

MOODY'S

RATINGS

Rating Action: Moody's Ratings affirms Channahon (Village of), IL issuer and GOULT ratings at Aa2

05 Feb 2026

New York, February 05, 2026 -- Moody's Ratings (Moody's) has affirmed Channahon (Village of), IL's issuer and general obligation unlimited tax (GOULT) ratings at Aa2. The village had about \$11 million in debt outstanding as of fiscal 2025 (year-end April 30).

RATINGS RATIONALE

The Aa2 issuer rating reflects the village's strong local economy, with a resident income ratio and full value per capita of 150% and \$162,000, respectively. The village has an ample financial position with a likely operating surplus in fiscal 2026 (year-end April 30) and strong liquidity in its business-type enterprises. The village closed fiscal 2025 with a cash and available fund balance ratio of 126% and 105%, respectively. This reflects recent years of strong property tax revenues driven by rapid tax base expansion, which the village is able to capture because of its home-rule status, as well as annual water and sewer rate increases and strong sales tax revenues.

The village's long-term liabilities ratio will approach roughly 300% over the next several years, up from 69% in fiscal 2025, as the village plans to issue over \$100 million, approximately, in debt for various capital expansions accommodating local economic growth. These issuances will also help fund new water infrastructure as part of the Grand Prairie Water Commission's project directing water from Lake Michigan to the area. The village has contributed to its pensions at a level well above tread water for the last several years.

The village's GOULT bonds are rated at the same level as the issuer rating because they are backed by a full faith credit pledge with the ability to levy a property tax levy unlimited as to both rate and amount for debt service.

RATING OUTLOOK

We do not assign outlooks to local government issuers with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Maintenance of long-term liabilities ratio below 300% while maintaining available fund balance ratio above 50%

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Decline in available fund balance ratio closer to 50%

- Rise in long-term liabilities ratio closer to 400%

PROFILE

The village is located in southwestern Will County (Aa1 stable) and in eastern Grundy County about 50 miles southwest of Chicago (Baa3 stable). The village's population totals nearly 14,000 residents.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties published in December 2025 and available at <https://ratings.moody.com/rmc-documents/455983>. Alternatively, please see the Rating

Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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