construction value of \$215,500.

Industrial Corridor

In an area adjacent to Interstate 55, two new speculative industrial buildings were started. One building was completed with a permitted value of \$14.7 million and includes 441,872 square feet of industrial space. Construction began on a 252,208 square foot industrial building with a permitted construction value of \$9.8 million.

Retail Development

As a result of intergovernmental cooperation, the Village approved a retail project that will result in a significant increase in sales tax. This was a culmination of a cooperative effort with the City of Joliet to revise a longstanding boundary agreement allowing the development to occur.

OPERATIONAL ACHIEVEMENTS:

New Era of Communication

The Village adopted provisions for small cell wireless facilities that pave the way for the development of state-of-the-art communications to serve the businesses and residents of the community.

Stable, Professional Workforce

The Village continued to reinforce the importance of a strong, stable and professional staff through the approval of multi-year collective bargaining agreements. The cooperative nature of the negotiations is reflective of the importance of recognizing and rewarding the dedicated workforce that serves the community.

More than 300 new homes have been built in Channahon over the past 3 years, which is more than the total number of homes built over the previous decade.



Water & Sewer Fund

THE WATER AND SEWER FUND accounts for the revenues and expenses related to providing a safe, potable water supply, ensuring capacity and pressure for domestic and industrial usage, fire protection and maintaining a dependable system for collecting and treating Village wastewater. The fund also accounts for the Village's refuse disposal operations.

The Water and Sewer Fund is a proprietary fund, which is a fund used to account for the Village's ongoing activities that are similar to those often found in the private sector. Simply put, proprietary funds are generally supported by user fees rather than taxes.

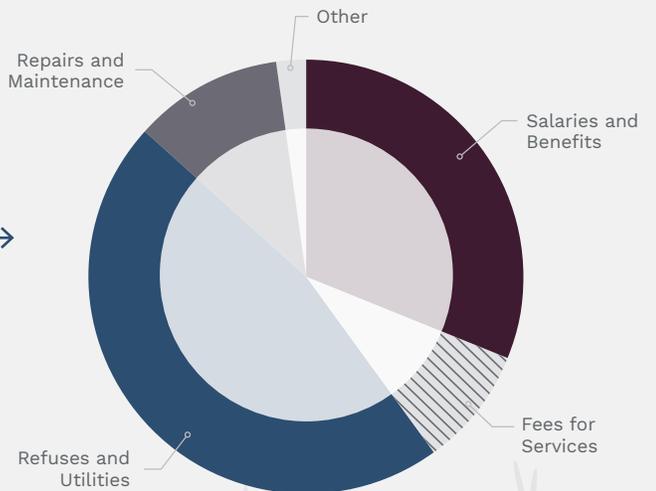
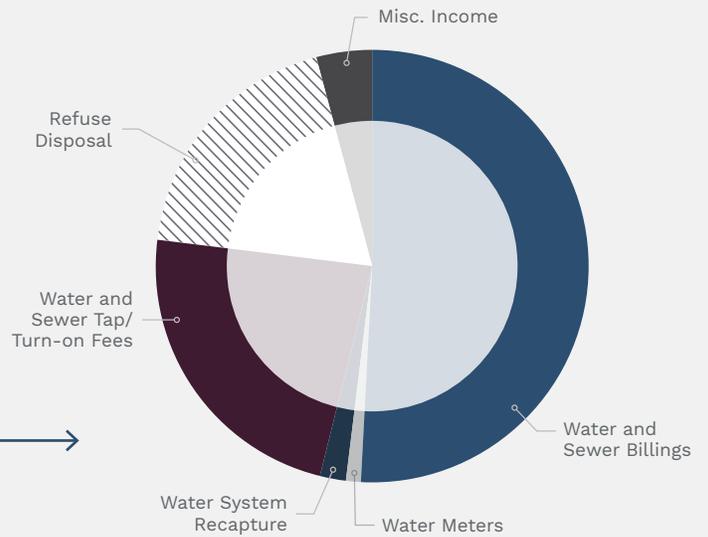
Revenues

Water and Sewer Billings	\$2,770,801
Water Meters	52,313
Water System Recapture	88,481
Water and Sewer Tap/Turn-on Fees	1,253,416
Refuse Disposal	1,040,740
Misc. Income	190,708
TOTAL REVENUES	\$5,396,459

Operating Expenses

Salaries and Benefits	\$850,958
Fees for Services	243,626
Refuse and Utilities	1,273,259
Repairs and Maintenance	302,007
Other	59,292
TOTAL OPERATING EXPENSES	\$2,729,142

Operating income from the Water and Sewer Fund in 2019 resulted in a net operating income of \$1,272,262.

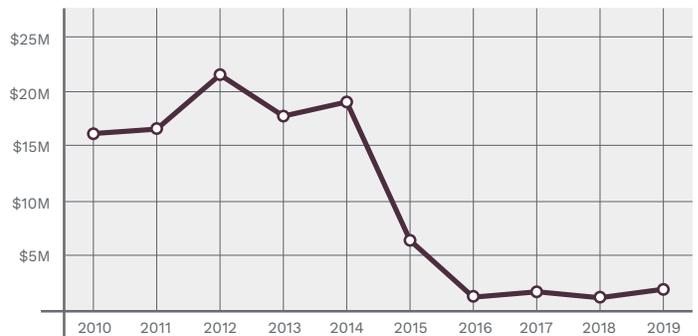




Revenue Trends

REVENUE TO THE VILLAGE is primarily from property tax, State and local sales tax, and State income tax, all of which are utilized to support core municipal operating and capital expenditures. The Village fuel and diesel tax revenue supports Village road improvements, infrastructure and maintenance to uphold the Village's roadways to a high rating standard.

Sales Taxes*



* The significant decrease in sales tax revenue was a result of a change in the State sales tax reporting laws.

Income & Use Taxes*



* Use tax is a tax imposed on the privilege of using, in Illinois, any item of tangible personal property that is purchased anywhere at retail.

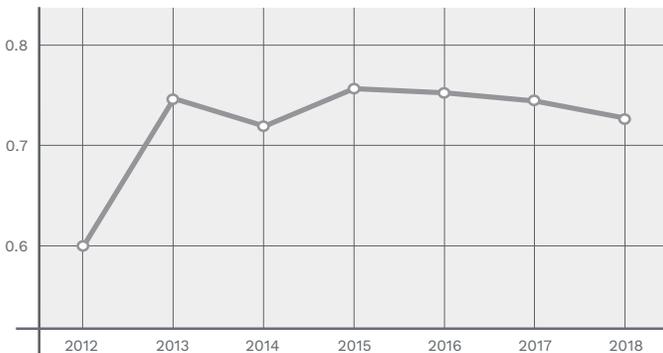
The Village has received the Certificate of Achievement for Excellence in Financial Reporting for 14 consecutive years.

Property Taxes

PROPERTY TAXES account for the largest source of Village revenue. Property values increased for the third consecutive year, and total revenue from property taxes increased 3% from 2018. The growth in property value is a sign of a growing local economy. Although the Village can legally levy property taxes to raise revenues to pay debt service on city bonds, the Village has abated the property taxes and has pledged available fuel taxes. Property taxes are recognized as revenues in the year for which they are intended to finance.

Property Tax Levy Rate Analysis

The Village has decreased the levy rate for the past three years.



Equalized Assessed Value

Increased equalized assessed value for levy year 2018 is the result of approximately 100 new homes paying property taxes in the first year and the effects of a thriving economy causing property values to increase.

LEVY YEAR	PAYABLE IN YEAR	ESTIMATED EAV	ACTUAL EAV
2017	2018	\$324,074,393	\$325,164,928
2018	2019	\$351,330,789	\$358,503,221

Property Tax Rates for the Village 2018 Levy

Village of Channahon	0.7303
Village of Channahon Road and Bridge	0.0495
TOTAL VILLAGE	0.7798

2018 Levy Paid in 2019

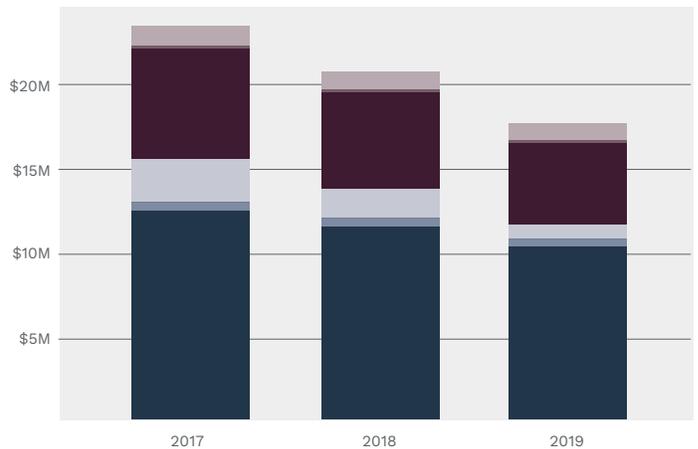
The Village receives **9 cents** for every \$1 in property taxes paid by residents or businesses. These dollars help pay for the provision of services to the community.



Debt Status

THE VILLAGE has issued various forms of debt including General Obligation bonds, Tax Increment Financing revenue bonds, water/sewer bonds, loans from the IEPA and others. In 2019, the Village of Channahon's debt status improved with a 15% decrease from 2018. Since 2017, total debt has decreased by more than \$5 million.

Outstanding Debt by Type



Business-Type Activities

- Water/Sewer General Obligation Bonds
- Premiums on Water/Sewer G.O. Bonds
- Water/Sewer IEPA Infrastructure Loans

Governmental Activities

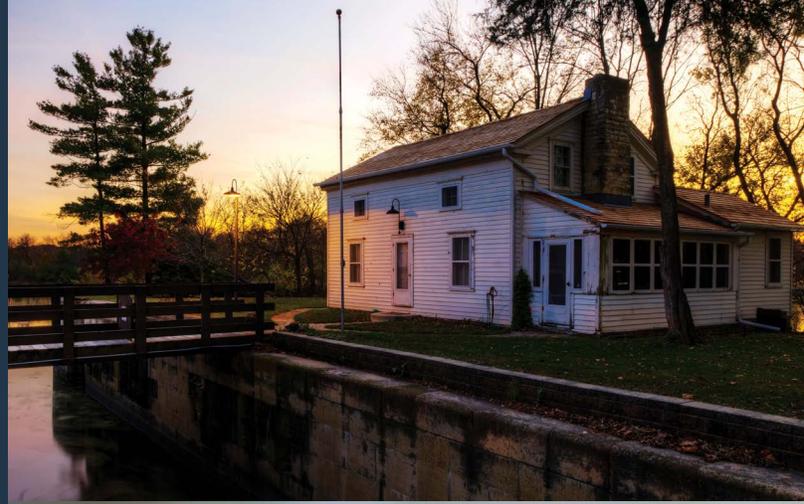
- General Obligation Bonds
- Premiums on G.O. Bonds
- Tax Increment Revenue Bonds

The Village of Channahon's credit rating according to Moody's is Aa2.

Looking Ahead

THE RE-IMAGINE CHANNAHON COMPREHENSIVE PLAN is the Village's core guiding document that establishes official policy and direction to ensure positive momentum within the Village. The plan is a vital resource for the community, which should be used to help coordinate the efforts of Village officials and staff as well as service providers, property owners, employers, residents and key stakeholders. The plan also helps inform future decision-making, building off past planning efforts while accounting for new issues, emerging trends, and conditions that could affect the community moving forward.

Re-Imagine Channahon provides a vision for the future of Channahon and identifies critical steps to make that vision a reality.



Thoughtful Growth



Stay tuned for the implementation of the *Re-Imagine Channahon* Comprehensive Plan.

This Popular Annual Financial Report is intended to provide summarized information in an easily understandable format related to the Village's financial condition based on the most recent audit. Comments or suggestions for improving the document should be sent to the Village of Channahon, Finance Department, 24555 S. Navajo Drive, Channahon, IL 60410.

Missey Moorman Schumacher

Village President

Thomas Durkin

Village Administrator

Heather Wagonblott

Finance Director



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