

# **The Village of Channahon, Illinois**

Comprehensive Annual Financial Report

For the Fiscal Year Ended April 30, 2017

Prepared by the Finance Department

**Village of Channahon, Illinois**  
ANNUAL FINANCIAL REPORT  
Year Ended April 30, 2017

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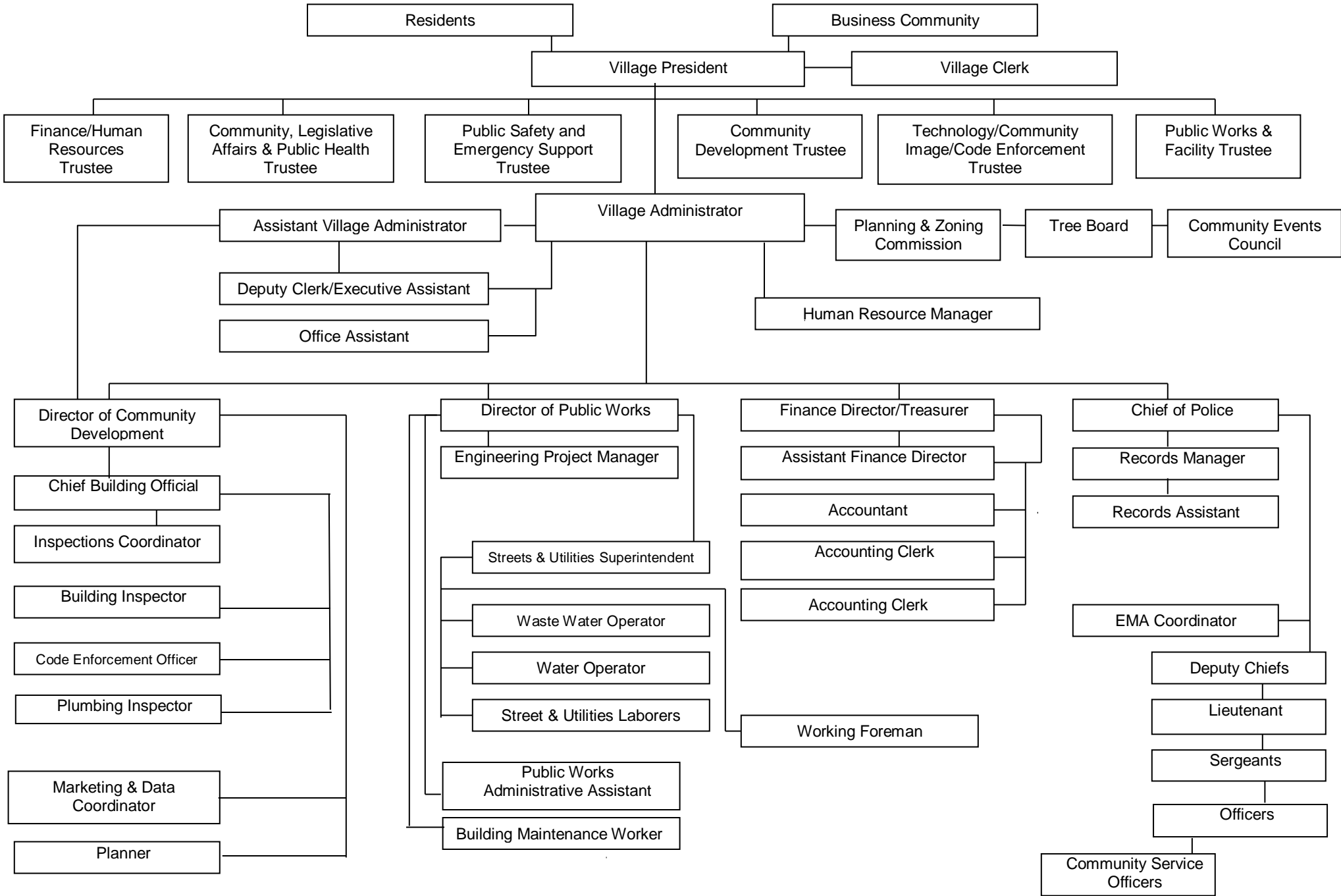
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## **INTRODUCTORY SECTION**

# VILLAGE OF CHANNAHON ORGANIZATIONAL CHART



# **Village of Channahon, Illinois**

PRINCIPAL OFFICIALS

Year Ended April 30, 2017

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Janet "Missey" Moorman Schumacher, Village President

Thomas J. Durkin, Village Administrator

Heather Wagonblott, Finance Director

## Board of Trustees

Sam Greco

Mark Scaggs

Scott McMillin

Scott Slocum

Patricia Perinar (began May 1, 2017)

Chantal Host

Debbie Militell (through May 1, 2017)



# VILLAGE OF CHANNAHON

24555 S. NAVAJO DRIVE • CHANNAHON, ILLINOIS 60410  
(815) 467-6644 • FAX (815) 467-9774 • [www.channahon.org](http://www.channahon.org)

November 2, 2017

To the Honorable Village President, Members of the Village Board  
and the Citizens of the Village of Channahon:

The Comprehensive Annual Financial Report of the Village of Channahon, Illinois (Village) for the year ended April 30, 2017 is hereby submitted as mandated by both local ordinances and state statutes. They require that the Village, on an annual basis, report on its financial activity, as well as have an independent firm of certified public accountants audit the report. Responsibility, for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's activities have been included.

The Comprehensive Annual Financial Report is presented in three (3) sections: introductory, financial, and statistical. The introductory section includes this letter of transmittal, an organizational chart, and a list of the Village's principal elected and appointed officials. The financial section includes a Management's Discussion and Analysis (MD&A), the basic financial statements and the combining and individual fund financial statements as well as the independent auditor's report on the basic financial statements. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The Village's MD&A can be found immediately following the report of the independent auditors. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The Village includes all the funds of the primary government (i.e., the Village of Channahon as legally defined). The Village provides a range of services including administration, finance, development, code enforcement, police protection, construction and maintenance of highways, streets and infrastructure, as well as water service and wastewater treatment.

The Utility Fund, which provides water and wastewater services, is reported as a business-type activity of the Village. In addition, refuse disposal service is treated as a business-type activity due to the business-like nature of its operation.

## **Governmental Structure, Local Economic Conditions and Outlook**

The government, incorporated in 1961, is located in the northeastern part of the state of Illinois. The Village's land area sprawls over approximately 16.4 square miles which covers both Will and Grundy counties. The Village currently has a population of 12,560 as reported by the 2010 U.S. Census results. The Village's population has grown more than 90% since the year 2000.

The government is empowered to levy a property tax on real estate property located within its boundaries. The Village also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Village Board.

The Village has operated under the Village Board-Trustee form of government since incorporation. Policymaking and legislative authority are vested in the Village Board, which consists of a Village President and a six-member Board of Trustees. The Village Board sets policy for the Village, adopts ordinances and resolutions, adopts the annual budget and approves all expenditures. Board members are elected to four-year staggered terms. The Village President is elected to a four-year term. The Village President and Board members are elected on a non-partisan basis. The Village Administrator is appointed by the Village Board and is responsible for carrying out the policies and ordinances of the Village Board, and for overseeing the day-to-day operations of the Village. Appointment of the directors of the Village's departments is recommended by the Village Administrator and approved by the Village Board of Trustees.

The most recent data available indicates that the Village's unemployment rate is 5.4%. The Village, located primarily in Will County, has an employed labor force of approximately 237,000 and an unemployment rate of 4.4%.

The Village's general operating budget for fiscal year ended April 30, 2017 was originally adopted to include revenues and expenses netting close to zero or breakeven. The fiscal year 2017 budget included assumptions of transfers from one fund to another. The utilization of fund reserves was anticipated during the budgeting process. The amended budget that was subsequently adopted for fiscal year 2017 did not include the same amount of transfers as originally budgeted. The original budget anticipated total transfers from one fund to the others in the amount of \$620,000. As a result of unanticipated revenues, approximately \$500,000 of the originally budgeted transfers were not needed and therefore remained in the respective fund reserves. The Village has continued a very conservative and respectful budgeting process over the years. The Village's financial stability is largely due to the years of conservative budgeting and fiscal responsibility.

## **Major Initiatives**

### **For the Year**

The Village's fiscal responsibility was demonstrated by low debt levels and conservative revenue estimates. Despite the uncertainty of the economic climate over the past few years, the Village continued to provide excellent services to the residents of the Village.

The financial reserves remain intact and will continue to be closely monitored and evaluated throughout the upcoming years. The Village continues to pursue development and strategies to encourage additional growth within the community. A large industrial park project began construction during fiscal year 2016 and has resulted in the first of several buildings to be constructed (which will provide millions of square feet of industrial space). Several new small businesses have opened within the community and various developers have been pursuing additional development opportunities. In addition, various capital projects were completed within the Village's strategic plan.

In addition to continued financial success, the Village was ranked the 56<sup>th</sup> safest city in America in April 2017 and also the 10<sup>th</sup> safest city in Illinois in July 2017.

### **For the Future**

The fiscal year 2016-2017 budget was approved while the State of Illinois continued to operate without an approved budget. It was with great satisfaction that the 2016-2017 budget was approved with the anticipation that the economy will continue to improve. Uncertainty remains about the potential negative impacts on the Village that could occur by decisions that are made by the State of Illinois. A significant reduction in tax revenue that is provided through the State and is utilized by the Village to fund operations and capital projects continues to be threat through pending legislation.

The Village is confident in the outlook for the Village in terms of residential and commercial growth. This has been noted by a significant increase in building within the community over the past two years and the progress of several large development projects. The Village has adopted a policy to move forward with some of the capital projects that were a part of the Village's 5 Year Capital Plan. Such projects include tree replacements and the second phase of engineering for the Bridge Street Bike Path. In addition, minimal planned equipment and vehicle replacements have been included for fiscal year 2017 until ample revenues exist to fund these capital items.

The Village, as well as most other municipalities in Illinois and across the country, experienced the effects of a downturn in the economy over the past several years. The Village experienced minimal to no development in the most recent past which caused the loss of a revenue stream that the Village relied on for capital needs. For the past two years, the Village is pleased to report a successful year of development. During fiscal year 2017, the Village experienced the continued increase in development of residential and commercial property. Approximately fifty new homes were built in the Village, which is the largest number of homes built since 2007. The development growth the Village is experiencing again is a very positive indicator for the future.

Department Focus: The Administration Department believes that the Village has an immense amount of potential for growth and success. The Village recognizes that it has a significant investment in its employees and in the residents of the community. To that end, the Administration Department is dedicated to providing service to the employees and to the residents of Channahon. Some of the services that the Administration Department provides include recruitment, training, safety, health and benefits administration and labor contract administration.

### **Financial Information**

Management of the Village is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the Village is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the Village's Finance Department.

The Village maintains extensive budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Village Board. Activities of the General Fund, certain special revenue funds and the TIF Fund are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. However, expenditures at the object level are monitored with great scrutiny. The Village also maintains an encumbrance accounting system as one method of maintaining budgetary control. Outstanding encumbrances are generally included within the current year's budget and financial statements. As demonstrated by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management.

**Pension Trust Fund Operations:** The Police Pension fund continues to be well funded. At fiscal year end, the Police Pension fund reflects a 61.9% funding level. Under a new pension reform law, (PA 096-1495), Villages may extend the amortization period over which they can levy the taxes necessary to fully fund the pension fund. Also under the new law, Villages have to attain a 90% funding status by 2040. Under the old law, the Village has 18 years remaining to amortize the unfunded liability.

The new law allows an additional 8 years if the Pension Fund and/or Village should choose to do so. We have chosen to go with a 25 years remaining amortization period at this time. The Village's annual contribution to the fund includes an amount actuarially necessary to fund the unfunded portion. The Village is reasonably certain of attaining its fully funded status on or before the State mandated deadline and has retained a private and independent actuarial firm to set the funding arrangements as needed.

**Illinois Municipal Retirement Fund:** The Illinois Municipal Retirement Fund (IMRF) level of funding by the Village has always been 100% of the required employer rate that is adjusted yearly by IMRF. The rate for calendar year 2017 is 19.05% of payroll for Regular employees and 13.36% for Sheriff's Law Enforcement Personnel (SLEP). The remaining amortization period at December 31, 2016 was 14 years for the Regular plan and 17 years for the SLEP plan.

### **Other Information**

**Independent Audit:** State statutes require an annual audit by independent certified public accountants. Miller Cooper & Co., Ltd. was selected and approved by the Village Board as the external auditors. Auditing standards generally accepted in the United States of America were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements and on management's discussion and analysis is included in the financial section of this report.

### **Awards**

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2016.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The Village has received a Certificate of Achievement for twelve consecutive years, including the latest award for the fiscal year ended April 30, 2016. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we will be submitting the required documentation to the GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

I would like to thank the Finance staff for their attention to detail and dedication to the department and Village as a whole. The hard work, efficiency and enthusiasm portrayed by Village staff assists to make the Village a continued success. The preparation of this report could not have been accomplished without all department's daily assistance and effort towards teamwork. I would like to acknowledge the Village Administrator, Thomas Durkin, the other department staff for their cooperation during the audit process.

Most importantly, I would like to thank Village President Missey Moorman Schumacher and the Board of Trustees for their continued support, commitment and devotion to the employees and residents of the Village of Channahon. Without their leadership and guidance, the Village would not be able to continue to succeed.

Respectfully submitted,



Heather Wagonblott  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Village of Channahon**  
**Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2016**

Executive Director/CEO

## **FINANCIAL SECTION**

# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

To the Village President and Board of Trustees  
Village of Channahon, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Channahon, Illinois (the Village), as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

The Village's 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.

### ***Auditors' 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.

(Continued)

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Channahon, Illinois, as of April 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note M to the financial statements, net position of the governmental activities as of May 1, 2016 has been restated to correct for a misstatement of the sales tax rebate liability and unearned revenue. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, the Illinois Municipal Retirement Fund and Police Pension Fund data on pages 81 - 87, and the budgetary comparison schedules and notes to required supplementary information on pages 88 - 91 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by 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 Village of Channahon, Illinois' basic financial statements. The other schedules listed in the table of contents in the introductory section, the supplementary financial information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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**Other Information** (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates 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 supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

MILLER, COOPER & CO., LTD.



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Certified Public Accountants

Deerfield, Illinois  
November 2, 2017

**VILLAGE OF CHANNAHON, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
April 30, 2017

Our discussion and analysis of the Village of Channahon's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2017. Please read it in conjunction with the Village's financial statements, which begin on page 12.

**FINANCIAL HIGHLIGHTS**

- Net position of our governmental activities increased by \$1.8 million or 8.1% and net position in our business-type activities increased by \$0.9 million or 2.8%. The end-result amounted to a positive change in the Village's net position of \$2.7 million or 5.1%. The increase for the governmental activities was due to the prior period adjustments related to liabilities that should have been reduced in previous years due to various legal matters and the issuance of bonds for a capital infrastructure project. The increase in the business-type activities was due to the issuance of bonds for capital infrastructure projects.
- The Village's revenues from governmental activities were \$18.1 million, up \$1.9 million from the prior year. Expenses from governmental activities totaled \$16.5 million, up \$0.3 million from the prior year. The increase in revenues was largely due to the issuance of bonds and the reduction of liabilities from previous years. The expenses increased due to the various capital project expenses incurred during the current fiscal year.
- Business-Type revenues decreased by approximately \$0.1 million or 2.0%, to \$5.1 million, while expenses increased from \$3.9 million to \$4.0 million, an increase of 2.6%.
- Moody's Investors Service reaffirmed the Village's rating of Aa2 and noted that the Village of Channahon has stable financial operations supported by strong reserve levels.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position (on pages 12-13) and the Statement of Activities (on pages 14-15) provide information about the activities of the Village as a whole and present a long-term view of the Village's finances. Fund financial statements start on page 16. 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 Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about the activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

**The Statement of Net Position and the Statement of Activities**

The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities throughout the year. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources 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 expenditures are taken into account regardless of when cash is received or paid.

These two statements report the Village's net position and the changes in them. The Village's net position is the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. A measurement of the Village's financial health or financial position is the Village's net position. Over time, increases or decreases in the Village's net position is one indication if the Village's health is improving or deteriorating. Net position in combination with other non-financial factors, such as changes in the Village's property tax base and the condition of its roads, are used in determining the overall health of the Village.

**VILLAGE OF CHANNAHON, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
April 30, 2017

The Village is divided into two kinds of activities for the Statement of Net Position and Statement of Activities.

1. **Governmental Activities** – Most of the Village's basic services are reported here, including police, public works, development and general administration. Property taxes, state sales taxes, home rule sales taxes, franchise fees, state shared revenues and federal grants finance most of these activities.
2. **Business-Type Activities** – The Village charges fees to customers to help cover all or most of the cost of certain services it provides. The Village's water and sewer system operations and refuse disposal are reported in this fund.

### **Reporting the Village's Most Significant Funds**

#### ***Fund Financial Statements***

The fund financial statements begin on page 16 and provide detailed information about the most significant funds – not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Village Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Village's two kinds of funds – governmental and proprietary – use different accounting approaches.

*Governmental Funds* – Most of the Village'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. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources than can be spent in the near future to finance the Village'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 a reconciliation to the right of the fund financial statements.

*Proprietary Funds* – When the Village charges customers for the services it provides – whether to outside customers or to other units of the Village – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The Village's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for the proprietary fund.

### **The Village as Trustee**

#### ***Reporting the Village's Fiduciary Responsibility***

The Village is the trustee, or fiduciary, for the Village's Police Pension Plan. All of the Village's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 27 and 28. We exclude these activities from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that the assets reported in this fund are used for their intended purposes.

**VILLAGE OF CHANNAHON, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
April 30, 2017

**THE VILLAGE AS A WHOLE**

The following is a condensed version of the Statement of Net Position as of April 30, 2017 and 2016:

**Table 1**  
**Condensed Statement of Net Position**  
(In Millions – Rounded)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
<b>Assets:</b>						
Current and Other Assets	\$ 38.4	\$ 34.0	\$ 3.9	\$ 3.5	\$ 42.3	\$ 37.5
Noncurrent Assets	<u>26.4</u>	<u>27.1</u>	<u>35.6</u>	<u>34.9</u>	<u>62.0</u>	<u>62.0</u>
Total Assets	<u>64.8</u>	<u>61.1</u>	<u>39.5</u>	<u>38.4</u>	<u>104.3</u>	<u>99.5</u>
<b>Deferred Outflows of Resources</b>						
	<u>0.8</u>	<u>1.0</u>	<u>0.2</u>	<u>0.2</u>	<u>1.0</u>	<u>1.2</u>
<b>Liabilities:</b>						
Current Liabilities	11.3	13.3	1.2	1.1	12.5	14.4
Noncurrent Liabilities	<u>19.0</u>	<u>16.3</u>	<u>6.8</u>	<u>6.6</u>	<u>25.8</u>	<u>22.9</u>
Total Liabilities	<u>30.3</u>	<u>29.6</u>	<u>8.0</u>	<u>7.7</u>	<u>38.3</u>	<u>37.3</u>
<b>Deferred Inflows of Resources</b>						
	<u>11.2</u>	<u>11.2</u>	<u>-</u>	<u>-</u>	<u>11.2</u>	<u>11.2</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	20.2	23.5	28.9	28.3	49.1	51.8
Restricted	7.5	1.9	-	-	7.5	1.9
Unrestricted	<u>(3.6)</u>	<u>(4.1)</u>	<u>2.8</u>	<u>2.6</u>	<u>(0.8)</u>	<u>(1.5)</u>
Total Net Position	<u>\$ 24.1</u>	<u>\$ 21.3</u>	<u>\$ 31.7</u>	<u>\$ 30.9</u>	<u>\$ 55.8</u>	<u>\$ 52.2</u>

The Village's combined net position increased by \$2.7 million. Current and other assets which consist mainly of cash and investments, property tax receivables, intergovernmental receivables and other receivables, increased by \$4.8 million. Capital assets include land, construction in process, land improvements, buildings, equipment, the Village's waterworks and sewerage system, infrastructure and contributed capital. The Village's net capital assets balances remained consistent in 2017 at \$62.0 million. Deferred outflows of resources included deferred amounts related to pensions.

Long-term liabilities consist mainly of bonds payable, loans payable, net pension liability and salary related benefits payable; balances increased by \$2.9 million in 2017. Other liabilities include mainly accounts payable and interest payable on debt. Deferred inflows of resources include deferred property taxes and deferred amounts related to pensions.

**VILLAGE OF CHANNAHON, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
April 30, 2017

The overall increase in net position is a result the prior period adjustment of the reduction of various liabilities and the issuance of bonds for capital infrastructure projects.

For the years ended April 30, 2017 and 2016, the Condensed Statement of Activities is as follows:

**Table 2**  
**Condensed Statement of Activities**  
(In Millions – Rounded)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 2.0	\$ 1.0	\$ 4.2	\$ 3.7	\$ 6.2	\$ 4.7
Operating Grants and Contributions	0.3	-	-	-	0.3	-
Capital Grants and Contributions	1.2	1.3	0.9	1.5	2.1	2.8
<b>General Revenues:</b>						
Property Taxes	9.2	9.0	-	-	9.2	9.0
Intergovernmental	4.2	2.8	-	-	4.2	2.8
Other Taxes	1.1	2.0	-	-	1.1	2.0
Interest	0.1	-	-	-	0.1	-
Total Revenues	<u>18.1</u>	<u>16.1</u>	<u>5.1</u>	<u>5.2</u>	<u>23.2</u>	<u>21.3</u>
<b>Program Expenses:</b>						
General Government	8.9	8.0	-	-	8.9	8.0
Community Development	0.4	0.5	-	-	0.4	0.5
Public Safety	3.2	3.7	-	-	3.2	3.7
Streets and Bridges	3.5	3.6	-	-	3.5	3.6
Interest on Long-Term Debt	0.5	0.4	-	-	0.5	0.4
Waterworks and Sewage	-	-	3.2	3.1	3.2	3.1
Refuse Disposal	-	-	0.8	0.8	0.8	0.8
Total Expenses	<u>16.5</u>	<u>16.2</u>	<u>4.0</u>	<u>3.9</u>	<u>20.5</u>	<u>20.1</u>
Excess (Deficiency) Before Transfers	1.6	(0.1)	1.1	1.3	2.7	1.2
Interfund Transfers	0.2	0.2	(0.2)	(0.2)	-	-
Change in Net Position	1.8	0.1	0.9	1.1	2.7	1.2
Net Position, Beginning	22.3	21.2	30.8	29.8	53.1	51.0
Net Position, Ending	<u>\$ 24.1</u>	<u>\$ 21.3</u>	<u>\$ 31.7</u>	<u>\$ 30.9</u>	<u>\$ 55.8</u>	<u>\$ 52.2</u>

\*As restated

\*\*As originally reported

The table above illustrates a strong financial position for both governmental and business-type activities.

**VILLAGE OF CHANNAHON, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 April 30, 2017

**Governmental Activities**

Revenues for the Village's governmental activities increased by \$2.0 million or 12.4 % while total expenses increased by \$0.3 million or 1.6%. The increase in revenues was primarily due to the prior period adjustments that reduced various liabilities and the issuance of bonds. Likewise, general government expenses increased due the increase in capital expenditures due to the capital infrastructure projects.

Table 3 presents the cost of each of the Village's five governmental activity categories – general government, community development, public safety, streets and bridges and interest on long-term debt – as well as each category's *net* cost (total cost less revenue generated by the activities). The net cost shows the amount the Village's taxpayers funded through various methods.

The general government category includes general administrative functions as well as various employee benefit programs and the Insurance Fund, the Audit Fund and the TIF District Fund. Public safety includes the police department, the Police Forfeiture Fund and the Police Pension Expense Fund. Streets and Bridges include the street department, the Motor Fuel Tax Fund and the Motor Fuel Tax Bond Fund.

**Table 3**  
**Governmental Activities**  
**(In Millions – Rounded)**

	Total Cost of Services		Net Cost of (Surplus from) Services	
	2017	2016	2017	2016
General Government	\$ 8.9	\$ 8.0	\$ 7.2	\$ 7.4
Community Development	0.4	0.5	0.4	0.5
Public Safety	3.2	3.8	3.1	3.3
Streets and Bridges	3.5	3.6	1.7	2.4
Interest on Long-Term Debt	0.5	0.4	0.5	0.4
Net Position, Ending	<u>\$ 16.5</u>	<u>\$ 16.3</u>	<u>\$ 12.9</u>	<u>\$ 14.0</u>

**Business-Type Activities**

The Village's business-type activities are comprised of two separate and distinct activities: Water/Wastewater Utility and Refuse Disposal. Business-Type activities had a 1.5% decrease in revenues. The decrease was primarily due to additional contributed capital for water and sewer lines from completed subdivisions in 2016 than in 2017. Expenses increased by about \$82 thousand. The result was a surplus year for the Village's business-type activities and net position increase of \$0.9 million.

**THE VILLAGE'S FUNDS**

The General Fund's fund balance increased by \$215 thousand, due mainly to the increase in sales tax and property tax revenue. The Village's TIF District's fund balance was down \$25 thousand due to the increase in bond principal payments. The Bluff Road and I-55 fund balance increased by \$4.2 million as the fund was new for fiscal year 2017. The Other Governmental Funds' fund balances increased \$422 thousand, due mainly to an increase in fuel tax revenues.

**VILLAGE OF CHANNAHON, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
April 30, 2017

**General Fund Budgetary Highlights**

Over the course of the year, the Village Board of Trustees revised the Village budget. The budget was revised to take into consideration changes in projected revenues, acceleration or deferral of Village projects, and changes in costs for normal operations. The General Fund's budgeted revenues were \$5.2 million while expenditures were approximately \$7.4 million. The projected budget deficit of approximately \$2.2 million was primarily due to the uncertainty of the Village's sales tax revenue. At the end of the fiscal year, actual revenues exceeded the budgeted amounts by approximately \$1.2 million due to sales tax collections while actual expenditures were less than budgeted amounts by approximately \$1.2 million due to less than anticipated sales tax rebate expenditures and capital outlay expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

During the fiscal year, the Village's net capital assets remained consistent at \$62.0 million. The increase is due to new capital assets purchases exceeding depreciation expense of \$3.5 million. Current year capital asset additions were approximately \$3.8 million.

**Table 4**  
**Capital Assets (Net of Depreciation, In Millions)**

	Governmental Activities		Business Type Activities		Total Reporting Entity	
	2017	2016	2017	2016	2017	2016
Land	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.4	\$ 0.4
Construction in Process	0.4	0.1	1.3	-	1.7	0.1
Land Improvements	3.8	4.0	-	-	3.8	4.0
Buildings	4.0	4.1	-	-	4.0	4.1
Waterworks and						
Sewage	-	-	34.0	34.3	34.0	34.3
Equipment	0.7	0.8	0.3	0.3	1.0	1.1
Infrastructure	17.3	17.8	-	-	17.3	17.8
Totals	\$ 26.4	\$ 27.0	\$ 35.8	\$ 34.8	\$ 62.2	\$ 61.8

More detailed information about the Village's capital assets is presented in Note F to the financial statements.

**VILLAGE OF CHANNAHON, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
April 30, 2017

**Debt**

Table five illustrates the Village's outstanding debt as of April 30, 2017. Total debt increased from \$25.5 million to \$28.1 million.

The reason for the increase was mainly due to the issuance of Series 2016 general obligation bonds.

General Obligation Bonds are debt that is backed by the financial strength of the Village alone. Revenue Bonds are backed by specific fee revenue streams. Infrastructure loans are backed by collateral and the financial strength of the Village.

**Table 5**  
**Outstanding Debt**  
**(In Millions)**

	Governmental Activities		Business Type Activities		Total Reporting Entity	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 11.1	\$ 8.1	\$ 5.8	\$ 5.5	\$ 16.9	\$ 13.6
Revenue Bonds	2.2	2.9	-	-	2.2	2.9
Infrastructure Loans	-	-	1.0	1.0	1.0	1.0
Net Pension Obligation	7.0	7.0	0.8	0.8	7.8	7.8
Compensated Absences	0.2	0.2	-	-	0.2	0.2
<b>Totals</b>	<b>\$ 20.5</b>	<b>\$ 18.2</b>	<b>\$ 7.6</b>	<b>\$ 7.3</b>	<b>\$ 28.1</b>	<b>\$ 25.5</b>

The Village's general obligation bond rating for the 2013 Series bonds was Aa2, a rating that has been assigned to the Village by Moody's Investor Service. More detailed information about the Village's long-term debt is presented in Note H to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following economic factors affected the Village and its residents.

- The State of Illinois has been trying to balance the budget for several years and at times, at the expense of the local municipalities. Most recently, the State of Illinois has imposed a 2% administrative fee on the home rule municipalities which reduces the Village's future tax revenue. There has also been legislation proposed to eliminate the state and local tax distribution. In addition, the state has been threatening to freeze property taxes. All of these actual and potential losses of tax revenue significantly impact the ability to provide services to the Village's residents.
- The Village has seen tremendous growth in new home building when compared to the past several years. Along with a significant increase in residential building, the Village has also been fortunate to see several industrial buildings break ground and/or be constructed. As a result of the development, various infrastructure capital projects have been started and/or completed.
- Effective June 24, 2014, Illinois Department of Revenue adopted new regulations related to sales tax revenues, which focus on five primary factors of selling, (sales personnel, order acceptance, payment, inventory and retailer headquarters) rather than just sales order acceptance. The new regulations resulted in substantially reduced sales tax revenues for the Village beginning in fiscal year 2015 and will affect sales tax revenues going forward.

**VILLAGE OF CHANNAHON, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
April 30, 2017

- The unemployment rate for the Village of Channahon was 5.4% versus the State of Illinois average of 4.7%. The U.S. average was 4.4%.

The Village's elected and appointed officials consider many factors when setting the budgets, tax rates and fees that will be charged for business-type activities and residents, including the current state of the economy.

The tax rate (for 2016) was set at 0.7524 per one hundred dollars of equalized assessed valuation (EAV). For the first time in several years, the Village's assessed valuation went up, increasing by 7.72%. The Village realized an increase of \$151,085 (not including road and bridge tax, which is not assessed by the Village) in real estate taxes extended. The actual tax extension for 2016 was \$2,330,436.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Director of Finance at the Village of Channahon, 24555 S. Navajo Drive, Channahon, Illinois 60410.

## **BASIC FINANCIAL STATEMENTS**

**Village of Channahon, Illinois**  
**STATEMENT OF NET POSITION**  
April 30, 2017

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	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current			
Cash and investments	\$ 26,803,333	\$ 3,527,084	\$ 30,330,417
Receivables, net of allowance			
Property taxes	10,103,041	-	10,103,041
Intergovernmental	1,235,559	-	1,235,559
Customer accounts	116,622	293,720	410,342
Interest	10,114	4,108	14,222
Prepaid items	103,506	7,350	110,856
Inventory	49,415	20,852	70,267
Noncurrent assets			
Capital assets not being depreciated	599,732	1,426,711	2,026,443
Capital assets, net of accumulated depreciation	<u>25,804,397</u>	<u>34,327,321</u>	<u>60,131,718</u>
Total assets	<u>64,825,719</u>	<u>39,607,146</u>	<u>104,432,865</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred outflows related to pensions	<u>834,938</u>	<u>172,835</u>	<u>1,007,773</u>
Total deferred outflows	<u>834,938</u>	<u>172,835</u>	<u>1,007,773</u>

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The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
**STATEMENT OF NET POSITION**  
April 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>LIABILITIES</b>			
Current			
Current portion of long-term liabilities	\$ 1,541,926	\$ 796,483	\$ 2,338,409
Accounts payable	8,452,945	350,653	8,803,598
Accrued expenses	81,876	14,637	96,513
Infrastructure development liability	1,085,652	-	1,085,652
Accrued interest payable	165,796	64,389	230,185
Unearned revenue	-	3,318	3,318
Long-term liabilities, net of current portion			
Due in more than one year	<u>18,968,161</u>	<u>6,800,812</u>	<u>25,768,973</u>
Total liabilities	<u>30,296,356</u>	<u>8,030,292</u>	<u>38,326,648</u>
<b>DEFERRED INFLOWS</b>			
Property taxes levied for a future period	10,103,042	-	10,103,042
Deferred inflows related to pensions	<u>1,093,909</u>	<u>13,793</u>	<u>1,107,702</u>
Total deferred inflows	<u>11,196,951</u>	<u>13,793</u>	<u>11,210,744</u>
<b>NET POSITION</b>			
Net investment in capital assets	20,211,629	28,947,654	49,159,283
Restricted by enabling legislation	7,578,732	-	7,578,732
Unrestricted	<u>(3,623,011)</u>	<u>2,788,242</u>	<u>(834,769)</u>
Total net position	<u>\$ 24,167,350</u>	<u>\$ 31,735,896</u>	<u>\$ 55,903,246</u>

The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
**STATEMENT OF ACTIVITIES**  
Year Ended April 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 8,862,971	\$ 1,675,260	\$ 2,100	\$ -
Public safety	3,226,160	87,689	-	-
Community development	407,017	-	-	-
Streets and bridges	3,528,654	262,329	341,300	1,188,203
Interest and fees	503,934	-	-	-
Total governmental activities	16,528,736	2,025,278	343,400	1,188,203
Business-type activities				
Waterworks and sewerage	3,211,153	3,335,702	20,000	869,532
Refuse disposal	812,894	881,355	-	-
Total business-type activities	4,024,047	4,217,057	20,000	869,532
Total	\$ 20,552,783	\$ 6,242,335	\$ 363,400	\$ 2,057,735
			General revenues	
			Property taxes	
			Intergovernmental	
			Other taxes	
			Interest	
			Transfers	
			Total general revenues and transfers	
			Change in net position	
			Net position - beginning of year, as restated (See Note M)	
			Net position - end of year	

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (7,185,611)	\$ -	\$ (7,185,611)
(3,138,471)	-	(3,138,471)
(407,017)	-	(407,017)
(1,736,822)	-	(1,736,822)
(503,934)	-	(503,934)
<u>(12,971,855)</u>	<u>-</u>	<u>(12,971,855)</u>
-	1,014,081	1,014,081
-	68,461	68,461
<u>-</u>	<u>1,082,542</u>	<u>1,082,542</u>
<u>(12,971,855)</u>	<u>1,082,542</u>	<u>(11,889,313)</u>
9,221,854	-	9,221,854
4,160,859	-	4,160,859
1,096,886	-	1,096,886
80,360	21,793	102,153
231,471	(231,471)	-
<u>14,791,430</u>	<u>(209,678)</u>	<u>14,581,752</u>
1,819,575	872,864	2,692,439
<u>22,347,775</u>	<u>30,863,032</u>	<u>53,210,807</u>
<u>\$ 24,167,350</u>	<u>\$ 31,735,896</u>	<u>\$ 55,903,246</u>

## Village of Channahon, Illinois

Governmental Funds

BALANCE SHEET

April 30, 2017

	General Fund	T.I.F. District Fund	Bluff Road & I-55 Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 18,980,029	\$ 493,583	\$ 4,187,057	\$ 3,142,664	\$ 26,803,333
Receivables, net of allowances					
Property taxes	986,409	7,680,605	-	1,436,027	10,103,041
Intergovernmental	1,093,892	-	-	141,667	1,235,559
Customer accounts	102,656	-	-	13,966	116,622
Interest	8,925	-	-	1,189	10,114
Prepaid items	35,476	-	-	68,030	103,506
Inventory	49,415	-	-	-	49,415
Due from other funds	382,251	-	-	-	382,251
	<u>\$ 21,639,053</u>	<u>\$ 8,174,188</u>	<u>\$ 4,187,057</u>	<u>\$ 4,803,543</u>	<u>\$ 38,803,841</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 8,429,036	\$ -	\$ -	\$ 23,909	\$ 8,452,945
Accrued payroll	81,786	-	-	90	81,876
Infrastructure development liability	723,184	-	-	362,468	1,085,652
Unearned revenue	256,250	-	-	-	256,250
Due to other funds	-	-	-	382,251	382,251
	<u>9,490,256</u>	<u>-</u>	<u>-</u>	<u>768,718</u>	<u>10,258,974</u>
<b>Deferred inflows</b>					
Property taxes levied for a future period	986,409	7,680,605	-	1,436,028	10,103,042
	<u>986,409</u>	<u>7,680,605</u>	<u>-</u>	<u>1,436,028</u>	<u>10,103,042</u>
<b>Fund balances</b>					
Nonspendable	84,891	-	-	68,030	152,921
Restricted	-	493,583	4,187,057	2,898,092	7,578,732
Assigned	5,032,593	-	-	-	5,032,593
Unassigned	6,044,904	-	-	(367,325)	5,677,579
	<u>11,162,388</u>	<u>493,583</u>	<u>4,187,057</u>	<u>2,598,797</u>	<u>18,441,825</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 21,639,053</u>	<u>\$ 8,174,188</u>	<u>\$ 4,187,057</u>	<u>\$ 4,803,543</u>	<u>\$ 38,803,841</u>

The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
 Governmental Funds  
 RECONCILIATION OF THE BALANCE SHEET  
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
April 30, 2017

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Amounts reported for governmental activities in the statement of net position differ from the governmental funds balance sheet because:

Total fund balance - governmental funds	\$	18,441,825
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Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.		26,404,129
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows related to IMRF pension fund	\$	487,462	
Deferred inflows related to IMRF pension fund		(38,539)	
Deferred outflows related to police pension fund		347,476	
Deferred inflows related to police pension fund		<u>(1,055,370)</u>	(258,971)

Because of the focus of governmental funds is on short-term financing, some assets will not be available to pay for current period expenditures. Those assets are offset by deferred revenues in the governmental funds and are thus not included in the fund balances. At year-end, the Village deferred a portion of the sales and use taxes receivable (deferred revenue - other), in the governmental funds but not in the Statement of Net Position.		256,250
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Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.		(165,796)
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Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.		<u>(20,510,087)</u>
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Net position - governmental activities	\$	<u><u>24,167,350</u></u>
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The accompanying notes are an integral part of this statement.

# Village of Channahon, Illinois

## Governmental Funds

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended April 30, 2017

	<u>General</u>	<u>T.I.F.</u>	<u>Bluff Road</u>	<u>Other</u>	<u>Total</u>
	<u>Fund</u>	<u>District</u>	<u>&amp; I-55</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b>Revenues</b>					
Property taxes	\$ 1,103,947	\$ 6,934,164	\$ -	\$ 1,183,743	\$ 9,221,854
Other taxes	1,096,886	-	-	-	1,096,886
Intergovernmental	2,934,695	-	-	1,192,190	4,126,885
Payments in lieu of taxes	289,419	-	-	214,265	503,684
Licenses and permits	262,329	-	-	-	262,329
Fines	87,689	-	-	-	87,689
Charges for services	341,493	-	-	-	341,493
Interest income	61,981	624	10,392	7,363	80,360
Grants and allotments	2,100	-	-	341,300	343,400
Miscellaneous income	156,679	-	296,933	376,471	830,083
	<u>6,337,218</u>	<u>6,934,788</u>	<u>307,325</u>	<u>3,315,332</u>	<u>16,894,663</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	892,179	6,165,816	-	336,508	7,394,503
Public safety	3,128,784	-	-	4,228	3,133,012
Streets and bridges	1,140,945	-	133,006	327,319	1,601,270
Community development	396,448	-	-	-	396,448
Employee benefits and pension	-	-	-	1,140,318	1,140,318
Capital outlay	202,328	-	3,143	308,831	514,302
<b>Debt service</b>					
Principal	367,500	675,000	-	745,000	1,787,500
Interest and other	70,328	118,800	109,468	195,516	494,112
	<u>6,198,512</u>	<u>6,959,616</u>	<u>245,617</u>	<u>3,057,720</u>	<u>16,461,465</u>
Excess (deficiency) of revenues over expenditures	<u>138,706</u>	<u>(24,828)</u>	<u>61,708</u>	<u>257,612</u>	<u>433,198</u>

(Continued)

The accompanying notes are an integral part of this statement.

## Village of Channahon, Illinois

### Governmental Funds

#### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended April 30, 2017

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	<u>General</u>	<u>T.I.F.</u>	<u>Bluff Road</u>	<u>Other</u>	<u>Total</u>
	<u>Fund</u>	<u>District</u>	<u>&amp; I-55</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Other financing sources (uses)					
Sale of capital assets	\$ 8,175	\$ -	\$ -	\$ -	\$ 8,175
Transfers in	67,992	-	-	406,911	474,903
Transfers out	-	-	-	(243,432)	(243,432)
Debt issuance	-	-	3,792,000	905,000	4,697,000
Premium on debt issuance	-	-	333,349	-	333,349
Deposit with escrow agent	-	-	-	(904,085)	(904,085)
Total other financing sources (uses)	<u>76,167</u>	<u>-</u>	<u>4,125,349</u>	<u>164,394</u>	<u>4,365,910</u>
Net change in fund balances	214,873	(24,828)	4,187,057	422,006	4,799,108
Fund balance					
Beginning of year, as restated (See Note M)	<u>10,947,515</u>	<u>518,411</u>	<u>-</u>	<u>2,176,791</u>	<u>13,642,717</u>
End of year	<u>\$ 11,162,388</u>	<u>\$ 493,583</u>	<u>\$ 4,187,057</u>	<u>\$ 2,598,797</u>	<u>\$ 18,441,825</u>

(Concluded)

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The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
April 30, 2017

---

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 4,799,108

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay. (625,177)

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 IMRF pension fund (153,776)  
Deferred outflows and inflows of resources related to police pension fund 131,533

Accrued interest on debt reported in the statement of activities does not require the use of current financial resources and therefore is not reported in the governmental funds: (23,624)

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. 33,974

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. (2,342,463)

Change in net position - governmental activities \$ 1,819,575

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The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
Waterworks and Sewerage Fund - Proprietary Fund  
STATEMENT OF NET POSITION  
April 30, 2017

---

ASSETS

Current

Cash and investments	\$ 3,527,084
Accounts receivable (net of \$5,000 allowance for uncollectible accounts)	293,720
Interest receivable	4,108
Prepaid items	7,350
Inventory	<u>20,852</u>

Total current assets 3,853,114

Capital assets not being depreciated 1,426,711

Capital assets, net of accumulated depreciation 34,327,321

Total assets 39,607,146

DEFERRED OUTFLOWS

Deferred outflows related to pensions 172,835

Total deferred outflows 172,835

LIABILITIES

Current

Accounts payable	350,653
Accrued expenses	14,637
Accrued interest payable	64,389
Current portion of general obligation bonds	714,348
Current portion of infrastructure loans payable	82,135
Unearned revenue	<u>3,318</u>

Total current liabilities 1,229,480

(Continued)

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The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
Waterworks and Sewerage Fund - Proprietary Fund  
STATEMENT OF NET POSITION  
April 30, 2017

---

LIABILITIES (Continued)

Noncurrent

Accrued compensated absences	\$ 24,091
Net pension liability	766,826
General obligation bonds payable	5,103,021
Loans payable	<u>906,874</u>

Total noncurrent liabilities 6,800,812

Total liabilities 8,030,292

DEFERRED INFLOWS

Deferred inflows related to pensions 13,793

Total deferred inflows 13,793

NET POSITION

Net investment in capital assets 28,947,654  
Unrestricted 2,788,242

Total net position \$ 31,735,896

(Concluded)

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The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
Waterworks and Sewerage Fund - Proprietary Fund  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
Year Ended April 30, 2017

---

OPERATING REVENUES	
Water and sewer billings	\$ 2,451,050
Water meters	29,380
Water system recapture	51,489
Water and sewer tap/turn-on fees	624,116
Refuse pick up	881,355
Grant revenue	20,000
Miscellaneous income	179,667
	4,237,057
OPERATING EXPENSES	
Salaries	653,736
Employee benefits	183,984
Legal and professional fees	498
Engineering fees	2,350
Sewage transportation	142,374
Refuse removal contract	812,894
Utilities	309,065
Billing and office expense	45,384
Repair and maintenance	325,071
Depreciation expense	1,348,831
Chemical supplies and testing	27,761
Miscellaneous expense	11,741
	3,863,689
OPERATING INCOME	373,368

(Continued)

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The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
Waterworks and Sewerage Fund - Proprietary Fund  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
Year Ended April 30, 2017

---

NONOPERATING REVENUES (EXPENSES)

Interest income	\$ 21,793
Interest expense	<u>(160,358)</u>
Total nonoperating expenses	<u>(138,565)</u>
Income before transfers and contributions	234,803
Transfers out	(231,471)
Capital contributions	<u>869,532</u>
CHANGE IN NET POSITION	872,864
TOTAL NET POSITION	
Beginning of year	<u>30,863,032</u>
End of year	<u><u>\$ 31,735,896</u></u>

(Concluded)

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The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
Waterworks and Sewerage Fund - Proprietary Fund  
**STATEMENT OF CASH FLOWS**  
Year Ended April 30, 2017

---

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 4,229,205
Cash paid to suppliers for goods and services	(1,604,225)
Cash paid to employees for services and benefits	(805,458)
Cash received from operating grant	<u>20,000</u>
Net cash provided by operating activities	<u>1,839,522</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers out	<u>(231,471)</u>
Net cash used in noncapital financing activities	<u>(231,471)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(1,385,390)
Loan proceeds	948,000
Principal paid on bonds and infrastructure loans	(759,228)
Interest paid on bonds and infrastructure loans	<u>(88,179)</u>
Net cash used in capital financing activities	<u>(1,284,797)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	17,685
Net sale of investments	<u>527,558</u>
Net cash provided by investing activities	<u>545,243</u>
<b>NET INCREASE IN CASH</b>	868,497
<b>CASH</b>	
Beginning of year*	<u>1,652,393</u>
End of year	<u>\$ 2,520,890</u>
<b>Reconciliation</b>	
Cash	\$ 2,520,890
Investments	<u>1,006,194</u>
Total cash and investments	<u>\$ 3,527,084</u>

(Continued)

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The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
Waterworks and Sewerage Fund - Proprietary Fund  
STATEMENT OF CASH FLOWS  
Year Ended April 30, 2017

---

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ 373,368
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	1,348,831
Changes in assets and liabilities	
Accounts receivable	9,672
Prepaid items	(400)
Inventories	(14,768)
Deferred outflows related to pensions	40,924
Accounts payable	88,081
Accrued Expenses	6,846
Compensated absences	4,022
Unearned revenue	2,476
Deferred inflows related to pensions	13,793
Net pension liability	<u>(33,323)</u>
Net cash provided by operating activities	<u>\$ 1,839,522</u>

NONCASH TRANSACTION

Capital contributions	<u>\$ 869,532</u>
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\*\$324,725 of beginning assets have been reclassified in the beginning of year cash balance in order to conform with the current year presentation of cash.

(Concluded)

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The accompanying notes are an integral part of this statement.

# Village of Channahon, Illinois

## Police Pension Trust Fund

### STATEMENT OF NET POSITION

April 30, 2017

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#### ASSETS

Cash and cash equivalents		\$	3,076,870
Investments			
State and local bonds	\$	652,145	
Common stocks		1,077,286	
Equities - mutual funds		3,019,362	
Other		<u>7,978</u>	4,756,771
Interest receivable			<u>4,891</u>
Total assets		\$	<u><u>7,838,532</u></u>

#### NET POSITION

Restricted for pension benefits		\$	<u><u>7,838,532</u></u>
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The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
Police Pension Trust Fund  
STATEMENT OF CHANGES IN PLAN NET POSITION  
Year Ended April 30, 2017

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ADDITIONS

Contributions

Employer	\$ 582,707
Members	<u>206,225</u>

Total contributions 788,932

Investment income

Interest and dividends	100,934
Net appreciation in fair value of investments	381,239
Less: investment expense	<u>(15,210)</u>

Total investment income 466,963

Total additions 1,255,895

DEDUCTIONS

Pension benefit payments including refunds of member contributions	304,256
Administrative expense	<u>27,612</u>

Total deductions 331,868

CHANGE IN NET POSITION 924,027

NET POSITON RESTRICTED  
FOR PENSION BENEFITS

Beginning of year 6,914,505

End of year \$ 7,838,532

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The accompanying notes are an integral part of this statement.

**Village of Channahon, Illinois**  
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April 30, 2017

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April 30, 2017

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**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Channahon, Illinois (the Village) was incorporated on December 11, 1961, in Will and Grundy Counties in the State of Illinois. The Village is a home rule unit and operates under the Board of Trustees/Manager form of government. The Village Board is composed of the Village President and six members. The Village provides services to the community that include: police, water, wastewater, refuse disposal, community development, street maintenance, and general services.

The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the Village's significant accounting policies:

1. Reporting Entity

As defined by GAAP, 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:

- a. 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
- b. Fiscal dependency on the primary government

Based on the above criteria, the Village does not have any component units, and is not included as a component unit in any other governmental reporting entity.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

---

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements as they are not available to address activities or obligations of the Village. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated in the fund financial statements, and reported separately in the supplementary financial information.

3. Basis of Presentation - Fund Accounting

The accounts of the Village are organized on the basis of funds, which are considered as separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The Village's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into generic fund types and broad fund categories as follows:

a. Governmental Fund Types

Governmental funds are those through which most governmental functions of the Village are financed. The Village's expendable financial resources (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon the determination of changes in financial position, rather than upon net income determination. The following are the Village's governmental fund types:

- i. The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

---

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Basis of Presentation - Fund Accounting (Continued)

a. Governmental Fund Types (Continued)

- ii. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are legally restricted to expenditures for specified purposes. The Village's special revenue funds are the Tax Increment Financing (T.I.F.) District Fund, Motor Fuel Tax Fund, Police Forfeiture Fund, D.A.R.E Fund, IMRF and Social Security Fund, Police Pension Expense Fund, Insurance Fund, Audit Fund, Motor Fuel Tax Bond Fund, Odor Alert Network Fund, T.I.F. Route 6 & I-55 Fund, and the Capital Infrastructure Fund.
- iii. Debt Service Funds are used to account for the accumulation of resources for debt service payments. The Village has one debt service fund - the Wescom Debt Service Fund.
- iv. Capital Projects Funds are used to account for the use of resources for capital improvements. The Village has one capital projects fund - the Bluff Road & I-55 Capital Projects Fund. The primary revenue and financing sources include bond proceeds.

b. Proprietary Fund Types

Proprietary funds are used to account for the Village's ongoing activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income.

- i. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Waterworks and Sewerage Fund is the Village's sole enterprise fund.

c. Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Basis of Presentation - Fund Accounting (Continued)

c. Fiduciary Fund Types (Continued)

- i. Pension trust funds are accounted for in essentially the same manner as proprietary funds, since capital maintenance is critical. The Police Pension Trust Fund is the Village's sole pension trust fund. The Police Pension Trust Fund accounts for contributions from the Village in the form of property tax revenue and contributions from participants that are used to fund the respective pension plans and make payments to beneficiaries in accordance with the Illinois Pension Code.

4. Fund Balance

The governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or 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.
- b. *Restricted* - refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision making authority (the Village Board). The Village Board commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the Village removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. There were no committed amounts at April 30, 2017.
- d. *Assigned* - refers to amounts that are constrained by the Village's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Trustees or the individual the Village Board delegates the authority to assign amounts to be used for specific purposes. The Village's policy allows intent to be stipulated by the Village Board, or by the Mayor or Finance Director. As of April 30, 2017 the Board has assigned \$5,032,593 related to sales tax rebates.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

---

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Fund Balance (Continued)

e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had 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.

5. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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. A six-month availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property taxes, interest revenue, and charges for services revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *T.I.F District Fund* accounts for all revenue and expenditures related to the T.I.F. District activities and programs. Revenues of the T.I.F. District Fund are generated mainly from property taxes.

The *Bluff Road & I-55 Fund* accounts for capital projects as authorized by the Illinois Department of Transportation for road widening and other improvements. Financing is provided from the Village's issuance of bonds.

The Village reports the following major proprietary fund:

The *Waterworks and Sewerage Fund* accounts for the revenue and expenses related to providing a safe, potable 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 operations.

Additionally, the Village reports the following fiduciary fund type:

The *Police Pension Trust Fund* accounts for the activities of the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the employer contributions which are based upon actuarial studies and funded through an annual property tax levy.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All taxes are reported as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Village reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "unavailable" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

6. Receivables

The recognition of receivables associated with nonexchange transactions is as follows:

- Derived tax receivables (such as sales, income, and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government mandates or voluntary nonexchange transaction receivables such as grants are recognized when all eligibility requirements have been met.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all utility receivable balances that have had a final reading and estimates the portion, if any, of the balance that will not be collected.

7. Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Fair Value Measurements

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1            Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Village has the ability to access.

Level 2            Inputs to the valuation methodology include the following:

- \* Quoted prices for similar assets or liabilities in active markets;
- \* Quoted prices for identical or similar assets or liabilities in inactive markets;
- \* Inputs other than quoted prices that are observable for the asset or liability;
- \* Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the Village's investments measured at fair value. There have been no changes in the methodologies used at April 30, 2017 and 2016.

*U.S. Treasury Securities:* Valued at closing price of similar instruments with comparable durations reported on the active market on which the individual securities are traded.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Fair Value Measurements (Continued)

*Common Stock - Equities:* Valued at the closing price reported on the active market on which the individual securities are traded.

*State and Local Bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Police Pension Plan (the "Plan") are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

9. Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. Reported prepaid expenditures are equally offset by fund balance reserves, which indicate that they do not constitute "available spendable resources" even though they are a component of current assets. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

10. Inventories

Inventories recorded in the governmental and enterprise funds consist of street lights and water meters recorded at cost, using the first in first out method.

11. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered, and for lending/borrowing purposes. These receivables and payables are classified as "due from/to other funds" (the current portion of interfund transactions) or "advance from/to other fund" (the noncurrent portion of interfund transactions) on the fund balance sheets.

Advances between funds are offset by a fund balance reserve in applicable governmental funds to indicate that they are not available for budget and are not expendable, available financial resources.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Capital Assets

Capital assets are stated on the basis of historical cost or estimated historical cost (estimated for certain items purchased prior to April 30, 1991). Major capital asset additions are financed primarily from bond proceeds. Assets acquired through gifts, donations or contributions (such as in the case of new roads constructed by a developer) are recorded at their acquisition value at the time of acquisition. The Village has established a capitalization threshold of \$20,000 for infrastructure improvements, land improvements, buildings, waterworks and sewerage systems and equipment.

The costs of normal maintenance and repairs, including street overlays, that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The Village records the value of water extension systems built by the developers of various subdivisions at the time they are connected to the Village's water system in its proprietary fund. The value for these systems is based upon costs that have been determined by the Village's engineer.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Land improvements	40
Buildings	40
Equipment	5
Infrastructure	20
Waterworks and sewerage systems	40

Construction in progress is stated at cost and includes engineering and design costs incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and put in use.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Compensated Absences

All full-time Village employees accumulate vacation hours for subsequent use or for payment upon termination, death or retirement. The Village has recorded the liability for compensated absences using the "Vesting Method". Under the Vesting Method, the liability is measured based on the vacation accumulated at the balance sheet date by those employees who are eligible to receive termination payments. Amounts in excess of the maximum for which payment is allowed at termination are excluded because those balances are available only for use as paid time off. Full-time Village employees also accumulate sick time. Sick time is lost if not used by the time of separation and/or retirement, however, sick time may be used towards IMRF time upon retirement. Liabilities for compensated absences will be liquidated by the General Fund and the Waterworks and Sewerage Fund, when applicable. Of the total liability at April 30, 2017, \$158,232 is attributable to governmental activities and \$24,091 is a liability of the enterprise fund.

14. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

15. Deferred Outflows / Deferred Inflows

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 future periods. At April 30, 2017, the Village had deferred outflows of resources related to pension liabilities. In addition to liabilities, the Village may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to future reporting periods. At April 30, 2017, the Village's property taxes levied for a future period and pension liabilities are reported as deferred inflows of resources.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance and Restrictions of Net Position

Governmental funds report reservations of fund balance for amounts that are not available for budget or are legally restricted by outside parties for use for a specific purpose in the fund financial statements.

The government-wide statement of net position reports net position restricted by enabling legislation which consist of the following:

<u>Net position restricted for:</u>	<u>Amount</u>
Employee benefits	\$ 1,262,170
Maintenance of roadways	315,002
Public safety	19,514
Capital projects	4,945,365
Debt service	996,847
Other purposes	<u>39,834</u>
Total net position restricted by enabling legislation	\$ <u><u>7,578,732</u></u>

17. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

18. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**Village of Channahon, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**19. New Accounting Pronouncement**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 72, *Fair Value Measurement and Application*, issued in February 2015, which was implemented by the Village during the fiscal year ended April 30, 2017. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value investments.

The GASB has issued Statement No. 77, *Tax Abatement Disclosures*, issued in August 2015, which was implemented by the Village during the fiscal year ended April 30, 2017. This Statement addresses providing financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current year revenues were sufficient to pay for current year services, (b) compliance with finance related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time.

**NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position**

The governmental funds balance sheet includes a reconciliation between fund balance – governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that “Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds balance sheet.” The details of this difference are as follows:

Bonds payable	\$	(12,864,500)
Unamortized bond premium		(475,637)
Net pension liability (IMRF and Police)		(7,011,718)
Compensated absences		<u>(158,232)</u>
Net adjustment to reduce fund balance - governmental funds to arrive at net position - governmental activities	\$	<u><u>(20,510,087)</u></u>

**Village of Channahon, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position - governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 1,542,375
Depreciation expense	<u>(2,167,552)</u>
Net adjustment to reduce net change in fund balances - governmental funds to arrive at change in net position - governmental activities	<u>\$ (625,177)</u>

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." The details of this difference are as follows:

Principal payments on bonds payable	\$ 2,677,500
Proceeds from bonds payable	(4,697,000)
Proceeds from bond premium (net of amortization)	(305,462)
Net increase in net pension obligations	(22,442)
Net decrease in compensated absences	<u>4,941</u>
Net adjustment to decrease net change in fund balances - governmental funds to arrive at change in net position - governmental activities	<u>\$ (2,342,463)</u>

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE C - DEPOSITS AND INVESTMENTS**

For disclosure purposes, the amounts are segregated as follows:

	<u>Government- Wide</u>	<u>Police Pension</u>	<u>Total</u>
Cash on hand	\$ 1,400	\$ -	\$ 1,400
Deposits with financial institutions*	19,940,270	3,084,848	23,025,118
Investments	1,978,912	4,748,793	6,727,705
Illinois Funds	<u>8,409,835</u>	<u>-</u>	<u>8,409,835</u>
Total cash and investments	<u>\$ 30,330,417</u>	<u>\$ 7,833,641</u>	<u>\$ 38,164,058</u>

\* Includes accounts held in demand and savings accounts, but primarily consists of non-negotiable certificates of deposit and money market savings accounts, which are valued at cost.

The Village is authorized by the Illinois Compiled Statutes to invest in: obligations of the U.S. Treasury, its agencies and instrumentalities; savings accounts, certificates of deposit, or time deposits that are direct obligations of any bank that is insured by the Federal Deposit Insurance Corporation; commercial paper noted within the three highest classifications by at least two standard rating services; obligations of states and their political subdivisions; shares or other securities issued by savings and loan associations which are insured by the Federal Savings and Loan Insurance Corporation; insured accounts of a credit union whose principal office is located in the State of Illinois; Illinois Funds Money Market Fund; money market mutual funds where the portfolio is limited to U.S. Government Securities; and repurchase agreements where the Village or its authorized third party agent takes possession of the securities.

The Police Pension Trust Fund can invest in general accounts of Illinois authorized life insurance companies and certain State of Israel obligations. The Police Pension Trust Fund may also invest in certain separate accounts of Illinois authorized life insurance companies, mutual funds and common stocks, in total not to exceed either 10% and 35% of total net position, depending on investment.

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. The Illinois Funds are not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAAM and are valued at Illinois Funds' share price, which is the price for which the investment could be sold. There are no unfunded commitments, the redemption frequency is daily, and the redemption notice period is one day.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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**NOTE C - DEPOSITS AND INVESTMENTS** (Continued)

*Custodial Credit Risk - Deposits* - This is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's and Police Pension Trust Fund's investment policies require collateral for all deposits and investments except for those investments of the state pool or the federal government. The collateral must have a market value of not less than 100 percent of all deposits and investments. As of fiscal year-end, the Village and the Police Pension Trust Fund had approximately \$2,160,000 and approximately \$4,050,000, respectively, in uninsured and uncollateralized deposits and investments. At April 30, 2017, the bank balance of the Village's and the Police Pension Trust Fund's deposits was \$24,014,565 and \$440,739, respectively.

*Custodial Credit Risk - Investments* - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Village or Pension Fund will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The investments held in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The relationship between the Village and the investment agent is direct contractual relationship, and the investments are not supported by a transferable instrument that evidences ownership or creditorship. All other investments held by the Pension Fund were registered in the name of the Pension Fund.

*Concentration of Credit Risk* - The Village and the Pension Fund do not place a limit on the amount that may be invested in any one issuer, however, diversification of the investment portfolio must be appropriate as to the nature and purpose of the funds using the "prudent person rule". At fiscal year-end, the Village held investments in the Illinois Funds, other money market funds, treasury obligations, and municipal bonds.

*Interest Rate Risk* - The Village and Police Pension Trust Fund do not have formal investment policies that limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The Village's and Pension Fund's investment in the Illinois Funds is not exposed to interest rate risk. The Village's investments in other money market funds have maturities due within one year of fiscal year-end.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

**NOTE C - DEPOSITS AND INVESTMENTS** (Continued)

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Pension Fund has the following recurring fair value measurements as of April 30, 2017:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<i>Government-Wide</i>				
Debt securities				
State and local bonds	\$ -	\$ 1,385,251	\$ -	\$ 1,385,251
U.S. Treasury obligations	-	593,661	-	593,661
Total investments by fair value level	<u>\$ -</u>	<u>\$ 1,978,912</u>	<u>\$ -</u>	<u>\$ 1,978,912</u>
<i>Police Pension</i>				
Debt securities				
State and local bonds	\$ -	\$ 652,145	\$ -	\$ 652,145
Equity securities				
Mutual funds	3,019,362	-	-	3,019,362
Common stock	1,077,286	-	-	1,077,286
Total investments by fair value level	<u>\$ 4,096,648</u>	<u>\$ 652,145</u>	<u>\$ -</u>	<u>\$ 4,748,793</u>

The Pension Fund assumes that any callable securities will not be called.

During the year ended April 30, 2017, the Police Pension Fund's total fair value of equity investments (common stock and mutual funds) exceed the allowance 45% of the Pension Fund's net position stated in the Statement of Fiduciary Net Position.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

**NOTE C - DEPOSITS AND INVESTMENTS (Continued)**

As of April 30, 2017, the government-wide and Pension Fund's fixed income investments, maturities (using the segmented time distribution method) and fair values were as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 - 5	6 - 10	More than 10
<i>Government-Wide</i>					
State and local bonds	\$ 1,385,251	\$ 383,165	\$ 951,330	\$ 50,756	\$ -
U.S. Treasury obligations	593,661	593,661	-	-	-
	<u>\$ 1,978,912</u>	<u>\$ 976,826</u>	<u>\$ 951,330</u>	<u>\$ 50,756</u>	<u>\$ -</u>
<i>Police Pension</i>					
State and local bonds	<u>\$ 652,145</u>	<u>\$ 45,702</u>	<u>\$ 268,514</u>	<u>\$ 215,956</u>	<u>\$ 121,973</u>

The Pension Fund has diversified the equity mutual fund holdings as follows:

Equity Mutual Funds	Fair Value
Alger Small Cap Growth Z2	\$ 32,703
AMCAP Fund CL A	201,767
America Balanced Fund CL A	294,296
Cambiar Small Cap Inv	37,041
Capital Income Builder CL A	303,708
Capital World Grw & Inc Fund A	271,742
Causeway Intl Value Instl	48,076
Delaware Value Instl	160,419
Growth Fund of America CL A	257,567
Harding Loevner Intl Eqty Inst	48,241
Income Fund of America CL A	347,071
Investment Co of America FD A	331,356
Ivy Mid Cap Growth I	37,985
JP Morgan Mid Cap Value I	56,907
Mainstay Large Cap Grw I	174,782
New Perspective Fund CL A	160,851
New World Fund CL A	58,042
Virtus Insight Emerg Mkts I	30,500
Washington Mutual Invs FD CL A	166,308
Total equity mutual funds	<u>\$ 3,019,362</u>

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE C - DEPOSITS AND INVESTMENTS** (Continued)

The following was the Board's adopted asset allocation policy as of April 30, 2017. The fund is managed by four separate investment advisors.

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	4.4 - 20.9 %	4.3 - 4.5 %
Domestic equities	2.2 - 24.8	7.5 - 11.7
International equities	10.8	6.6 - 8.6
Real estate	2.3	6.8 - 11.9
Blended	5.4 - 19.4	5.0 - 10.2
Cash and cash equivalents	0.0	0.0

The Plan did not hold investments in any one organization that represents 5% or more of the Pension Plan's fiduciary net position.

For the year ended April 30, 2017, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was the following:

<u>Investment Advisor</u>	<u>Money-Weighted Return for Portion of Fund Managed</u>
Bernardi Asset Management	1.62%
Edward Jones	13.71%
Morgan Stanley	14.06%
Safe Harbor Retirement Consultants	8.50%

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE D - PROPERTY TAXES**

Property tax levies are recognized as revenues in the fiscal period they are intended to finance. The amounts recorded as revenue for fiscal year 2017 represent the taxes from the 2015 and prior year levies that have been collected by Will and Grundy Counties and have been distributed to the Village within sixty days of fiscal year-end.

The budget ordinance anticipates that the 2016 property tax levy will be used to finance fiscal year 2018 expenditures. The 2016 levy has been recognized as a receivable, less an allowance for uncollectible property taxes amounting to 1 percent, as of April 30, 2017, but recognition as revenue (as a deferred inflow) has been deferred to fiscal year 2018.

The calendar for the 2016 property tax levy is as follows:

Levy Date - December 19, 2016  
Lien Date - January 1, 2016  
Due Date(s) - on or about June 1 and September 1, 2017  
Estimated Collection Dates - May 16, 2017 through December 15, 2017

**NOTE E - INTERFUND TRANSACTIONS**

1. Due to/from Other Funds

	<u>Due from</u>	<u>Due to</u>
General		
Nonmajor governmental funds	\$ 382,251	\$ -
Nonmajor governmental funds		
General fund	-	382,251
Total nonmajor governmental funds	-	382,251
	382,251	382,251
Less amounts eliminated during GASB 34 conversion	(382,251)	(382,251)
Total internal balances as shown on the statement of net position	\$ -	\$ -

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

NOTE E - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers

Individual interfund transfers, during the fiscal year ended April 30, 2017, were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General		
Waterworks and Sewerage	\$ 67,992	\$ -
Waterworks and Sewerage		
Illinois Municipal Retirement	-	156,589
General	-	67,992
Audit	-	6,890
Nonmajor governmental		
Illinois Municipal Retirement	156,589	-
Audit	6,890	-
Motor Fuel Tax Bond	243,432	-
Capital Infrastructure	-	243,432
	<u>474,903</u>	<u>474,903</u>
Less amounts eliminated during GASB 34 conversion	<u>(243,432)</u>	<u>(243,432)</u>
Total government-wide transfers	<u>\$ 231,471</u>	<u>\$ 231,471</u>

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE F - CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2017 was as follows:

1. Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 206,327	\$ -	\$ -	\$ 206,327
Construction in process	<u>122,060</u>	<u>271,345</u>	<u>-</u>	<u>393,405</u>
 Total capital assets, not being depreciated	 <u>328,387</u>	 <u>271,345</u>	 <u>-</u>	 <u>599,732</u>
Capital assets, being depreciated				
Land improvements	5,294,005	-	-	5,294,005
Buildings	6,266,628	-	-	6,266,628
Equipment	3,858,181	82,827	56,068	3,884,940
Infrastructure	<u>28,854,400</u>	<u>1,188,203</u>	<u>-</u>	<u>30,042,603</u>
 Total capital assets, being depreciated	 <u>44,273,214</u>	 <u>1,271,030</u>	 <u>56,068</u>	 <u>45,488,176</u>
Less accumulated depreciation for				
Land improvements	1,330,605	134,025	-	1,464,630
Buildings	2,191,040	156,539	-	2,347,579
Equipment	3,075,243	226,933	56,068	3,246,108
Infrastructure	<u>10,975,407</u>	<u>1,650,055</u>	<u>-</u>	<u>12,625,462</u>
 Total accumulated depreciation	 <u>17,572,295</u>	 <u>2,167,552</u>	 <u>56,068</u>	 <u>19,683,779</u>
 Total capital assets, being depreciated, net	 <u>26,700,919</u>	 <u>(896,522)</u>	 <u>-</u>	 <u>25,804,397</u>
 Governmental activities capital assets, net	 <u>\$ 27,029,306</u>	 <u>\$ (625,177)</u>	 <u>\$ -</u>	 <u>\$ 26,404,129</u>

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE F - CAPITAL ASSETS (Continued)**

**2. Business-Type Activities**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 160,009	\$ -	\$ -	\$ 160,009
Construction in process	-	1,266,702	-	1,266,702
Total capital assets, not being depreciated	<u>160,009</u>	<u>1,266,702</u>	<u>-</u>	<u>1,426,711</u>
Capital assets, being depreciated				
Waterworks and sewerage system	49,691,094	934,566	-	50,625,660
Equipment	<u>1,329,245</u>	<u>53,654</u>	<u>-</u>	<u>1,382,899</u>
Total capital assets, being depreciated	<u>51,020,339</u>	<u>988,220</u>	<u>-</u>	<u>52,008,559</u>
Less accumulated depreciation for				
Waterworks and sewerage system	15,296,438	1,264,672	-	16,561,110
Equipment	<u>1,035,969</u>	<u>84,159</u>	<u>-</u>	<u>1,120,128</u>
Total accumulated depreciation	<u>16,332,407</u>	<u>1,348,831</u>	<u>-</u>	<u>17,681,238</u>
Total capital assets, being depreciated, net	<u>34,687,932</u>	<u>(360,611)</u>	<u>-</u>	<u>34,327,321</u>
Business-type activities, capital assets, net	<u>\$ 34,847,941</u>	<u>\$ 906,091</u>	<u>\$ -</u>	<u>\$ 35,754,032</u>

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

NOTE F - CAPITAL ASSETS (Continued)

3. Depreciation Expense

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 172,756
Public safety	69,701
Community development	6,030
Streets and bridges	<u>1,919,065</u>
	<u>\$ 2,167,552</u>

Business – type activities:

Waterworks and sewerage	<u>\$ 1,348,831</u>
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NOTE G - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; natural disasters; employee health; and injuries to the Village's employees. The Village's Excess Property Program consists of excess specific coverage for all buildings, personal property and other property. The package coverage limit is \$250 million per occurrence/aggregate. Worker's Compensation Specific coverage is to Statutory Limits with \$3 million of employers' liability. The Village's Boiler and Machinery coverage is \$100 million per occurrence/aggregate with a \$1,000 deductible. The Village's Public Entity Select Excess Liability Coverage covers general liability, public officials' liability, police professional liability, automobile liability and employee benefits liability. The coverage limit for each coverage is \$1.95 million per occurrence/member. There were no significant reductions in insurance coverage from the previous year. Settled claims have not exceeded the insurance coverage in the last three years. The following table is a summary of the coverage in effect for the calendar year 2017.

<u>Coverage</u>	<u>Limits</u>
General Liability	\$ 9,950,000
Automobile Liability	9,950,000
Workers Comp	3,000,000
Property Damage	350,000,000
Other Liability	1,000,000

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE G - RISK MANAGEMENT (Continued)

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (such as medical, dental and life insurance coverage) offered by its members to their employees and to the employees of certain other governmental, quasi-governmental and nonprofit public service entities.

Management consists of a Board of Directors, comprised of one representative from each member. Additionally, there is an Executive Board that sets the strategic direction of IPBC. The Village does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

The Village also participates in the Illinois Municipal Insurance Cooperative (IMIC). IMIC is a protected self-insurance risk management program that is owned and managed by its municipal members. IMIC provides long-term insurance coverage for exposures unique to municipalities including utilities, police and fire departments and public works departments.

Management consists of a Board of Directors, comprised of one representative from each member. Additionally, there is an Executive Board that sets the strategic direction of IMIC. The Village does not exercise any control over the activities of the IMIC beyond its representation on the Board of Directors.

Neither IPBC or IMIC is considered a component unit of the Village.

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE H - LONG-TERM LIABILITIES**

**1. Changes in Long-Term Liabilities**

The following is a summary of the Village's long-term liabilities associated with governmental activities for the year ended April 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds					
Series 2013	\$ 2,870,000	\$ -	\$ 675,000	\$ 2,195,000	\$ 705,000
General obligation bonds					
Series 2006	890,000	-	890,000	-	-
Series 2007	325,000	-	325,000	-	-
Series 2011	2,355,000	-	367,500	1,987,500	375,000
Series 2013	4,405,000	-	200,000	4,205,000	205,000
Series 2016	-	4,697,000	220,000	4,477,000	225,000
Bond premium	170,175	333,349	27,887	475,637	31,926
Total general obligation bonds	<u>8,145,175</u>	<u>5,030,349</u>	<u>2,030,387</u>	<u>11,145,137</u>	<u>836,926</u>
Total bonds	11,015,175	5,030,349	2,705,387	13,340,137	1,541,926
Police net pension liability	4,845,811	1,377,948	1,255,894	4,967,865	-
IMRF net pension liability	2,143,465	755,521	855,133	2,043,853	-
Compensated absences	<u>163,173</u>	<u>248,025</u>	<u>252,966</u>	<u>158,232</u>	<u>-</u>
Total governmental activities	<u>\$ 18,167,624</u>	<u>\$ 7,411,843</u>	<u>\$ 5,069,380</u>	<u>\$ 20,510,087</u>	<u>\$ 1,541,926</u>

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE H - LONG-TERM LIABILITIES (Continued)

1. Changes in Long-Term Liabilities (Continued)

The Village issued \$4,740,000 of Limited Obligation Tax Increment Revenue Bonds on April 16, 2013, at an interest rate of 4.00 percent, to provide resources to refund the Series 2000 Limited Obligation Tax Increment Revenue Bonds. Repayment of the Series 2013 bonds is to be made in annual installments through January 1, 2020 and will be financed by the TIF District property tax revenues. The outstanding balance at April 30, 2017 was \$2,195,000.

The Village issued \$2,095,000 of General Obligation Refunding Bonds on December 15, 2006 with interest rates varying from 3.65% to 3.90%, to advance refund a portion of the General Obligation Bonds, Series 2000. In fiscal year 2017, the Village refinanced the remaining balance of these bonds with the General Obligation Bonds, Series 2016 (see below).

The Village issued \$2,500,000 of General Obligation Bonds, Series 2007 on October 15, 2007 with interest rates varying from 4.00% to 4.25%, to finance certain road improvement projects. The bonds were paid in full in fiscal year 2017.

The Village issued \$5,085,000 of General Obligation Bonds, Series 2011 on September 7, 2011 with interest rates varying from 2.00% to 4.00%, to refund a portion of the General Obligation Bonds, Series 2001. The bond is split between governmental activities, 75%; and business-type activities 25%. It is intended that repayment of the governmental activities' portion of these bonds through December 1, 2021 will be financed with sales taxes from the General Fund. The outstanding balance at April 30, 2017 was \$1,987,500 for government activities and \$662,500 for business-type activities.

The Village issued \$4,970,000 of General Obligation Bonds on April 11, 2013 with interest rates varying from 2.00% to 4.00%, to acquire real property and build and equip a regional 911 public safety dispatch center within the WESCOM service area. It is intended that repayment of these bonds through December 1, 2033 will be financed with WESCOM fees. The outstanding balance at April 30, 2017 was \$4,205,000.

The Village issued \$5,645,000 of General Obligation Bonds, Series 2016 on December 1, 2016 with interest rates varying from 2.00% to 4.00%. \$905,000 was issued to refund a portion of the General Obligation Bonds, Series 2006. The remaining \$4,740,000 is split between governmental activities, 80%; and business-type activities, 20%. It is intended that repayment of the governmental activities' portion of these bonds through December 1, 2031 will be financed with tax revenue from an intergovernmental agreement as well as related recapture fees (see Note J). The outstanding balance at April 30, 2017 was \$4,477,000.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

NOTE H - LONG-TERM LIABILITIES (Continued)

1. Changes in Long-Term Liabilities (Continued)

Annual debt service requirements to maturity for the revenue and general obligation bonds principal and interest are as follows for governmental type activities:

Year Ending April 30,	Revenue and General Obligation Bonds Payable		
	Principal	Interest	Total
2018	\$ 1,510,000	\$ 415,471	\$ 1,925,471
2019	1,779,250	370,421	2,149,671
2020	1,839,750	318,304	2,158,054
2021	868,750	263,750	1,132,500
2022	897,750	233,800	1,131,550
2023-2027	2,569,000	889,600	3,458,600
2028-2032	3,065,000	402,703	3,467,703
2033	335,000	11,223	346,223
	\$ 12,864,500	\$ 2,905,272	\$ 15,769,772

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE H - LONG-TERM LIABILITIES (Continued)**

**1. Changes in Long-Term Liabilities (Continued)**

The following is a summary of the Village's long-term liabilities associated with business-type activities for the year ended April 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds					
Series 2011	\$ 785,000	\$ -	\$ 122,500	\$ 662,500	\$ 125,000
Series 2012	4,570,000	-	555,000	4,015,000	570,000
Series 2016	-	948,000	-	948,000	-
Bond premium	<u>125,745</u>	<u>83,337</u>	<u>17,213</u>	<u>191,869</u>	<u>19,348</u>
 Total general obligation bonds	 <u>5,480,745</u>	 <u>1,031,337</u>	 <u>694,713</u>	 <u>5,817,369</u>	 <u>714,348</u>
 Infrastructure loans payable	 1,070,737	 -	 81,728	 989,009	 82,135
IMRF net pension liability	800,149	2,855	36,178	766,826	-
Compensated absences	<u>20,069</u>	<u>40,847</u>	<u>36,825</u>	<u>24,091</u>	<u>-</u>
 Total business-type activities	 <u>\$ 7,371,700</u>	 <u>\$ 1,075,039</u>	 <u>\$ 849,444</u>	 <u>\$ 7,597,295</u>	 <u>\$ 796,483</u>

The Village issued \$5,085,000 of General Obligation Refunding Bonds on September 7, 2011 with interest rates varying from 2.00% to 4.00%, to refund a portion of the General Obligation Bonds, Series 2001. The bond is split between governmental activities, 75%; and business-type activities, 25%. It is intended that repayment of these bonds through December 1, 2021 will be made from waterworks and sewerage revenues. The outstanding balance at April 30, 2017 was \$662,500.

The Village issued \$6,775,000 of General Obligation Refunding Bonds on June 5, 2012 with interest rates varying from 2.00% to 3.00%, to advance refund a portion of the infrastructure loans. It is intended that repayment of these bonds through December 1, 2024 will be made from waterworks and sewerage revenues. The outstanding balance at April 30, 2017 was \$4,015,000.

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE H - LONG-TERM LIABILITIES (Continued)**

**1. Changes in Long-Term Liabilities (Continued)**

The Village issued \$5,645,000 of General Obligation Bonds, Series 2016 on December 1, 2016 with interest rates varying from 2.00% to 4.00%. \$905,000 was issued to refund a portion of the General Obligation Bonds, Series 2006. The remaining \$4,740,000 is split between governmental activities, 80%; and business-type activities, 20%. It is intended that repayment of the business-type activities' portion of these bonds through December 1, 2031 will be financed with waterworks and sewerage revenues. The outstanding balance at April 30, 2017 was \$948,000.

Annual debt service requirements to maturity for general obligation bonds are as follows for business type activities:

Year Ending April 30,	General Obligation Bonds Payable		
	Principal	Interest	Total
2018	\$ 695,000	\$ 152,467	\$ 847,467
2019	765,750	138,317	904,067
2020	780,250	122,358	902,608
2021	746,250	102,950	849,200
2022	722,250	82,550	804,800
2023-2027	1,531,000	170,400	1,701,400
2028-2032	385,000	47,400	432,400
	\$ 5,625,500	\$ 816,442	\$ 6,441,942

**2. Loans Payable**

The Village has completed several infrastructure projects with funds borrowed from the Illinois Water Revolving Fund. Changes in infrastructure loans payable to the Illinois Environmental Protection Agency (IEPA) included in the Waterworks and Sewerage Fund for the year ended April 30, 2017 are as follows:

	Beginning Balance	Loans Received	Loans Paid	Ending Balance	Due Within One Year
Water Loan					
2.535% Interest	\$ 83,851	\$ -	\$ 15,935	\$ 67,916	\$ 16,343
Water Tower Loan					
0.0% Interest	986,886	-	65,793	921,093	65,792
	\$ 1,070,737	\$ -	\$ 81,728	\$ 989,009	\$ 82,135

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

NOTE H - LONG-TERM LIABILITIES (Continued)

2. Loans Payable (Continued)

Remaining obligations at year end include a water loan at 2.535% interest and repayment in semi-annual installments through November 10, 2020 and a water tower project loan at 0.0% interest and repayment in semi-annual installments through April 29, 2031. It is intended that repayment of these loans will be financed with waterworks and sewerage revenues.

The following is a summary of debt service principal and interest maturities for each of the next five fiscal years and in five year increments thereafter required to service all infrastructure loans included in the Waterworks and Sewerage Fund at April 30, 2017:

Year Ending April 30,	Infrastructure Loans Payable		
	Principal	Interest	Total
2018	\$ 82,135	\$ 1,619	\$ 83,754
2019	82,552	1,202	83,754
2020	82,980	774	83,754
2021	83,417	335	83,752
2022	65,792	-	65,792
2023-2027	328,962	-	328,962
2028-2032	263,171	-	263,171
	\$ 989,009	\$ 3,930	\$ 992,939

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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**NOTE I - PENSION LIABILITIES**

The Village participates in the Illinois Municipal Retirement Fund (IMRF), a statewide multiple-employer, public employee retirement system which acts as an investment and administrative agent. The IMRF plan covers substantially all of the Village's employees other than police officers. The Village also maintains a single-employer retirement plans established by state statute for the Village's police officers.

1. **Illinois Municipal Retirement Fund**

**Plan Description**

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section below. 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. That report is available for download at [www.imrf.org](http://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 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.

**Village of Channahon, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

**NOTE I - PENSION LIABILITIES** (Continued)

1. **Illinois Municipal Retirement Fund** (Continued)

**Benefits Provided** (Continued)

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.

**Plan Membership**

As of December 31, 2016, the following employees were covered by the benefit terms:

	Regular	SLEP
Retirees and beneficiaries currently receiving benefits	30	-
Inactive plan members entitled to but not yet receiving benefits	23	-
Active plan members	31	-
Total	84	-

**Contributions**

As set by statute, the Village'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 Village's annual contribution rate for calendar year 2016 was 17.02%. For the fiscal year ended April 30, 2017 the Village contributed \$401,387 to the plan. The Village 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.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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**NOTE I - PENSION LIABILITIES** (Continued)

1. **Illinois Municipal Retirement Fund** (Continued)

**Net Pension Liability**

The Village's IMRF 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:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Projected Retirement Age	Experience-based table of rates, 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 projections scale MP-2014 (base year 2012). 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. For active members, 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 Employee Mortality Table with adjustments to match current IMRF experience.

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE I - PENSION LIABILITIES** (Continued)

1. **Illinois Municipal Retirement Fund** (Continued)

**Actuarial Assumptions** (Continued)

Long-term Expected Rate of Return    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:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	38%	6.85%
International equity	17%	6.75%
Fixed income	27%	3.00%
Real estate	8%	5.75%
Alternative investments	9%	2.65% - 7.35%
Cash equivalents	1%	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:

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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NOTE I - PENSION LIABILITIES (Continued)

1. Illinois Municipal Retirement Fund (Continued)

**Single Discount Rate** (Continued)

- a. 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
- b. 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%.

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE I - PENSION LIABILITIES** (Continued)

1. **Illinois Municipal Retirement Fund** (Continued)

**Changes in Net Pension Liability**

The following table shows the components of the change in the Village's net pension liability for the calendar year ended December 31, 2016 for the Regular Plan:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability* (A) - (B)
Balances at December 31, 2015	\$ 10,579,736	\$ 7,544,080	\$ 3,035,656
Changes for the year:			
Service cost	245,370	-	245,370
Interest on the total pension liability	780,572	-	780,572
Difference between expected and actual experience of the total pension liability	(49,177)	-	(49,177)
Changes of assumptions	(88,080)	-	(88,080)
Contributions - employer	-	357,573	(357,573)
Contributions - employees	-	94,541	(94,541)
Net investment income	-	525,881	(525,881)
Benefit payments, including refunds of employee contributions	(421,718)	(421,718)	-
Other (net transfer)	-	37,116	(37,116)
Net changes	<u>466,967</u>	<u>593,393</u>	<u>(126,426)</u>
Balances at December 31, 2016	<u>\$ 11,046,703</u>	<u>\$ 8,137,473</u>	<u>\$ 2,909,230</u>

\* The net pension liability is allocated between the Governmental and Business Type activities based upon covered payroll within the respective activities.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

**NOTE I - PENSION LIABILITIES** (Continued)

1. **Illinois Municipal Retirement Fund** (Continued)

**Changes in Net Pension Liability**

The following table shows the components of the change in the Village's net pension liability for the calendar year ended December 31, 2016 for the SLEP Plan:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ -	\$ 92,042	\$ (92,042)
Changes for the year:			
Net Investment Income	-	6,322	(6,322)
Other (net transfer)	-	187	(187)
Net changes	-	6,509	(6,509)
Balances at December 31, 2016	\$ -	\$ 98,551	\$ (98,551)

**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 7.50%, 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 than the current rate:

	Current Discount Rate		
	1% Lower (6.50%)	Rate (7.50%)	1% Higher (8.50%)
<b>Regular Plan</b>			
Net pension liability	\$ 4,506,792	\$ 2,909,230	\$ 1,611,891
<b>SLEP</b>			
Net pension liability	\$ (98,551)	\$ (98,551)	\$ (98,551)

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

**NOTE I - PENSION LIABILITIES** (Continued)

1. **Illinois Municipal Retirement Fund** (Continued)

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

For the year ended April 30, 2017, the Village recognized pension expense of \$483,003 for the Regular Plan. At April 30, 2017, the Village reported deferred inflows of resources related to pensions from the following sources:

<i>Regular Plan</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 140,304	\$ -
Change of assumptions	-	52,332
Net difference between projected and actual earnings on pension plan investments	346,229	-
Total deferred amounts to be recognized in pension expense in the future periods	486,533	52,332
Pension contributions made subsequent to the measurement date	169,180	-
Total deferred amounts related to pensions	\$ 655,713	\$ 52,332

The Village reported \$169,180 as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2017.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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**NOTE I - PENSION LIABILITIES** (Continued)

1. **Illinois Municipal Retirement Fund** (Continued)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions** (Continued)

For the year ended April 30, 2017, the Village recognized pension income of \$5,608 for the SLEP Plan. At April 30, 2017, the Village reported deferred inflows of resources related to pensions from the following sources:

<i><b>SLEP Plan</b></i>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Net difference between projected and actual earnings on pension plan investments	\$ <u>4,584</u>	\$ <u>-</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>4,584</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 4,584</u></u>	<u><u>\$ -</u></u>

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE I - PENSION LIABILITIES** (Continued)

1. **Illinois Municipal Retirement Fund** (Continued)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions** (Continued)

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

Year Ended April, 30	Regular Plan Net Deferred Outflows of Resources	SLEP Net Deferred Outflows of Resources
2018	\$ 157,056	\$ 1,489
2019	157,056	1,489
2020	123,489	1,490
2021	(3,400)	116
2022	-	-
Thereafter	-	-
Total	\$ 434,201	\$ 4,584

2. **Police Pension Trust Fund**

**Plan Description**

The Village contributes to a single-employer defined benefit plan, the Police Pension Trust Fund. The Fund provides retirement, disability, death benefits and annual cost-of-living adjustments to plan members and beneficiaries. Sworn Police personnel are covered by the plan. The plan is part of the Village's financial reporting entity as a component unit that is fiduciary in nature and is included in the Village's financial report as a pension trust fund. The Police Pension Trust Fund does not issue its own financial statements. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution requirements are governed by 40 ILCS 5/3 of the Illinois Compiled Statutes and may only be amended by the Illinois legislature. The Police Pension Trust Fund is administered by the Police Pension Board of Trustees comprising two members appointed by the Village, two active members of the Police Department elected by the membership, and one retired member of the Police Department elected by the membership.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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**NOTE I - PENSION LIABILITIES** (Continued)

2. **Police Pension Trust Fund** (Continued)

**Basis of Accounting**

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions to net position are recorded when earned and deductions from net position are recorded when the time related liabilities/deferred inflows are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Benefits Provided**

The following is a summary of the Police Pension Plan as provided in Illinois State Statutes:

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55).

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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**NOTE I - PENSION LIABILITIES** (Continued)

2. **Police Pension Trust Fund** (Continued)

**Benefits Provided** (Continued)

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

**Plan Membership**

As of April 30, 2017, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>23</u>
Total plan membership	<u><u>34</u></u>

**Contributions**

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. The Village has chosen to use the following parameters to fund its pension plan above and beyond the state minimum. For the year-ended April 30, 2017, the Village's contribution was 28.00% of covered payroll.

**Net Pension Liability**

The Village's police fund net pension liability was measured as of April 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Village of Channahon, Illinois**  
 NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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**NOTE I - PENSION LIABILITIES** (Continued)

2. **Police Pension Trust Fund** (Continued)

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed as of April 30, 2017, using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2017
Actuarial cost method	Projected unit credit
Amortization method	90% funding by 2040
Asset valuation method	5-year smoothed market
Funding method	Entry age normal cost method
Actuarial asset method	Investment gains and losses are smoothed over a 5-year period
Assumptions	
Interest rate	7.00%
Discount rate	7.00%
Salary increases	4.50%
Cost of living adjustments	3.00%
Inflation	2.50%
Marital status	80% assumed to be married
Spouse's age	Males are assumed to be three years older than females

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with a blue collar adjustment, projected to the valuation date using Scale BB.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (see Note C) was applied to all period of projected benefit payments to determine the total pension liability.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

**NOTE I - PENSION LIABILITIES** (Continued)

2. **Police Pension Trust Fund** (Continued)

**Funding Policy**

The Village funds its contributions to the Police pension plan through an annual tax levy. The levy amount is actuarially determined as the annual contribution necessary to fund the normal costs, plus the amount to amortize the unfunded accrued liability.

**Administrative Costs**

The Police Pension Fund's administrative costs are part of the budget prepared annually and the actual costs are paid out of the revenues received.

**Changes in Net Pension Liability**

	Total Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
	<u>          </u>	<u>          </u>	<u>          </u>
Balances at April 30, 2016	\$ 11,760,316	\$ 6,914,505	\$ 4,845,811
Changes for the year:			
Service cost	469,431	-	469,431
Interest on the total pension liability	845,433	-	845,433
Difference between expected and actual experience of the total pension liability	35,472	-	35,472
Contributions - employer	-	582,707	(582,707)
Contributions - employees	-	206,225	(206,225)
Net investment income	-	466,962	(466,962)
Benefit payment, including refunds of employee contributions	(304,256)	(304,256)	-
Administrative expense	-	(27,612)	27,612
Net changes	<u>1,046,080</u>	<u>924,026</u>	<u>122,054</u>
Balances at April 30, 2017	<u>\$ 12,806,396</u>	<u>\$ 7,838,531</u>	<u>\$ 4,967,865</u>

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

**NOTE I - PENSION LIABILITIES** (Continued)

2. **Police Pension Trust Fund** (Continued)

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.00% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 7,159,420	\$ 4,967,865	\$ 3,209,227

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

For the year ended April 30, 2017 the Village recognized pension expense of \$573,228. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Difference between expected and actual experience	\$ -	\$ 939,312
Change in assumptions	-	116,058
Net difference between projected and actual earnings on pension plan investments	347,476	-
Total deferred amounts related to Police Pension	\$ 347,476	\$ 1,055,370

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE I - PENSION LIABILITIES** (Continued)

2. **Police Pension Trust Fund** (Continued)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

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

Year Ended April 30,	Net Deferred Inflows of Resources
2018	\$ 63,012
2019	63,012
2020	63,012
2021	170,024
2022	176,634
Thereafter	<u>172,200</u>
Total	<u>\$ 707,894</u>

3. **Summary of Pension Items**

Below is a summary of the various pension items:

	IMRF	Police	Total
Deferred outflows of resources:			
Employer contributions	\$ 169,180	\$ -	\$ 169,180
Experience	140,304	-	140,304
Investments	<u>350,813</u>	<u>347,476</u>	<u>698,289</u>
	<u>\$ 660,297</u>	<u>\$ 347,476</u>	<u>\$ 1,007,773</u>
Net pension liability	<u>\$ 2,810,679</u>	<u>\$ 4,967,865</u>	<u>\$ 7,778,544</u>
Deferred inflows of resources:			
Experience	\$ -	\$ 939,312	\$ 939,312
Assumptions	<u>52,332</u>	<u>116,058</u>	<u>168,390</u>
	<u>\$ 52,332</u>	<u>\$ 1,055,370</u>	<u>\$ 1,107,702</u>

**Village of Channahon, Illinois**  
**NOTES TO FINANCIAL STATEMENTS**  
April 30, 2017

**NOTE I - PENSION LIABILITIES** (Continued)

3. **Summary of Pension Items** (Continued)

Below is a reconciliation of the summary of the various pension items to the amounts reported in the government-wide financial statements:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:	\$ 834,938	\$ 172,835	\$ 1,007,773
Net pension liability	7,011,718	766,826	7,778,544
Deferred inflows of resources:	1,093,909	13,793	1,107,702

**NOTE J - CONDUIT DEBT**

The following bonds, which are not included in the financial statements of the Village, bear the Village's name: Revenue Bonds - Series 2003, 2009, and 2013. These bonds are special limited obligations of nongovernmental entities. The bonds are not general obligations of the Village and the Village is not liable for the repayment of the bonds. During the fiscal year ended April 30, 2003 and 2009, the Village issued Variable Rate Deferred Revenue Bonds Series 2003 (Morris Hospital Project) and First Mortgage Revenue Bonds, Series 2009 (Morris Hospital Project), in the aggregate amounts of \$27,220,000 and \$15,000,000, respectively, for new construction that will result in immediate care health facilities. The bonds are secured by a first mortgage on the facility. Repayment of the bonds is the responsibility of Morris Hospital Group. Additionally, in 2013, Revenue Refunding Bonds, Series 2013 were issued by Morris Hospital Group in the amount of \$6,000,000. The total conduit debt outstanding at April 30, 2017 was \$35,135,000.

**NOTE K - INCENTIVE AGREEMENT**

In February 2015, the Village entered into an incentive agreement with a developer related to business property development and roadway improvements. Under the agreement, the Village will share certain tax revenues (net incremental real estate tax revenue contributed to the T.I.F., plus sales tax, fuel tax and hotel tax) generated from business with the developer two times per year up to \$3,100,000. The first payment shall be made on or about July 15th and the second on or about January 15th of each calendar year that the agreement is in effect. Revenues will be shared as follows: the first \$125,000 of annual project revenue will be paid entirely to the Village; the next \$600,000 of annual project revenue shall be paid entirely to the developer; the annual project revenue in excess of \$725,000 shall be split equally between the Village and developer. After the developer has been paid in full, or if the agreement has expired, whichever occurs first, the Village shall retain the entire amount of project revenues. The first payment was made in July 2017 as the agreement went into effect during fiscal year 2017. The agreement will expire on January 15, 2028.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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**NOTE L - CONTINGENCIES AND COMMITMENTS**

1. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state of Illinois. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures which may be disallowed by the grantor cannot be determined at this time, although the Village expects such amounts, if any, to be immaterial.

2. Litigation

As of April 30, 2017, the Village had two lawsuits pending against it with the City of Chicago and Cook County. The pending lawsuits involve the appropriateness of sales tax agreements entered into by the Village with various developers. The Village, along with the developers, is vigorously defending both lawsuits which seek a declaration that the tax rebate agreements are not appropriate under Illinois law, a repayment of sales tax dollars received by the Village plus penalties and interest as well as other relief. The Village and other defendants continue to file motions to dismiss the lawsuits citing various legal arguments. It is management's belief that the likelihood for an adverse outcome is not high.

In addition to the matters referenced above, from time to time, the Village is involved in legal and administrative proceedings with respect to employment, civil rights, property taxes and other matters. Although the Village is unable to predict the outcome of these matters, the Village believes that any appropriate liabilities have been established and that the final outcome of these actions will not have a material adverse effect on the results of operations or the financial position of the Village.

3. Construction Commitments

The Village has certain contracts for several construction projects that were in progress at April 30, 2017. Future commitments under these contracts were approximately \$3,182,000 at April 30, 2017.

**NOTE M - CORRECTION OF AN ERROR**

As of April 30, 2016, accounts payable and unearned revenue of the Governmental Activities and Governmental Funds were overstated by \$880,162 and \$150,000, respectively. Therefore, the Village restated its net position and current liabilities as of May 1, 2016. As a result of these errors, as of May 1, 2016, net position of the Governmental Activities and the fund balance of the Governmental Funds increased by \$1,030,162.

**Village of Channahon, Illinois**  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2017

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**NOTE N - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 2, 2017, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than those noted below, have occurred subsequent to the statement of net position date that require disclosure in the financial statements.

In June 2017, the Village entered into an operating lease agreement for printers at \$880 per month for 60 months.

In addition, in June 2017, the Village entered into an Intergovernmental Agreement with a developer and various other taxing bodies for the annexation and improvement of certain property. In order to finance the improvements, the developer will construct the improvements and the Village and other taxing bodies will reimburse the developer by ordering the Will County Clerk to abate 100% of the real estate taxes otherwise payable to that party from each project. Once the property is built-out and fully assessed, it is expected to generate approximately \$2,300,000 of property tax revenue to all of the taxing bodies annually. The Village's portion is anticipated to be approximately \$200,000.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

## Village of Channahon, Illinois

### Illinois Municipal Retirement Fund

#### MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2017

Calendar year ended December 31,	Regular Plan		
	2016	2015	2014
<b>Total pension liability</b>			
Service cost	\$ 245,370	\$ 242,402	\$ 252,079
Interest on the total pension liability	780,572	716,210	611,319
Difference between expected and actual experience of the total pension liability	(49,177)	317,658	593,991
Assumption changes	(88,080)	27,866	351,462
Benefit payments and refunds	(421,718)	(407,743)	(344,353)
Net change in total pension liability	466,967	896,393	1,464,498
Total pension liability, beginning	10,579,736	9,683,343	8,218,845
Total pension liability, ending	<u>\$ 11,046,703</u>	<u>\$ 10,579,736</u>	<u>\$ 9,683,343</u>
<b>Plan fiduciary net position</b>			
Contributions, employer	\$ 357,573	\$ 281,357	\$ 274,080
Contributions, employee	94,541	124,825	130,603
Net investment income	525,881	36,752	420,912
Benefit payments, including refunds of employee contributions	(421,718)	(407,743)	(344,353)
Other (net transfer)	37,116	157,790	(179)
Net change in plan fiduciary net position	593,393	192,981	481,063
Plan fiduciary net position, beginning	7,544,080	7,351,099	6,870,036
Plan fiduciary net position, ending	<u>\$ 8,137,473</u>	<u>\$ 7,544,080</u>	<u>\$ 7,351,099</u>
Net pension liability	<u>\$ 2,909,230</u>	<u>\$ 3,035,656</u>	<u>\$ 2,332,244</u>
Plan fiduciary net position as a percentage of the total pension liability	73.66 %	71.31 %	75.91 %
Covered Valuation Payroll	\$ 2,100,900	\$ 2,052,210	\$ 2,053,036
Net pension liability as a percentage of covered valuation payroll	138.48 %	147.92 %	113.60 %

Note: The Village implemented GASB 68 for the Illinois Municipal Retirement Fund beginning with its fiscal year ended April 30, 2016; therefore 10 years of information is not available.

## Village of Channahon, Illinois

### Illinois Municipal Retirement Fund

#### MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2017

Calendar year ended December 31,	Sheriff's Law Enforcement Personnel (SLEP)		
	2016	2015	2014
Total pension (asset) liability			
Service cost	\$ -	\$ -	\$ 19,759
Interest on the total pension (asset) liability	-	-	9,302
Difference between expected and actual experience of the total pension (asset) liability	-	-	(117,803)
Assumption changes	-	-	-
Benefit payments and refunds	-	-	(50,798)
Net change in total pension liability	-	-	(139,540)
Total pension liability, beginning	-	-	139,540
Total pension liability, ending	\$ -	\$ -	\$ -
Plan fiduciary net position			
Contributions, employer	\$ -	\$ -	\$ 6,075
Contributions, employee	-	-	2,998
Net investment income	6,322	527	8,005
Benefit payments, including refunds of employee contributions	-	-	(50,798)
Other (net transfer)	187	(13,840)	(13,021)
Net change in plan fiduciary net position	6,509	(13,313)	(46,741)
Plan fiduciary net position, beginning	92,042	105,355	152,096
Plan fiduciary net position, ending	\$ 98,551	\$ 92,042	\$ 105,355
Net pension (asset) liability	\$ (98,551)	\$ (92,042)	\$ (105,355)
Plan fiduciary net position as a percentage of the total pension (asset) liability	NA	NA	NA
Covered Valuation Payroll	\$ -	\$ -	\$ 39,970
Net pension (asset) liability as a percentage of covered valuation payroll	NA	NA	(263.59) %

Note: The Village implemented GASB 68 for the Illinois Municipal Retirement Fund beginning with its fiscal year ended April 30, 2016; therefore 10 years of information is not available.

**Village of Channahon, Illinois**  
 Illinois Municipal Retirement Fund  
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS  
April 30, 2017

**Regular Plan**

Fiscal Year December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 357,573 *	\$ 357,573	\$ -	\$ 2,100,900	17.02 %
2015	281,358	281,357	1	2,052,210	13.71
2014	274,080	274,080	-	2,053,036	13.35

**Sheriff's Law Enforcement Personnel (SLEP)**

Fiscal Year December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ - **	\$ -	\$ -	-	NA
2015	-	-	-	-	NA
2014	6,075	6,075	-	39,970	15.20 %

\* Estimated based on contribution rate of 17.02% and covered valuation payroll of \$2,100,900.

\*\* Estimated based on contribution rate of 13.35% and covered valuation payroll of \$0.

Note: The Village implemented GASB 68 for the Illinois Municipal Retirement Fund beginning with its fiscal year ended April 30, 2016; therefore 10 years of information is not available.

**Village of Channahon, Illinois**  
Illinois Municipal Retirement Fund  
MULTIYEAR SCHEDULE OF CONTRIBUTIONS  
April 30, 2017

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**Valuation Date:** Actuarially determined contribution rates are calculated as of December 31 each year, which is 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 % Pay (Closed)
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period Taxing bodies (Regular, SLEP and ECO groups): 27-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 22 years for most employers (two employers were financed over 31 years).
Asset Valuation Method	5-Year Smoothed Market Value; 20% corridor
Wage growth	3.50%
Inflation	2.75% - approximate; no explicit price inflation assumption is used
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 scale 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:** There were no benefit changes during the year.

## Village of Channahon, Illinois

### Police Pension Fund

#### SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2017

	2017	2016	2015
<b>Total pension liability</b>			
Service cost	\$ 469,431	\$ 473,127	\$ 448,278
Interest on the total pension liability	845,433	872,398	717,336
Difference between expected and actual experience of the total pension liability	35,472	(1,293,798)	48,892
Assumption changes	-	(154,744)	830,657
Benefit payments and refunds	(304,256)	(252,724)	(353,527)
Net change in total pension liability	1,046,080	(355,741)	1,691,636
Total pension liability, beginning	11,760,316	12,116,057	10,424,421
Total pension liability, ending	\$ 12,806,396	\$ 11,760,316	\$ 12,116,057
<b>Plan fiduciary net position</b>			
Contributions, employer	\$ 582,707	\$ 562,298	\$ 511,620
Contributions, employee	206,225	195,170	167,057
Net investment income (loss)	466,962	(63,608)	296,735
Benefit payments, including refunds of employee contributions	(304,256)	(252,724)	(353,527)
Administrative expense	(27,612)	(18,611)	(34,717)
Net change in plan fiduciary net position	924,026	422,525	587,168
Plan fiduciary net position, beginning	6,914,505	6,491,980	5,904,812
Plan fiduciary net position, ending	\$ 7,838,531	\$ 6,914,505	\$ 6,491,980
Net pension liability	\$ 4,967,865	\$ 4,845,811	\$ 5,624,077
Plan fiduciary net position as a percentage of the total pension liability	61.21 %	58.80 %	53.58 %
Covered Valuation Payroll	\$ 2,080,979	\$ 1,797,855	\$ 1,772,010
Net pension liability as a percentage of covered valuation payroll	238.73 %	269.53 %	317.38 %

Note: The Police Pension Fund implemented GASB 67 beginning with its fiscal year ended April 30, 2016; therefore, 10 years of information is not available.

*Changes of Assumptions* : For the measurement date April 30, 2016, amounts reported as changes of assumptions were the result of updating the mortality assumptions to include a projection to the valuation date using Scale BB and revision to the salary scale from a flat 5.50% to a service-based table.

**Village of Channahon, Illinois**  
 Police Pension Fund  
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS  
April 30, 2017

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2017	\$ 566,698	\$ 582,707	\$ 16,009	\$ 2,080,979	28.00 %
2016	476,620	562,298	85,678	1,797,855	31.28
2015	433,655	511,620	77,965	1,772,010	28.87

Notes to the Required Supplementary Information:

Valuation date                      May 1, 2015

Methods and assumptions used to determine contribution rates:

Funding method	Entry age normal cost method
Amortization method	Level of percentage of pay, closed
Remaining amortization period	24 years (as of valuation at May 1, 2015)
Actuarial asset method	5-year average market value (PA 096-1495)
Investment return	7.00% net of investment expenses
Salary scale	5.50%
Payroll growth	5.50%
Mortality	RP 2000 Mortality Table (CHBCA). There is not margin for future mortality improvement beyond the valuation date.
Withdrawal and disability rates	Based on studies of the Fund and the Department of Insurance
Retirement	Based on studies of the Fund and the Department of Insurance; 100% by age 70
Marital status	80% married; female spouses 3 years younger
	Funding to a 90% funded ratio using the level dollar method over a period ending in 2040

Note: The Police Pension Fund implemented GASB 67 beginning with its fiscal year ended April 30, 2015; therefore, 10 years of information is not available.

**Village of Channahon, Illinois**  
 Police Pension Fund  
 MULTIYEAR SCHEDULE OF INVESTMENT RETURNS  
April 30, 2017

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2017	See below
2016	-1.13%
2015	3.44%
Investment Advisor	Money-Weighted Return for Portion of Fund Managed
Bernardi Asset Management	1.62%
Edward Jones	13.71%
Morgan Stanley	14.06%
Safe Harbor Retirement Consultants	8.50%

Note: The Police Pension Fund implemented GASB 67 beginning with its fiscal year ended April 30, 2015; therefore, 10 years of information is not available.

## Village of Channahon, Illinois

### General Fund

#### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN

#### FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2017

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
<b>Revenues</b>				
Property taxes	\$ 1,131,010	\$ 1,083,600	\$ 1,103,947	\$ 20,347
Other taxes	852,400	841,800	1,096,886	255,086
Intergovernmental	2,945,100	2,617,100	2,936,795	319,695
Payments in lieu of taxes	125,000	125,000	289,419	164,419
Licenses and permits	96,850	96,800	262,329	165,529
Fines and fees	109,000	74,325	87,689	13,364
Charges for services	306,372	287,130	341,493	54,363
Interest income	20,150	20,000	61,981	41,981
Miscellaneous income	83,370	72,150	156,679	84,529
Total revenues	5,669,252	5,217,905	6,337,218	1,119,313
<b>Expenditures</b>				
Current				
General government	1,059,046	1,508,329	892,179	(616,150)
Public safety	3,279,424	3,340,278	3,128,784	(211,494)
Streets and bridges	1,269,327	1,289,587	1,140,945	(148,642)
Community development	432,092	460,300	396,448	(63,852)
Capital outlay	5,883,000	402,000	202,328	(199,672)
Debt service				
Principal	367,500	367,500	367,500	-
Interest and other	70,376	70,375	70,328	(47)
Total expenditures	12,360,765	7,438,369	6,198,512	(1,239,857)
Excess (deficiency) of revenues over expenditures	(6,691,513)	(2,220,464)	138,706	2,359,170
<b>Other financing sources (uses)</b>				
Sale of capital assets	5,000	5,000	8,175	3,175
Debt issuance	5,500,000	-	-	-
Transfers in	1,727,992	187,000	189,004	2,004
Transfers out	(620,000)	(620,000)	(121,012)	498,988
Total other financing sources (uses)	6,612,992	(428,000)	76,167	504,167
Net change in fund balance	\$ (78,521)	\$ (2,648,464)	214,873	\$ 2,863,337
<b>Fund balance</b>				
Beginning of year, as restated (See Note M)			10,947,515	
End of year			\$ 11,162,388	

## Village of Channahon, Illinois

T.I.F. District Fund

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2017

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
<b>Revenues</b>				
Property taxes	\$ 6,800,000	\$ 6,800,000	\$ 6,934,164	\$ 134,164
Interest income	<u>1,500</u>	<u>1,500</u>	<u>624</u>	<u>(876)</u>
Total revenues	<u>6,801,500</u>	<u>6,801,500</u>	<u>6,934,788</u>	<u>133,288</u>
<b>Expenditures</b>				
General government				
Taxing district surplus distribution	4,100,000	4,100,000	4,088,371	(11,629)
Redevelopment agreement payments	1,860,000	2,070,000	2,069,350	(650)
Legal and other professional fees	2,500	2,500	1,175	(1,325)
Audit fees	6,890	6,890	6,890	-
Dues and subscriptions	650	650	-	(650)
Miscellaneous	<u>-</u>	<u>700</u>	<u>30</u>	<u>(670)</u>
Total general government	<u>5,970,040</u>	<u>6,180,740</u>	<u>6,165,816</u>	<u>(14,924)</u>
Debt service				
Bond principal	675,000	675,000	675,000	-
Bond interest	114,800	114,800	114,800	-
Bond paying agent fees	<u>4,500</u>	<u>4,500</u>	<u>4,000</u>	<u>(500)</u>
Total debt service	<u>794,300</u>	<u>794,300</u>	<u>793,800</u>	<u>(500)</u>
Total expenditures	<u>6,764,340</u>	<u>6,975,040</u>	<u>6,959,616</u>	<u>(15,424)</u>
Net change in fund balance	<u>\$ 37,160</u>	<u>\$ (173,540)</u>	(24,828)	<u>\$ 148,712</u>
Fund balance				
Beginning of year			<u>518,411</u>	
End of year			<u>\$ 493,583</u>	

## Village of Channahon, Illinois

Bluff Road & I-55 Fund

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2017

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
<b>Revenues</b>				
Interest income	\$ -	\$ 15,000	\$ 10,392	\$ (4,608)
Miscellaneous income	-	285,000	296,933	11,933
Total revenues	-	300,000	307,325	7,325
<b>Expenditures</b>				
Streets and bridges				
Engineering fees	-	6,500	130,597	124,097
Legal and other professional fees	-	2,000	1,902	(98)
Miscellaneous	-	600	507	(93)
Total streets and bridges	-	9,100	133,006	123,906
Capital outly	-	195,000	3,143	(191,857)
Debt service				
Debt issuance costs	-	15,650	109,468	93,818
Total expenditures	-	219,750	245,617	25,867
Excess of revenues over expenditures	-	80,250	61,708	(18,542)
Other financing sources				
Debt issuance	-	4,000,000	3,792,000	(208,000)
Premium on debt issuance	-	-	333,349	333,349
Total other financing sources	-	4,000,000	4,125,349	125,349
Net change in fund balance	\$ -	\$ 4,080,250	4,187,057	\$ 106,807
Fund balance				
Beginning of year			-	
End of year			\$ 4,187,057	

**Village of Channahon, Illinois**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
April 30, 2017

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NOTE A - BUDGETS

The Village prepares its budget ordinance in accordance with generally accepted accounting principles. The annual budgets lapse at fiscal year-end.

1. Prior to the beginning of the new fiscal year (May 1st), the Budget Officer submits to the Village Board a proposed operating budget ordinance for the fiscal year commencing May 1st. The operating budget ordinance includes proposed expenditures and estimated revenues.
2. The Village Board holds public hearings to discuss the proposed budget ordinance.
3. After approval of the budget by the Village Board, it is officially adopted by ordinance. State statutes and local ordinances require that the budget ordinance be approved prior to the beginning of the current fiscal year.
4. The Budget Officer can authorize revisions to the budget line items within a fund. Revisions to the budget between funds may be made in accordance with the Illinois Compiled Statutes (65 ILCS 5/8), requiring two-thirds vote of the Village Board. The legal level of control is at the individual fund level. All unencumbered budget items lapse at fiscal year-end.
5. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue and Debt Service Funds through an internal reporting system. Although not legally required under Illinois Statutes, the Village also prepares budgets as a control device for the proprietary fund. Such budgetary integration permits the Village's department managers to monitor actual revenues and expenditures relative to budgets on an ongoing basis throughout the year.
6. The budget for each fund is prepared on the basis of accounting which does not differ from the method of accounting described in the "Basis of Accounting".
7. The original budget was adopted by the Village Board on April 18, 2016, and was amended by the Village Board on June 19, 2017.

**SUPPLEMENTARY FINANCIAL INFORMATION**

## Village of Channahon, Illinois

General Fund

### SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

Year Ended April 30, 2017

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Taxes				
Property				
General	\$ 775,000	\$ 713,500	\$ 718,565	\$ 5,065
Police	240,000	255,100	263,435	8,335
Road and bridge	115,060	115,000	121,947	6,947
Mobile home	950	-	-	-
Total property taxes	<u>1,131,010</u>	<u>1,083,600</u>	<u>1,103,947</u>	<u>20,347</u>
Other taxes				
Village sales tax	590,000	590,000	822,172	232,172
Village transfer tax	165,000	164,000	164,513	513
Mobile home rental tax	7,900	7,900	8,015	115
Hotel & motel tax	43,000	34,000	34,338	338
Village gaming tax	3,000	2,400	2,400	-
Dedicated Village sales taxes	31,500	31,500	38,739	7,239
Dedicated Village fuel taxes	12,000	12,000	26,709	14,709
Total other taxes	<u>852,400</u>	<u>841,800</u>	<u>1,096,886</u>	<u>255,086</u>
Total taxes	<u>1,983,410</u>	<u>1,925,400</u>	<u>2,200,833</u>	<u>275,433</u>
Intergovernmental revenues				
Taxes				
State sales tax	825,000	825,000	1,092,739	267,739
State income tax	1,400,000	1,184,000	1,184,255	255
State use tax	300,000	290,000	309,685	19,685
Personal property replacement tax	1,200	1,200	1,467	267
Auto rental tax	1,400	1,400	2,405	1,005
Gaming revenue tax	45,000	45,000	49,291	4,291
Excise tax	160,000	149,000	150,944	1,944
Village telecommunications tax	105,000	90,000	100,629	10,629
Dedicated state sale taxes	31,500	31,500	43,280	11,780
Total intergovernmental taxes	<u>2,869,100</u>	<u>2,617,100</u>	<u>2,934,695</u>	<u>317,595</u>

(Continued)

## Village of Channahon, Illinois

### General Fund

#### SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

Year Ended April 30, 2017

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
Revenues (continued)				
Intergovernmental grants				
Federal road grants	\$ 76,000	\$ -	\$ -	\$ -
Tobacco enforcement grant	-	-	2,100	2,100
Total intergovernmental grants	76,000	-	2,100	2,100
Total intergovernmental revenues	2,945,100	2,617,100	2,936,795	319,695
Licenses and permits				
Liquor license	20,700	20,700	27,700	7,000
Business license	10,000	10,000	10,660	660
Vending machine license	4,250	4,250	4,340	90
Solicitors permits	500	500	500	-
Village dog tags	400	350	385	35
Building permits	60,000	60,000	216,394	156,394
Application fees	1,000	1,000	2,350	1,350
Total licenses and permits	96,850	96,800	262,329	165,529
Fines and fees				
Sex offender fee	500	500	600	100
Police fines	55,000	40,000	40,180	180
Police fines - warrant fee	1,500	425	425	-
Compliance tickets	9,000	9,000	21,446	12,446
DUI/law enforcement	8,000	8,000	8,638	638
Impound fees	35,000	16,400	16,400	-
Total fines and fees	109,000	74,325	87,689	13,364

(Continued)

## Village of Channahon, Illinois

### General Fund

#### SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

Year Ended April 30, 2017

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
Revenues (continued)				
Charges for services				
Cadet program revenue	\$ -	\$ -	\$ 500	\$ 500
Ameritech franchise fee	30,000	30,000	33,414	3,414
Cable TV franchise fee	152,000	152,000	171,040	19,040
Ameritech lease	2,680	2,680	2,680	-
City attorney fee	10,000	7,400	7,445	45
Police training	-	-	10,404	10,404
School district reimbursement	53,350	53,350	53,869	519
Inspection reimbursement	-	-	94	94
Insurance reports	500	500	630	130
Security details	-	-	7,485	7,485
Bike path revenue - park district	3,830	-	-	-
Bike path revenue - township	2,012	-	-	-
Warrior Dash	17,000	6,200	6,257	57
Plan review - Public Works	-	-	11,225	11,225
Contractor registration	35,000	35,000	36,450	1,450
Total charges for services	306,372	287,130	341,493	54,363
Payments in lieu of taxes				
TIF payments	125,000	125,000	289,419	164,419
Total payments in lieu of taxes	125,000	125,000	289,419	164,419
Other general revenues				
Interest income	20,150	20,000	61,981	41,981
Miscellaneous revenues	83,370	72,150	156,679	84,529
Total other general revenues	103,520	92,150	218,660	126,510
Total revenues	\$ 5,669,252	\$ 5,217,905	\$ 6,337,218	\$ 1,119,313

(Concluded)

## Village of Channahon, Illinois

General Fund

### SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

Year Ended April 30, 2017

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
<b>Expenditures</b>				
<b>General government</b>				
Salary - Village President	\$ 18,407	\$ 20,200	\$ 20,131	\$ (69)
Salary - Village Liquor Commissioner	720	720	720	-
Salary - Village Trustees	67,242	67,242	63,550	(3,692)
Salary - Village Clerk	8,388	8,500	8,495	(5)
Salary - Village Administrator	117,670	120,000	119,741	(259)
Salary - Administrative Assistant	69,101	69,300	69,272	(28)
Salary - Administrative Receptionist	47,367	47,367	44,070	(3,297)
Salary - Finance Director	107,164	107,164	104,147	(3,017)
Salary - Human Resources Manager	72,415	73,000	72,606	(394)
Salary - EMA Director	1,500	1,500	1,500	-
Outside assistance	-	7,400	7,399	(1)
Salary - Accounts Payable/Cash Receipts	50,416	50,416	39,820	(10,596)
Salary - part time, overtime, moving	4,000	4,000	3,274	(726)
Administrator vehicle allowance	3,600	3,675	3,675	-
Employee benefits	135,550	136,100	56,337	(79,763)
Engineering, legal and other fees	122,406	129,700	54,038	(75,662)
Professional development	2,000	2,700	2,669	(31)
Telephone	14,000	21,000	20,720	(280)
Gasoline	3,000	6,500	6,485	(15)
Dues and subscriptions	21,000	21,000	20,947	(53)
Printing and publishing	6,500	6,500	5,328	(1,172)
Office supplies and postage	16,500	16,500	14,972	(1,528)
Building maintenance/utilities	46,000	47,000	46,995	(5)
Vehicle maintenance	500	500	-	(500)
Fuel	2,000	2,000	34	(1,966)
Equipment maintenance	36,600	44,000	42,482	(1,518)
Meetings and travel	6,500	7,500	6,498	(1,002)
Bonds and insurance	500	5,400	5,271	(129)
Community events activities	3,500	4,145	1,827	(2,318)
EMA and alert network	4,000	4,000	842	(3,158)
Ordinance codification	500	5,500	5,413	(87)
Economic development	51,000	51,000	10,000	(41,000)

(Continued)

## Village of Channahon, Illinois

### General Fund

#### SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

Year Ended April 30, 2017

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
Expenditures (continued)				
General government (continued)				
Village President travel/development	\$ 4,000	\$ 5,300	\$ 3,457	\$ (1,843)
Miscellaneous	2,000	21,000	28,228	7,228
Sales tax rebates	-	377,500	-	(377,500)
Contingency	13,000	13,000	1,236	(11,764)
	1,059,046	1,508,329	892,179	(616,150)
Total general government				
Public safety				
Salary - Police Chief	121,516	122,000	121,835	(165)
Salary - Deputy Police Chief	217,004	218,000	217,574	(426)
Salary - Sergeants	485,706	508,613	492,364	(16,249)
Salary - Patrolmen	1,097,065	1,110,947	1,094,042	(16,905)
Salary - Network and Other	29,425	45,525	36,335	(9,190)
Salary - Secretary and Clerical	90,863	90,863	88,513	(2,350)
Salary - Overtime	190,000	190,000	181,383	(8,617)
Employee benefits	538,100	541,400	474,853	(66,547)
Uniforms and clothing	23,300	25,000	24,810	(190)
Building maintenance	15,000	15,000	5,042	(9,958)
Equipment maintenance	15,950	15,950	10,269	(5,681)
Vehicle operation and maintenance	76,000	76,000	61,938	(14,062)
Minor equipment	15,100	15,100	7,218	(7,882)
Fingerprinting	500	1,600	1,600	-
Police commission testing	2,000	2,000	948	(1,052)
Training and education expenditures	12,050	12,050	5,875	(6,175)
Range supplies and maintenance	10,900	10,900	7,587	(3,313)
Professional development	2,000	2,000	360	(1,640)
Office supplies and postage	10,810	10,810	3,985	(6,825)
Printing and publishing	1,500	1,700	1,697	(3)
Telephone	14,000	14,000	10,649	(3,351)
Utilities	1,500	1,500	850	(650)
Dues and subscriptions	14,090	14,275	14,269	(6)
Community relations	2,500	2,500	2,090	(410)

(Continued)

## Village of Channahon, Illinois

### General Fund

#### SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

Year Ended April 30, 2017

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (continued)				
Public safety (continued)				
Meetings and travel	\$ 6,265	\$ 6,265	\$ 1,657	\$ (4,608)
Legal and professional fees	69,500	69,500	56,100	(13,400)
Dispatch services	201,500	201,500	200,151	(1,349)
Kennel	1,500	1,500	881	(619)
Miscellaneous	8,780	8,780	540	(8,240)
Contingency	5,000	5,000	3,369	(1,631)
Total public safety	<u>3,279,424</u>	<u>3,340,278</u>	<u>3,128,784</u>	<u>(211,494)</u>
Streets and bridges				
Salary - Public Works Director	43,141	43,141	42,903	(238)
Salary - Public Works Assistant	16,531	16,531	16,035	(496)
Salary - Street Laborers	282,940	282,940	280,672	(2,268)
Salary - Inspectors	32,430	32,430	32,170	(260)
Salary - Building Maintenance	55,287	55,287	52,944	(2,343)
Salary - Public Works Superintendent	37,260	37,260	37,056	(204)
Salary - Part-time and Pager	26,740	26,740	23,856	(2,884)
Salary - Foreman	24,653	24,653	24,505	(148)
Salary - Overtime	44,056	44,056	40,376	(3,680)
Employee benefits	227,050	244,150	233,872	(10,278)
Uniforms	8,680	8,680	4,694	(3,986)
Engineering and legal fees	21,250	22,800	18,634	(4,166)
Professional development	7,830	7,830	5,374	(2,456)
Dues and subscriptions	1,875	1,875	1,822	(53)
Permits	1,000	1,000	1,000	-
Telephone and utilities	11,160	11,160	7,497	(3,663)
Office supplies and postage	5,600	5,600	2,253	(3,347)
Printing and publishing	650	650	102	(548)
Building and grounds maintenance	19,800	19,800	7,976	(11,824)
Equipment maintenance	47,515	47,515	28,764	(18,751)
Vehicle operation and maintenance	64,625	64,625	41,402	(23,223)
Streets and signs maintenance	59,290	60,350	50,174	(10,176)

(Continued)

## Village of Channahon, Illinois

### General Fund

#### SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

Year Ended April 30, 2017

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (continued)				
Streets and bridges (Continued)				
Street lighting	\$ 81,000	\$ 81,000	\$ 79,054	\$ (1,946)
Salt purchases	86,544	86,544	72,628	(13,916)
Minor equipment and tools	2,400	2,400	1,230	(1,170)
Leases and rent	3,000	3,000	2,778	(222)
Meetings	250	300	257	(43)
Tree and weed control	28,720	29,220	20,386	(8,834)
Bike path	12,560	12,560	3,973	(8,587)
Mosquito abatement	9,800	9,800	4,310	(5,490)
Miscellaneous	3,690	3,690	2,248	(1,442)
Contingency	2,000	2,000	-	(2,000)
Total streets and bridges	1,269,327	1,289,587	1,140,945	(148,642)
Community development				
Salary - Planning and Zoning Board	4,320	4,320	4,180	(140)
Salary - Director of Development	98,933	99,200	99,195	(5)
Salary - Electrical, Building and Plumbing Inspectors	17,800	25,200	21,850	(3,350)
Salary - Building and Zoning Supervisor	84,050	84,500	84,271	(229)
Salary - Building and Zoning Asst.	43,293	43,500	43,355	(145)
Salary - Development Clerk	50,416	54,000	53,807	(193)
Salary - Code Enforcement Officer	12,800	12,800	11,055	(1,745)
Salary - Overtime	1,000	1,700	1,694	(6)
Employee benefits	57,650	60,500	32,035	(28,465)
Uniforms	500	500	-	(500)
Engineering, legal and other fees	9,000	15,500	14,984	(516)
Planning	2,000	2,000	-	(2,000)
Professional development	2,000	2,000	1,335	(665)
Dues and subscriptions	1,250	1,400	1,352	(48)
Telephone	2,580	2,580	2,196	(384)
Office supplies and postage	2,750	2,750	1,355	(1,395)
Printing and publishing	3,500	3,500	1,824	(1,676)

(Continued)

## Village of Channahon, Illinois

### General Fund

#### SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

Year Ended April 30, 2017

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
Expenditures (continued)				
Community development (continued)				
Vehicle operation and maintenance	\$ 5,250	\$ 5,250	\$ 2,057	\$ (3,193)
Minor equipment	3,000	3,000	2,218	(782)
Marketing	5,000	5,100	5,069	(31)
Meetings and travel	4,000	6,000	5,918	(82)
Weed control	14,000	18,000	6,698	(11,302)
Miscellaneous	4,500	4,500	-	(4,500)
Contingency	2,500	2,500	-	(2,500)
Total community development	<u>432,092</u>	<u>460,300</u>	<u>396,448</u>	<u>(63,852)</u>
Capital outlay				
Admin projects	5,591,500	91,500	43,710	(47,790)
Public safety	134,000	153,000	152,658	(342)
Village computer system	62,500	62,500	-	(62,500)
Street department improvements	95,000	95,000	5,960	(89,040)
Total capital outlay	<u>5,883,000</u>	<u>402,000</u>	<u>202,328</u>	<u>(199,672)</u>
Debt service				
Principal	367,500	367,500	367,500	-
Interest and other	70,376	70,375	70,328	(47)
Total debt service	<u>437,876</u>	<u>437,875</u>	<u>437,828</u>	<u>(47)</u>
Total expenditures	<u>\$ 12,360,765</u>	<u>\$ 7,438,369</u>	<u>\$ 6,198,512</u>	<u>\$ (1,239,857)</u>

(Concluded)

## Village of Channahon, Illinois

Nonmajor Governmental Funds  
COMBINING BALANCE SHEET  
Year Ended April 30, 2017

	Special Revenue Funds			
	Motor Fuel	Police	D.A.R.E.	IMRF and
	Tax Fund	Forfeiture Fund	Fund	Social Security Fund
<b>ASSETS</b>				
Cash and investments	\$ 287,502	\$ 6,892	\$ 12,622	\$ 1,272,812
Receivables, net of allowances				
Property taxes	-	-	-	562,568
Intergovernmental	27,500	-	-	-
Interest	-	-	-	-
Customer accounts	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 315,002	\$ 6,892	\$ 12,622	\$ 1,835,380
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 10,641
Accrued payroll	-	-	-	-
Infrastructure development liability	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	-	10,641
<b>DEFERRED INFLOWS</b>				
Property taxes levied for a future period	-	-	-	562,569
Total deferred inflows	-	-	-	562,569
<b>FUND BALANCE (DEFICIT)</b>				
Nonspendable				
Prepays and inventory	-	-	-	-
Restricted for				
Debt service	-	-	-	-
Special revenue funds	315,002	6,892	12,622	1,262,170
Unassigned	-	-	-	-
Total fund balance (deficit)	315,002	6,892	12,622	1,262,170
Total liabilities and fund balance (deficit)	\$ 315,002	\$ 6,892	\$ 12,622	\$ 1,835,380

Special Revenue Funds

Police Pension Expense Fund	Insurance Fund	Audit Fund	Motor Fuel Tax Bond Fund	Odor Alert Network Fund	TIF Rte. 6 & I-55 Fund
\$ -	\$ -	\$ 39,834	\$ 447,092	\$ 2,000	\$ -
585,778	252,540	35,141	-	-	-
-	-	-	67,301	-	-
-	-	-	-	-	-
-	13,076	-	-	-	-
-	68,030	-	-	-	-
<u>\$ 585,778</u>	<u>\$ 333,646</u>	<u>\$ 74,975</u>	<u>\$ 514,393</u>	<u>\$ 2,000</u>	<u>\$ -</u>
\$ -	\$ 60	\$ -	\$ 13,208	\$ -	\$ -
-	-	-	-	90	-
-	-	-	-	-	-
-	97,389	-	-	14,225	270,637
-	97,449	-	13,208	14,315	270,637
<u>585,778</u>	<u>252,540</u>	<u>35,141</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>585,778</u>	<u>252,540</u>	<u>35,141</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	68,030	-	-	-	-
-	-	-	-	-	-
-	-	39,834	501,185	-	-
-	(84,373)	-	-	(12,315)	(270,637)
-	(16,343)	39,834	501,185	(12,315)	(270,637)
<u>\$ 585,778</u>	<u>\$ 333,646</u>	<u>\$ 74,975</u>	<u>\$ 514,393</u>	<u>\$ 2,000</u>	<u>\$ -</u>

(Continued)

## Village of Channahon, Illinois

Nonmajor Governmental Funds  
COMBINING BALANCE SHEET  
Year Ended April 30, 2017

	<u>Special Revenue</u>		<u>Debt Service</u>	
	<u>Funds</u>	Total	<u>Fund</u>	Total
	Capital	Special	Wescom	Nonmajor
	Infrastructure	Revenue	Debt Service	Governmental
	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>
<b>ASSETS</b>				
Cash and investments	\$ 711,442	\$ 2,780,196	\$ 362,468	\$ 3,142,664
Receivables, net of allowances				
Property taxes	-	1,436,027	-	1,436,027
Intergovernmental	46,866	141,667	-	141,667
Interest	-	-	1,189	1,189
Customer accounts	-	13,076	890	13,966
Prepaid items	-	68,030	-	68,030
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ <u>758,308</u>	\$ <u>4,438,996</u>	\$ <u>364,547</u>	\$ <u>4,803,543</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 23,909	\$ -	\$ 23,909
Accrued payroll	-	90	-	90
Infrastructure development liability	-	-	362,468	362,468
Due to other funds	-	382,251	-	382,251
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	-	406,250	362,468	768,718
<b>DEFERRED INFLOWS</b>				
Property taxes levied for a future period	-	1,436,028	-	1,436,028
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows	-	1,436,028	-	1,436,028
<b>FUND BALANCE (DEFICIT)</b>				
Nonspendable				
Prepays and inventory	-	68,030	-	68,030
Restricted for				
Debt service	-	-	2,079	2,079
Special revenue funds	758,308	2,896,013	-	2,896,013
Unassigned	-	(367,325)	-	(367,325)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balance (deficit)	758,308	2,596,718	2,079	2,598,797
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balance (deficit)	\$ <u>758,308</u>	\$ <u>4,438,996</u>	\$ <u>364,547</u>	\$ <u>4,803,543</u>

(Concluded)

**Village of Channahon, Illinois**  
 Nonmajor Governmental Funds  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (DEFICIT)  
Year Ended April 30, 2017

	Special Revenue Funds			
	Motor Fuel Tax Fund	Police Forfeiture Fund	D.A.R.E Fund	IMRF and Social Security Fund
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 485,116
Intergovernmental	-	-	-	-
Payments in lieu of taxes	-	-	-	80,240
Interest income	867	8	4	437
Grants and allotments	341,300	-	-	-
Miscellaneous income	-	4,416	-	-
Total revenues	<u>342,167</u>	<u>4,424</u>	<u>4</u>	<u>565,793</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Streets and bridges	45,000	-	-	-
Employee benefits and pension	-	-	-	557,611
Capital outlay	-	42,854	-	-
Debt service				
Principal	220,000	-	-	-
Interest and other	40,438	-	-	-
Total expenditures	<u>305,438</u>	<u>42,854</u>	<u>-</u>	<u>557,611</u>
Excess (deficiency) of revenues over expenditures	<u>36,729</u>	<u>(38,430)</u>	<u>4</u>	<u>8,182</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	156,589
Transfers out	-	-	-	-
Debt issuance	905,000	-	-	-
Transfer to escrow agent	<u>(904,085)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>915</u>	<u>-</u>	<u>-</u>	<u>156,589</u>
Net change in fund balance	37,644	(38,430)	4	164,771
<b>Fund balance (deficit)</b>				
Beginning of year, as restated (Note M)	<u>277,358</u>	<u>45,322</u>	<u>12,618</u>	<u>1,097,399</u>
End of year	<u>\$ 315,002</u>	<u>\$ 6,892</u>	<u>\$ 12,622</u>	<u>\$ 1,262,170</u>

Special Revenue Funds

Police Pension Expense Fund	Insurance Fund	Audit Fund	Motor Fuel Tax Bond Fund	Odor Alert Network Fund	TIF Rte. 6 & I-55 Fund
\$ 484,140	\$ 183,994	\$ 30,493	\$ -	\$ -	\$ -
-	-	-	723,878	-	-
98,547	30,433	5,045	-	-	-
20	14	11	52	-	-
-	-	-	-	-	-
-	25,905	-	-	4,500	-
<u>582,707</u>	<u>240,346</u>	<u>35,549</u>	<u>723,930</u>	<u>4,500</u>	<u>-</u>
-	298,476	35,545	-	-	137
-	-	-	-	4,228	-
-	-	-	282,319	-	-
582,707	-	-	-	-	-
-	-	-	-	-	265,977
-	-	-	325,000	-	-
-	-	-	13,000	-	-
<u>582,707</u>	<u>298,476</u>	<u>35,545</u>	<u>620,319</u>	<u>4,228</u>	<u>266,114</u>
<u>-</u>	<u>(58,130)</u>	<u>4</u>	<u>103,611</u>	<u>272</u>	<u>(266,114)</u>
-	-	6,890	243,432	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>6,890</u>	<u>243,432</u>	<u>-</u>	<u>-</u>
-	(58,130)	6,894	347,043	272	(266,114)
<u>-</u>	<u>41,787</u>	<u>32,940</u>	<u>154,142</u>	<u>(12,587)</u>	<u>(4,523)</u>
<u>\$ -</u>	<u>\$ (16,343)</u>	<u>\$ 39,834</u>	<u>\$ 501,185</u>	<u>\$ (12,315)</u>	<u>\$ (270,637)</u>

(Continued)

**Village of Channahon, Illinois**  
Nonmajor Governmental Funds  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (DEFICIT)  
Year Ended April 30, 2017

	Special Revenue Funds	Total	Debt Service Funds	Total
	Capital Infrastructure Fund	Special Revenue Funds	Webcom Debt Service Fund	Nonmajor Governmental Funds
<b>Revenues</b>				
Property taxes	\$ -	\$ 1,183,743	\$ -	\$ 1,183,743
Intergovernmental	468,312	1,192,190	-	1,192,190
Payments in lieu of taxes	-	214,265	-	214,265
Interest income	273	1,686	5,677	7,363
Grants and allotments	-	341,300	-	341,300
Miscellaneous income	-	34,821	341,650	376,471
Total revenues	<u>468,585</u>	<u>2,968,005</u>	<u>347,327</u>	<u>3,315,332</u>
<b>Expenditures</b>				
Current				
General government	-	334,158	2,350	336,508
Public safety	-	4,228	-	4,228
Streets and bridges	-	327,319	-	327,319
Employee benefits and pension	-	1,140,318	-	1,140,318
Capital outlay	-	308,831	-	308,831
Debt service				
Principal	-	545,000	200,000	745,000
Interest and other	-	53,438	142,078	195,516
Total expenditures	<u>-</u>	<u>2,713,292</u>	<u>344,428</u>	<u>3,057,720</u>
Excess (deficiency) of revenues over expenditures	<u>468,585</u>	<u>254,713</u>	<u>2,899</u>	<u>257,612</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	406,911	-	406,911
Transfers out	(243,432)	(243,432)	-	(243,432)
Debt issuance	-	905,000	-	905,000
Transfer to escrow agent	-	(904,085)	-	(904,085)
Total other financing sources	<u>(243,432)</u>	<u>164,394</u>	<u>-</u>	<u>164,394</u>
Net change in fund balance	225,153	419,107	2,899	422,006
<b>Fund balance (deficit)</b>				
Beginning of year, as restated (Note M)	<u>533,155</u>	<u>2,177,611</u>	<u>(820)</u>	<u>2,176,791</u>
End of year	<u>\$ 758,308</u>	<u>\$ 2,596,718</u>	<u>\$ 2,079</u>	<u>\$ 2,598,797</u>

(Concluded)

## Village of Channahon, Illinois

### Motor Fuel Tax Fund

#### SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2017

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
<b>Revenues</b>				
Motor fuel tax allotments	\$ 355,820	\$ 340,000	\$ 341,300	\$ 1,300
Interest income	300	300	867	567
Total revenues	<u>356,120</u>	<u>340,300</u>	<u>342,167</u>	<u>1,867</u>
<b>Expenditures</b>				
Street maintenance	100,000	100,000	45,000	(55,000)
Bond paying agent fees	850	850	300	(550)
Bond principal	210,000	220,000	220,000	-
Debt issuance costs	-	-	915	915
Bond interest	34,495	34,495	39,223	4,728
Total expenditures	<u>345,345</u>	<u>355,345</u>	<u>305,438</u>	<u>(49,907)</u>
Excess (deficiency) of revenues over expenditures	<u>10,775</u>	<u>(15,045)</u>	<u>36,729</u>	<u>51,774</u>
<b>Other financing sources (uses)</b>				
Bond proceeds	-	-	905,000	905,000
Desposit with escrow agent	-	-	(904,085)	(904,085)
Total other financing sources (uses)	-	-	915	915
Net change in fund balance	<u>\$ 10,775</u>	<u>\$ (15,045)</u>	37,644	<u>\$ 52,689</u>
<b>Fund balance</b>				
Beginning of year			<u>277,358</u>	
End of year			<u>\$ 315,002</u>	

**Village of Channahon, Illinois**

Police Forfeiture Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2017

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	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Forfeitures	\$ 300	\$ 300	\$ 4,416	\$ 4,116
Interest income	20	-	8	8
Total revenues	<u>320</u>	<u>300</u>	<u>4,424</u>	<u>4,124</u>
Expenditures				
Capital outlay	<u>40,000</u>	<u>42,900</u>	<u>42,854</u>	<u>(46)</u>
Total expenditures	<u>40,000</u>	<u>42,900</u>	<u>42,854</u>	<u>(46)</u>
Net change in fund balance	\$ <u><u>(39,680)</u></u>	\$ <u><u>(42,600)</u></u>	(38,430)	\$ <u><u>4,170</u></u>
Fund balance				
Beginning of year			<u>45,322</u>	
End of year			\$ <u><u>6,892</u></u>	

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**Village of Channahon, Illinois**

D.A.R.E. Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2017

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	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Interest income	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4</u>	\$ <u>4</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	4	\$ <u>4</u>
Fund balance				
Beginning of year			<u>12,618</u>	
End of year			\$ <u>12,622</u>	

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**Village of Channahon, Illinois**  
**IMRF and Social Security Fund**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
Year Ended April 30, 2017

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
<b>Revenues</b>				
Property taxes	\$ 600,000	\$ 485,000	\$ 485,116	\$ 116
Tax increment financing payments	90,000	80,000	80,240	240
Interest income	300	300	437	137
Total revenues	<u>690,300</u>	<u>565,300</u>	<u>565,793</u>	<u>493</u>
<b>Expenditures</b>				
Administrative - IMRF	100,000	100,000	89,615	(10,385)
Administrative - Social Security	41,000	41,000	29,891	(11,109)
Administrative - Medicare	8,000	8,000	7,765	(235)
Development - IMRF	50,000	50,000	49,551	(449)
Development - Social Security	20,000	20,000	17,153	(2,847)
Development - Medicare	4,500	4,500	4,242	(258)
Police - IMRF	20,000	21,600	21,545	(55)
Police - Social Security	6,500	6,500	6,001	(499)
Police - Medicare	30,000	32,200	32,185	(15)
Street department - IMRF	100,000	100,000	98,481	(1,519)
Street department - Social Security	41,000	41,000	33,071	(7,929)
Street department - Medicare	8,000	8,200	8,104	(96)
Police commission - Social Security	100	100	15	(85)
Police commission - Medicare	50	50	3	(47)
Waterworks - IMRF	47,000	54,100	54,084	(16)
Waterworks - Social Security	15,000	18,100	18,038	(62)
Waterworks - Medicare	4,000	4,300	4,283	(17)
Sewer - IMRF	47,000	56,300	56,211	(89)
Sewer - Social Security	15,000	19,050	18,619	(431)
Sewer - Medicare	4,000	4,500	4,417	(83)
Refuse - IMRF	2,800	3,100	3,044	(56)
Refuse - Social Security	1,000	1,100	1,048	(52)
Refuse - Medicare	200	300	245	(55)
Total expenditures	<u>565,150</u>	<u>594,000</u>	<u>557,611</u>	<u>(36,389)</u>
Excess (deficiency) of revenues over expenditures	<u>125,150</u>	<u>(28,700)</u>	<u>8,182</u>	<u>36,882</u>

(Continued)

**Village of Channahon, Illinois**  
**IMRF and Social Security Fund**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
Year Ended April 30, 2017

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	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Other financing sources				
Transfers in	\$ 136,000	\$ 136,000	\$ 156,589	\$ 20,589
Total other financing sources	<u>136,000</u>	<u>136,000</u>	<u>156,589</u>	<u>20,589</u>
Net change in fund balance	<u>\$ 261,150</u>	<u>\$ 107,300</u>	164,771	<u>\$ 57,471</u>
Fund balance				
Beginning of year			<u>1,097,399</u>	
End of year			<u>\$ 1,262,170</u>	

(Concluded)

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# Village of Channahon, Illinois

## Police Pension Expense Fund

### SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2017

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	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Property taxes	\$ 566,698	\$ 508,000	\$ 484,140	\$ (23,860)
Tax increment financing payments	75,000	75,000	98,547	23,547
Interest income	-	-	20	20
Total revenues	<u>641,698</u>	<u>583,000</u>	<u>582,707</u>	<u>(293)</u>
Expenditures				
Contributions to police pension fund	<u>641,698</u>	<u>583,000</u>	<u>582,707</u>	<u>(293)</u>
Total expenditures	<u>641,698</u>	<u>583,000</u>	<u>582,707</u>	<u>(293)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance				
Beginning of year			<u>-</u>	
End of year			\$ <u>-</u>	

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## Village of Channahon, Illinois

### Insurance Fund

#### SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL

Year Ended April 30, 2017

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	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Property taxes	\$ 200,000	\$ 183,000	\$ 183,994	\$ 994
Tax increment financing payments	60,000	30,400	30,433	33
Interest income	100	-	14	14
Miscellaneous income	29,269	25,869	25,905	36
Total revenues	<u>289,369</u>	<u>239,269</u>	<u>240,346</u>	<u>1,077</u>
Expenditures				
Risk management contribution	<u>332,297</u>	<u>356,500</u>	<u>298,476</u>	<u>(58,024)</u>
Total expenditures	<u>332,297</u>	<u>356,500</u>	<u>298,476</u>	<u>(58,024)</u>
Net change in fund balance	\$ <u>(42,928)</u>	\$ <u>(117,231)</u>	(58,130)	\$ <u>59,101</u>
Fund balance (deficit)				
Beginning of year			<u>41,787</u>	
End of year			\$ <u>(16,343)</u>	

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# Village of Channahon, Illinois

## Audit Fund

### SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2017

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	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Property taxes	\$ 35,000	\$ 30,000	\$ 30,493	\$ 493
Tax increment financing payments	5,000	5,000	5,045	45
Interest income	<u>10</u>	<u>10</u>	<u>11</u>	<u>1</u>
Total revenues	<u>40,010</u>	<u>35,010</u>	<u>35,549</u>	<u>539</u>
Expenditures				
Audit services	<u>36,030</u>	<u>35,600</u>	<u>35,545</u>	<u>(55)</u>
Total expenditures	<u>36,030</u>	<u>35,600</u>	<u>35,545</u>	<u>(55)</u>
Excess (deficiency) of revenues over expenditures	<u>3,980</u>	<u>(590)</u>	<u>4</u>	<u>594</u>
Other financing sources				
Transfers in	<u>6,890</u>	<u>6,890</u>	<u>6,890</u>	<u>-</u>
Total other financing sources	<u>6,890</u>	<u>6,890</u>	<u>6,890</u>	<u>-</u>
Net change in fund balance	<u>\$ 10,870</u>	<u>\$ 6,300</u>	6,894	<u>\$ 594</u>
Fund balance				
Beginning of year			<u>32,940</u>	
End of year			<u>\$ 39,834</u>	

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## Village of Channahon, Illinois

### Motor Fuel Tax Bond

#### SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2017

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
<b>Revenues</b>				
Village fuel tax	\$ 69,600	\$ 69,600	\$ 349,229	\$ 279,629
Village diesel fuel tax	96,000	96,000	374,649	278,649
Interest income	50	50	52	2
Total revenues	<u>165,650</u>	<u>165,650</u>	<u>723,930</u>	<u>558,280</u>
<b>Expenditures</b>				
Streets and bridges				
Engineering fees	10,800	10,800	7,961	(2,839)
Streets maintenance road program	282,000	282,500	274,358	(8,142)
Total streets and bridges	<u>292,800</u>	<u>293,300</u>	<u>282,319</u>	<u>(10,981)</u>
Debt service				
Principal payments	325,000	325,000	325,000	-
Interest payments	13,000	13,000	13,000	-
Bond fees	805	805	-	(805)
Total debt service	<u>338,805</u>	<u>338,805</u>	<u>338,000</u>	<u>(805)</u>
Total expenditures	<u>631,605</u>	<u>632,105</u>	<u>620,319</u>	<u>(11,786)</u>
Excess (deficiency) of revenues over expenditures	<u>(465,955)</u>	<u>(466,455)</u>	<u>103,611</u>	<u>570,066</u>
<b>Other financing sources</b>				
Transfers in	475,000	243,400	243,432	32
Total other financing sources	<u>475,000</u>	<u>243,400</u>	<u>243,432</u>	<u>32</u>
Net change in fund balance	<u>\$ 9,045</u>	<u>\$ (223,055)</u>	347,043	<u>\$ 570,098</u>
<b>Fund balance</b>				
Beginning of year, as restated (See Note M)			<u>154,142</u>	
End of year			<u>\$ 501,185</u>	

## Village of Channahon, Illinois

### Odor Alert Network Fund

#### SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL

Year Ended April 30, 2017

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	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Contribution	\$ <u>8,000</u>	\$ <u>4,500</u>	\$ <u>4,500</u>	\$ <u>-</u>
Total revenues	<u>8,000</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Expenditures				
Public safety	<u>11,500</u>	<u>11,500</u>	<u>4,228</u>	<u>(7,272)</u>
Total expenditures	<u>11,500</u>	<u>11,500</u>	<u>4,228</u>	<u>(7,272)</u>
Net change in fund balance	\$ <u>(3,500)</u>	\$ <u>(7,000)</u>	272	\$ <u>7,272</u>
Fund balance (deficit)				
Beginning of year			<u>(12,587)</u>	
End of year			\$ <u>(12,315)</u>	

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**Village of Channahon, Illinois**

TIF Rte. 6 and I-55 Fund

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL

Year Ended April 30, 2017

---

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures				
Legal fees	\$ -	\$ -	\$ 137	\$ 137
TIF capital projects	<u>480,000</u>	<u>267,000</u>	<u>265,977</u>	<u>(1,023)</u>
Total expenditures	<u>480,000</u>	<u>267,000</u>	<u>266,114</u>	<u>(886)</u>
Net change in fund balance	\$ <u>(480,000)</u>	\$ <u>(267,000)</u>	(266,114)	\$ <u>(886)</u>
Fund balance (deficit)				
Beginning of year			<u>(4,523)</u>	
End of year			\$ <u>(270,637)</u>	

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## Village of Channahon, Illinois

### Capital Infrastructure Fund

#### SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended April 30, 2017

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	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Village diesel fuel tax	\$ 1,020,000	\$ 468,300	\$ 468,312	\$ 12
Interest income	900	250	273	23
Total revenues	<u>1,020,900</u>	<u>468,550</u>	<u>468,585</u>	<u>35</u>
Other financing uses				
Transfers out	<u>1,515,000</u>	<u>243,000</u>	<u>243,432</u>	<u>432</u>
Total other financing uses	<u>1,515,000</u>	<u>243,000</u>	<u>243,432</u>	<u>432</u>
Net change in fund balance	\$ <u><u>(494,100)</u></u>	\$ <u><u>225,550</u></u>	225,153	\$ <u><u>(397)</u></u>
Fund balance				
Beginning of year			<u>533,155</u>	
End of year			\$ <u><u>758,308</u></u>	

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## Village of Channahon, Illinois

### Wescom Debt Service Fund

#### SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL

Year Ended April 30, 2017

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	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Debt service charge	\$ 341,650	\$ 341,650	\$ 341,650	\$ -
Interest earnings	<u>2,000</u>	<u>2,000</u>	<u>5,677</u>	<u>3,677</u>
Total revenues	<u>343,650</u>	<u>343,650</u>	<u>347,327</u>	<u>3,677</u>
Expenditures				
Bond principal	-	200,000	200,000	-
Bond interest	141,650	141,650	141,650	-
Bond paying agent fees	500	500	428	(72)
Miscellaneous	<u>-</u>	<u>2,350</u>	<u>2,350</u>	<u>-</u>
Total expenditures	<u>142,150</u>	<u>344,500</u>	<u>344,428</u>	<u>(72)</u>
Net change in fund balance	\$ <u>201,500</u>	\$ <u>(850)</u>	2,899	\$ <u>3,749</u>
Fund balance (deficit)				
Beginning of year			<u>(820)</u>	
End of year			\$ <u>2,079</u>	

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# Village of Channahon, Illinois

## General Obligation Bonds

### Schedule of Debt Service Requirements

April 30, 2017

Fiscal Year Ending April 30,	Series 2011		Series 2013		Series 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 375,000	\$ 61,641	\$ 205,000	\$ 137,650	\$ 225,000	\$ 128,380
2019	386,250	53,391	210,000	133,550	453,000	123,880
2020	393,750	43,735	215,000	129,350	471,000	114,820
2021	408,750	33,300	220,000	125,050	240,000	105,400
2022	423,750	16,950	230,000	116,250	244,000	100,600
2023	-	-	235,000	110,500	248,000	95,720
2024	-	-	240,000	104,625	252,000	90,760
2025	-	-	250,000	95,025	260,000	85,720
2026	-	-	265,000	85,025	268,000	77,920
2027	-	-	275,000	74,425	276,000	69,880
2028	-	-	285,000	63,425	284,000	61,600
2029	-	-	295,000	52,025	296,000	50,240
2030	-	-	305,000	42,880	308,000	38,400
2031	-	-	315,000	32,663	320,000	26,080
2032	-	-	325,000	22,110	332,000	13,280
2033	-	-	335,000	11,222	-	-
Total	<u>\$ 1,987,500</u>	<u>\$ 209,017</u>	<u>\$ 4,205,000</u>	<u>\$ 1,335,775</u>	<u>\$ 4,477,000</u>	<u>\$ 1,182,680</u>

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Total	
Principal	Interest
\$ 805,000	\$ 327,671
1,049,250	310,821
1,079,750	287,905
868,750	263,750
897,750	233,800
483,000	206,220
492,000	195,385
510,000	180,745
533,000	162,945
551,000	144,305
569,000	125,025
591,000	102,265
613,000	81,280
635,000	58,743
657,000	35,390
335,000	11,222
\$ 10,669,500	\$ 2,727,472

**Village of Channahon, Illinois**  
 Tax Increment Financing Limited Obligation Revenue Bonds  
 Schedule of Debt Service Requirements  
April 30, 2017

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Fiscal Year Ending April 30,	Series 2013	
	Principal	Interest
2018	\$ 705,000	\$ 87,800
2019	730,000	59,600
2020	<u>760,000</u>	<u>30,400</u>
Total	\$ <u>2,195,000</u>	\$ <u>177,800</u>

**Village of Channahon, Illinois**  
Waterworks and Sewerage Fund General Obligation Bonds  
Schedule of Debt Service Requirements  
April 30, 2017

Fiscal Year Ending April 30,	Series 2011		Series 2012	
	Principal	Interest	Principal	Interest
2018	\$ 125,000	\$ 20,547	\$ 570,000	\$ 103,250
2019	128,750	17,797	580,000	91,850
2020	131,250	14,578	590,000	80,250
2021	136,250	11,100	550,000	65,500
2022	141,250	5,650	520,000	51,750
2023	-	-	475,000	36,150
2024	-	-	485,000	21,900
2025	-	-	245,000	7,350
2026	-	-	-	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
Total	\$ <u>662,500</u>	\$ <u>69,672</u>	\$ <u>4,015,000</u>	\$ <u>458,000</u>

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Series 2016		Total	
Principal	Interest	Principal	Interest
\$ -	\$ 28,670	\$ 695,000	\$ 152,467
57,000	28,670	765,750	138,317
59,000	27,530	780,250	122,358
60,000	26,350	746,250	102,950
61,000	25,150	722,250	82,550
62,000	23,930	537,000	60,080
63,000	22,690	548,000	44,590
65,000	21,430	310,000	28,780
67,000	19,480	67,000	19,480
69,000	17,470	69,000	17,470
71,000	15,400	71,000	15,400
74,000	12,560	74,000	12,560
77,000	9,600	77,000	9,600
80,000	6,520	80,000	6,520
83,000	3,320	83,000	3,320
<u>\$ 948,000</u>	<u>\$ 288,770</u>	<u>\$ 5,625,500</u>	<u>\$ 816,442</u>

**Village of Channahon, Illinois**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

	2017	2016*	2015	2014
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 20,211,629	\$ 23,454,088	\$ 23,420,672	\$ 24,118,967
Restricted	7,578,732	1,932,759	2,085,503	2,026,036
Unrestricted	( 3,623,011)	(4,069,234)	2,787,269	1,876,901
Total Governmental Activities				
Net Position	<u>\$ 24,167,350</u>	<u>\$ 21,317,613</u>	<u>\$ 28,293,444</u>	<u>\$ 28,021,904</u>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	\$ 28,947,654	\$ 28,296,459	\$ 27,292,694	\$ 27,911,877
Unrestricted	2,788,242	2,566,573	3,067,042	3,023,454
Total Business-Type Activities				
Net Position	<u>\$ 31,735,896</u>	<u>\$ 30,863,032</u>	<u>\$ 30,359,736</u>	<u>\$ 30,935,331</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 49,159,283	\$ 51,750,547	\$ 50,713,366	\$ 52,030,844
Restricted	7,578,732	1,932,759	2,085,503	2,026,036
Unrestricted	( 834,769)	(1,502,661)	5,854,311	4,900,355
Total Primary Government				
Net Position	<u>\$ 55,903,246</u>	<u>\$ 52,180,645</u>	<u>\$ 58,653,180</u>	<u>\$ 58,957,235</u>

\*As originally reported (See Note M).

2013	2012	2011	2010	2009	2008
\$ 23,261,239	\$ 24,197,329	\$ 14,202,354	\$ 11,578,431	\$ 9,197,658	\$ 6,476,269
7,640,241	5,762,766	2,427,614	406,383	238,008	346,358
(115,385)	239,857	240,667	3,589,527	4,738,884	4,889,917
<u>\$ 30,786,095</u>	<u>\$ 30,199,952</u>	<u>\$ 16,870,635</u>	<u>\$ 15,574,341</u>	<u>\$ 14,174,550</u>	<u>\$ 11,712,544</u>
\$ 27,330,614	\$ 27,697,358	\$ 22,004,299	\$ 21,214,191	\$ 20,098,626	\$ 19,530,576
3,375,095	3,488,078	3,614,761	2,877,050	3,106,437	3,132,659
<u>\$ 30,705,709</u>	<u>\$ 31,185,436</u>	<u>\$ 25,619,060</u>	<u>\$ 24,091,241</u>	<u>\$ 23,205,063</u>	<u>\$ 22,663,235</u>
\$ 50,591,853	\$ 51,894,687	\$ 36,206,653	\$ 32,792,622	\$ 29,296,284	\$ 26,006,845
7,640,241	5,762,766	2,427,614	406,383	238,008	346,358
3,259,710	3,727,935	3,855,428	6,466,577	7,845,321	8,022,576
<u>\$ 61,491,804</u>	<u>\$ 61,385,388</u>	<u>\$ 42,489,695</u>	<u>\$ 39,665,582</u>	<u>\$ 37,379,613</u>	<u>\$ 34,375,779</u>

## Village of Channahon, Illinois

### CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2017	2016*	2015	2014
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$ 8,862,971	\$ 7,995,404	\$ 12,187,452	\$ 26,855,724
Public Safety	3,226,160	3,745,969	3,481,205	3,431,534
Community Development	407,017	484,355	454,990	450,280
Streets and Bridges	3,528,654	3,637,545	4,004,756	4,652,190
Interest on Long-Term Debt	503,934	403,335	460,638	440,901
Total Governmental Activities Expenses	<u>16,528,736</u>	<u>16,266,608</u>	<u>20,589,041</u>	<u>35,830,629</u>
<b>Business-Type Activities:</b>				
Waterworks and Sewerage	3,211,153	3,121,916	2,903,153	2,885,376
Refuse Disposal	812,894	820,075	780,395	754,466
Total Business-Type Activities Expenses	<u>4,024,047</u>	<u>3,941,991</u>	<u>3,683,548</u>	<u>3,639,842</u>
Total Primary Government Expenses	<u><u>\$ 20,552,783</u></u>	<u><u>\$ 20,208,599</u></u>	<u><u>\$ 24,272,589</u></u>	<u><u>\$ 39,470,471</u></u>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for Services				
General Government	\$ 1,675,260	\$ 929,281	\$ 857,375	\$ 741,800
Public Safety	87,689	448,960	457,751	135,004
Community Development	-	4,343	-	-
Streets and Bridges	262,329	-	-	-
Operating Grants and Contributions	343,400	46,253	51,616	88,728
Capital Grants and Contributions	1,188,203	1,291,401	780,823	2,042,548
Total Governmental Activities				
Program Revenues	<u>3,556,881</u>	<u>2,720,238</u>	<u>2,147,565</u>	<u>3,008,080</u>
<b>Business-Type Activities:</b>				
Charges for Services				
Waterworks and Sewerage	3,335,702	2,854,490	2,417,456	2,448,623
Refuse Disposal	881,355	801,240	917,764	787,112
Operating Grants and Contributions	20,000	-	-	-
Capital Grants and Contributions	869,532	1,537,528	-	871,461
Total Business-Type Activities				
Program Revenues	<u>5,106,589</u>	<u>5,193,258</u>	<u>3,335,220</u>	<u>4,107,196</u>
Total Primary Government				
Program Revenues	<u><u>\$ 8,663,470</u></u>	<u><u>\$ 7,913,496</u></u>	<u><u>\$ 5,482,785</u></u>	<u><u>\$ 7,115,276</u></u>
Net (Expense)/Revenue				
Governmental Activities	(\$ 12,971,855)	(\$ 13,546,370)	(\$ 18,441,476)	(\$ 32,822,549)
Business-Type Activities	1,082,542	1,251,267	(348,328)	467,354
Total Primary Government Net Expense	<u><u>(\$ 11,889,313)</u></u>	<u><u>(\$ 12,295,103)</u></u>	<u><u>(\$ 18,789,804)</u></u>	<u><u>(\$ 32,355,195)</u></u>

\*As originally reported (See Note M).

2013	2012	2011	2010	2009	2008
\$ 20,564,874	\$ 22,956,377	\$ 20,934,083	\$ 20,701,064	\$ 19,965,616	\$ 19,398,612
3,418,906	3,431,437	3,546,910	3,160,617	3,133,967	2,752,831
418,532	605,026	687,753	771,582	737,410	686,367
3,594,083	3,371,956	775,461	1,197,247	1,618,689	3,011,366
587,197	619,881	746,108	819,243	873,473	872,744
28,583,592	30,984,677	26,690,315	26,649,753	26,329,155	26,721,920
2,931,661	2,933,995	2,777,319	2,690,757	2,512,364	2,415,693
727,416	705,270	685,777	679,637	659,012	633,430
3,659,077	3,639,265	3,463,096	3,370,394	3,171,376	3,049,123
\$ 32,242,669	\$ 34,623,942	\$ 30,153,411	\$ 30,020,147	\$ 29,500,531	\$ 29,771,043
\$ 743,422	\$ 753,492	\$ 820,896	\$ 804,176	\$ 635,099	\$ 645,685
152,374	212,593	197,724	142,595	97,697	115,007
-	-	-	-	-	-
6,250	2,600	3,950	13,500	16,450	60,500
48,926	31,808	80,945	280,112	452,252	34,389
573,491	11,657,433	394,666	348,138	738,945	330,620
1,524,463	12,657,926	1,498,181	1,588,521	1,940,443	1,186,201
2,465,558	2,370,142	2,174,469	2,388,146	2,416,717	2,624,778
762,565	744,700	746,043	696,443	679,438	609,024
-	45,986	451,068	-	20,000	-
172,318	6,267,342	1,317,034	843,536	187,715	-
3,400,441	9,428,170	4,688,614	3,928,125	3,303,870	3,233,802
\$ 4,924,904	\$ 22,086,096	\$ 6,186,795	\$ 5,516,646	\$ 5,244,313	\$ 4,420,003
(\$ 27,059,129)	(\$ 18,326,751)	(\$ 25,192,134)	(\$ 25,061,232)	(\$ 24,388,712)	(\$ 25,535,719)
(258,636)	5,788,905	1,225,518	557,731	132,494	184,679
(\$ 27,317,765)	(\$ 12,537,846)	(\$ 23,966,616)	(\$ 24,503,501)	(\$ 24,256,218)	(\$ 25,351,040)

(Continued)

## Village of Channahon, Illinois

### CHANGES IN NET POSITION

#### LAST TEN FISCAL YEARS

	2017	2016*	2015	2014
General Revenues and Other Changes in Net Position				
<b>Governmental Activities:</b>				
Property Taxes	\$ 9,221,854	\$ 8,980,302	\$ 9,122,612	\$ 8,458,632
Intergovernmental Revenues	4,160,859	2,830,229	5,362,355	11,114,808
Other Taxes	1,096,886	1,494,915	3,861,439	9,836,947
Interest Earnings	80,360	38,328	31,943	24,974
Other General Revenues	-	141,613	99,733	378,498
Transfers	231,471	175,536	234,934	244,499
Total Governmental Activities General Revenues and Other	14,791,430	13,660,923	18,713,016	30,058,358
<b>Business-Type Activities:</b>				
Interest Earnings	21,793	15,796	7,667	6,767
Transfers	( 231,471)	(175,536)	(234,934)	(244,499)
Total Business-Type Activities General Revenues and Other	( 209,678)	( 159,740)	( 227,267)	( 237,732)
Total Primary Government General Revenues and Other	\$ 14,581,752	\$ 13,501,183	\$ 18,485,749	\$ 29,820,626
Change in Net Position				
Governmental Activities	\$ 1,819,575	\$ 114,553	\$ 271,540	(\$ 2,764,191)
Business-Type Activities	872,864	1,091,527	(575,595)	229,622
Total Primary Government	\$ 2,692,439	\$ 1,206,080	\$ (304,055)	\$ (2,534,569)
Other Changes in Net Position				
Adjustment to Beginning Net Position				
Governmental Activities	\$ 1,030,162	\$ 7,090,384	\$ -	\$ -
Adjustment to Beginning Net Position				
Business-Type Activities	\$ -	\$ 588,231	\$ -	\$ -

\*As originally reported (See Note M).

The cumulative effect of net position adjustments was reported as a restatement of the beginning net position balance, as restating all prior periods was not practicable.

2013	2012	2011	2010	2009	2008
\$ 7,999,306	\$ 8,180,013	\$ 9,105,512	\$ 9,084,949	\$ 7,038,059	\$ 6,949,622
10,416,626	12,123,164	9,217,426	9,085,179	10,480,581	10,700,481
8,719,423	11,046,408	8,334,529	8,373,194	9,192,297	9,356,807
25,071	23,714	60,626	161,457	339,774	634,972
256,258	50,370	53,244	42,471	107,257	73,960
228,588	232,399	(282,909)	(286,227)	(307,250)	(510,680)
27,645,272	31,656,068	26,488,428	26,461,023	26,850,718	27,205,162
7,497	9,870	19,392	42,220	102,084	239,822
(228,588)	(232,399)	282,909	286,227	307,250	510,680
( 221,091)	( 222,529)	302,301	328,447	409,334	750,502
\$ 27,424,181	\$ 31,433,539	\$ 26,790,729	\$ 26,789,470	\$ 27,260,052	\$ 27,955,664
\$ 586,143	\$ 13,329,317	\$ 1,296,294	\$ 1,399,791	\$ 2,462,006	\$ 1,669,443
(479,727)	5,566,376	1,527,819	886,178	541,828	935,181
\$ 106,416	\$ 18,895,693	\$ 2,824,113	\$ 2,285,969	\$ 3,003,834	\$ 2,604,624
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 869,969
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Concluded)

**Village of Channahon, Illinois**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2017	2016*	2015	2014
<b>General Fund</b>				
Nonspendable	\$ 84,891	\$ 59,503	\$ 56,224	\$ 75,552
Restricted	-	-	264,249	281,473
Unassigned	5,032,593	252,130	-	9,299,920
Unreserved	6,044,904	9,755,720	10,517,555	-
<b>Total General Fund</b>	<b>\$ 11,162,388</b>	<b>\$ 10,067,353</b>	<b>\$ 10,838,028</b>	<b>\$ 9,656,945</b>
<b>All Other Governmental Funds</b>				
Unreserved, Reported in:				
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -
Nonspendable	68,030	74,965	60,260	102,815
Restricted	7,578,732	1,932,759	1,821,254	1,744,563
Assigned	-	588,586	648,170	692,301
Unassigned	(367,325)	(51,108)	(10,908)	-
<b>Total All Other Governmental Funds</b>	<b>\$ 7,279,437</b>	<b>\$ 2,545,202</b>	<b>\$ 2,518,776</b>	<b>\$ 2,539,679</b>

\*As originally reported (See Note M).

Beginning in 2012, the Village adopted the provisions of GASB Statement No. 54, which required reporting fund balances in new classifications: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

2013	2012	2011	2010	2009	2008
\$ 149,684	\$ -	\$ -	\$ -	\$ -	\$ -
351,280	3,444,681	-	-	-	-
7,849,574	3,202,982	-	-	-	-
-	-	4,814,263	6,681,397	8,909,762	8,503,849
<u>\$ 8,350,538</u>	<u>\$ 6,647,663</u>	<u>\$ 4,814,263</u>	<u>\$ 6,681,397</u>	<u>\$ 8,909,762</u>	<u>\$ 8,503,849</u>
\$ -	\$ -	\$ 3,529,268	\$ 3,261,952	\$ 2,880,873	\$ 3,752,090
165,533	208,406	-	-	-	-
12,291,501	2,319,089	-	-	-	-
670,050	825,024	-	-	-	-
-	-	-	-	-	-
<u>\$ 13,127,084</u>	<u>\$ 3,352,519</u>	<u>\$ 3,529,268</u>	<u>\$ 3,261,952</u>	<u>\$ 2,880,873</u>	<u>\$ 3,752,090</u>

**Village of Channahon, Illinois**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2017	2016	2015	2014
<b>Revenues</b>				
Property Taxes	\$ 9,221,854	\$ 8,980,302	\$ 9,122,612	\$ 8,458,632
Other Taxes	1,096,886	1,487,228	4,422,023	9,678,170
Intergovernmental	4,126,885	2,820,612	5,924,862	11,042,704
Payments in Lieu of Taxes	503,684	356,492	366,601	310,572
Charges for Services	341,493	318,738	309,934	311,674
Licenses and Permits	262,329	203,731	101,970	84,748
Fines	87,689	120,630	120,273	157,255
Grants and Allotments	343,400	381,865	392,945	444,949
Interest Income	80,360	38,328	31,943	24,974
Other	830,083	526,529	544,382	475,581
Total Revenue	<u>16,894,663</u>	<u>15,234,455</u>	<u>21,337,545</u>	<u>30,989,259</u>
<b>Expenditures</b>				
Current:				
General Government	7,394,503	7,532,076	11,709,510	26,864,975
Public Safety	3,133,012	2,973,486	2,799,678	2,736,291
Streets and Bridges	1,601,270	1,557,896	1,964,044	2,307,467
Community Development	396,448	408,738	370,793	361,538
Employee Benefits and Pension	1,140,318	1,097,549	1,040,026	984,898
Capital Outlay	514,302	420,447	385,484	569,927
Debt Service - Principal	1,787,500	1,730,000	1,662,500	1,595,000
Debt Service - Interest and Fees	494,112	438,718	495,139	335,035
Total Expenditures	<u>16,461,465</u>	<u>16,158,910</u>	<u>20,427,174</u>	<u>35,755,131</u>
Excess (Deficiency) of Revenue Over Expenditures	433,198	(924,455)	910,371	(4,765,872)
<b>Other Financing Sources (Uses)</b>				
Debt Issuance	4,697,000	-	-	-
Premium (Discount) on Bonds Sold	333,349	-	-	-
Sale of Capital Assets	8,175	4,670	14,875	-
Transfer to Escrow Paying Agent	( 904,085)	-	-	(4,759,625)
Transfers In	474,903	673,536	1,091,023	1,044,499
Transfers Out	( 243,432)	(498,000)	(856,089)	(800,000)
Total Other Financing Sources (Uses)	<u>4,365,910</u>	<u>180,206</u>	<u>249,809</u>	<u>(4,515,126)</u>
Net Change in Fund Balances	<u>\$ 4,799,108</u>	<u>(\$ 744,249)</u>	<u>\$ 1,160,180</u>	<u>(\$ 9,280,998)</u>
Debt Service as a Percentage of Noncapital Expenditures	14.2%	13.7%	10.6%	5.5%
Expenditures Capitalized as Assets	\$ 354,172	\$ 291,141	\$ 116,154	\$ 533,751

2013	2012	2011	2010	2009	2008
\$ 7,999,306	\$ 8,180,013	\$ 9,105,512	\$ 9,084,949	\$ 7,038,059	\$ 6,949,622
9,088,198	10,684,556	8,484,904	8,324,936	9,645,213	8,809,956
10,394,491	11,777,018	9,345,563	9,051,030	10,960,663	10,108,544
320,189	258,306	295,860	297,086	197,128	210,106
281,676	288,613	311,393	289,571	266,239	234,739
94,937	87,315	91,068	105,604	115,269	154,097
166,472	286,038	229,401	202,228	130,223	121,189
426,527	429,476	451,461	359,956	419,980	333,293
25,071	23,714	60,626	161,456	339,774	634,972
501,066	206,795	171,707	376,247	579,214	206,737
29,297,933	32,221,844	28,547,495	28,253,063	29,691,762	27,763,255
20,236,934	23,198,292	20,541,863	20,266,855	19,551,868	19,027,185
2,743,588	2,837,799	2,828,446	2,733,070	2,653,213	2,352,390
1,684,471	1,644,996	2,801,523	3,112,561	2,164,308	2,346,640
332,758	376,664	576,103	671,232	657,046	592,893
919,944	874,610	905,379	716,583	753,599	641,063
168,465	2,327	291,798	469,127	2,179,359	1,375,442
1,297,500	1,262,500	1,133,750	1,007,500	976,250	720,000
579,189	657,976	785,542	837,494	914,173	832,253
27,962,849	30,855,164	29,864,404	29,814,422	29,849,816	27,887,866
1,335,084	1,366,680	(1,316,909)	(1,561,359)	(158,054)	(124,611)
9,710,000	5,085,000	-	-	-	2,500,000
203,768	136,536	-	-	-	52,163
-	-	-	300	-	-
-	(5,150,214)	-	-	-	-
555,588	618,649	1,590,102	1,711,783	1,490,761	1,225,198
(327,000)	(400,000)	(1,873,011)	(1,998,010)	(1,798,011)	(1,735,878)
10,142,356	289,971	(282,909)	(285,927)	(307,250)	2,041,483
\$ 11,477,440	\$ 1,656,651	(\$ 1,599,818)	(\$ 1,847,286)	(\$ 465,304)	\$ 1,916,872
6.8%	6.2%	7.3%	7.0%	7.3%	5.8%
\$ 168,465	\$ 2,327	\$ 3,642,340	\$ 3,401,689	\$ 3,861,755	\$ 1,293,286

**Village of Channahon, Illinois**  
 EQUALIZED ASSESSED VALUATION AND ESTIMATED ACTUAL VALUATION  
 LAST TEN TAX YEARS

Tax Year	Will County			Total Equalized Assessed Value	Residential Property
	Residential Property	Farm Property	Non-Farm Property		
2016	\$ 185,161,393	\$ 633,430	\$ 36,373,513	\$ 222,168,336	\$ 68,791,010
2015	171,965,069	599,618	35,545,995	208,110,682	61,543,653
2014	166,523,460	560,620	35,488,477	202,572,557	54,460,143
2013	168,855,891	582,625	35,670,339	205,108,855	55,148,345
2012	180,049,464	610,546	34,276,041	214,936,051	60,168,110
2011	198,592,657	643,899	34,979,085	234,215,641	66,876,011
2010	213,114,530	605,904	34,037,443	247,757,877	72,923,968
2009	222,817,857	792,895	33,496,598	257,107,350	81,842,389
2008	224,204,875	449,729	32,657,096	257,311,700	83,300,210
2007	218,039,225	508,764	30,204,019	248,752,008	75,022,516

Source of Information: Office of Will County Clerk and Office of Grundy County Clerk

Grundy County			Total Equalized Assessed Value Both Counties	Village Direct Tax Rate	Total Estimated Actual Taxable Value	Equalized Assessed Value as a Percentage of Estimated Actual Taxable Value
Farm Property	Non-Farm Property	Total Equalized Assessed Value				
\$ 455,641	\$18,949,145	\$ 88,195,796	\$ 310,364,132	0.7576	\$ 931,092,396	33.33%
448,062	18,024,348	80,016,063	288,126,745	0.7582	864,380,235	33.33%
453,533	20,528,653	75,442,329	278,014,886	0.7212	834,044,658	33.33%
447,390	20,989,354	76,585,089	281,693,944	0.7480	845,081,832	33.33%
434,940	19,230,834	79,833,884	294,769,935	0.6851	884,309,805	33.33%
1,377,688	17,537,241	85,790,940	320,006,581	0.6115	960,019,743	33.33%
1,440,638	17,347,831	91,712,437	339,470,314	0.5136	1,018,410,942	33.33%
411,700	23,625,198	105,879,287	362,986,637	0.5239	1,088,959,911	33.33%
414,276	23,880,296	107,594,782	364,906,482	0.5239	1,094,719,446	33.33%
436,520	24,389,730	99,848,766	348,600,774	0.5238	1,045,802,322	33.33%

**Village of Channahon, Illinois**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN TAX YEARS**

Tax Rates Per \$100 Assessed Valuation (1)	2016	2015	2014	2013	2012
Village of Channahon (2)	0.7524	0.7582	0.7212	0.7480	0.6851
Village of Channahon Road and Bridge	0.0717	0.0555	0.0547	0.0534	0.0540
Total Village (3)	0.8241	0.8137	0.7759	0.8014	0.7391
Will County (Including Forest Preserve)	0.8091	0.8295	0.8410	0.8186	0.7767
Channahon Township	0.0341	0.0901	0.0888	0.0869	0.0863
Channahon Fire Protection District	1.0054	1.0501	1.0504	1.0222	0.9646
Three Rivers Library District	0.1146	0.1158	0.1186	0.1175	0.1141
Channahon School District 17	2.7081	2.7339	2.8220	2.8377	2.8076
Minooka Community High School District 111	2.6620	2.5494	2.5141	2.3525	2.3580
Community College District 525	0.3099	0.3065	0.3085	0.2955	0.2768
Channahon Park District	0.3238	0.3308	0.3272	0.3182	0.3151
Total	8.7911	8.8198	8.8465	8.6505	8.4383
	2011	2010	2009	2008	2007
Village of Channahon (2)	0.6115	0.5136	0.5239	0.5239	0.5238
Village of Channahon Road and Bridge	0.0536	0.0546	0.0531	0.0528	0.0598
Total Village (3)	0.6651	0.5682	0.5770	0.5767	0.5836
Will County (Including Forest Preserve)	0.7244	0.6841	0.0654	0.6387	0.6367
Channahon Township	0.0842	0.0843	0.0819	0.0816	0.0953
Channahon Fire Protection District	0.8866	0.8680	0.0820	0.8132	0.7923
Three Rivers Library District	0.1033	0.0941	0.0906	0.0906	0.0983
Channahon School District 17	2.6807	2.5352	2.5651	2.5651	2.9345
Minooka Community High School District 111	2.3265	2.2949	2.3027	2.3246	2.3290
Community College District 525	0.2463	0.2270	0.2144	0.1896	0.1901
Channahon Park District	0.2816	0.3074	0.2974	0.3029	0.3461
Total	7.9987	7.6632	6.2765	7.5830	8.0059

Notes:

- (1) Source: County Clerk, Will County
- (2) Includes corporate, street and bridge, police protection, audit, insurance, IMRF, SS and police pension - see page 96
- (3) The Village is a home rule unit under the 1970 Illinois State Constitution and, as such, has no statutory tax rate limitations

**Village of Channahon, Illinois**  
**PRINCIPAL PROPERTY TAXPAYERS IN THE VILLAGE**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Type of Business, Property	2016 Equalized Assessed Valuation	Percentage of 2016 Equalized Assessed Valuation	2016 Rank
Aux Sable Liquid Products	Chemicals	\$ 83,514,887	26.91%	1
DOKA USA LTD	Concrete Barriers	2,492,312	0.80%	2
Interstate Chemical Co., Inc.	Chemicals	1,700,837	0.55%	3
K & G Management Co., LLC	Property Management	1,364,781	0.44%	4
Alpont Realty	Real Estate	1,259,913	0.41%	5
Barr, George/Goldstein	Legal	1,046,657	0.34%	6
Chicago Title Land Trust Company	Financial	775,730	0.25%	7
El Zapote Enterprises LLC	Individual	739,422	0.24%	8
Mosak Properties LLC	Construction	708,087	0.23%	9
First Community Financial Bank	Banking	644,952	0.21%	10
		<u>\$ 94,247,578</u>	<u>30.38%</u>	
Total Village Assessed Valuation		<u>\$ 310,364,132</u>		

Taxpayer	Type of Business, Property	2007 Equalized Assessed Valuation	Percentage of 2007 Equalized Assessed Valuation	2007 Rank
Coleman Management	Chemicals	\$ 1,700,837	0.49%	1
International Chemical	Chemicals	1,259,913	0.36%	2
George Barr/Goldstein	Investor Group	1,046,657	0.30%	3
Romar Cabinets	Industrial Park	831,117	0.24%	4
TAC of Illinois	Tank Wash	724,287	0.21%	5
H&H Machinery Movers	Machine Movers	710,567	0.20%	6
Marck, Kathleen Mosak	Individual	702,116	0.20%	7
B R Channahon LLC	Developers	662,463	0.19%	8
JP Ruth	Individual	636,583	0.18%	9
Fort Lock Self Storage	Storage	600,252	0.17%	10
		<u>\$ 8,874,792</u>	<u>2.54%</u>	
Total Village Assessed Valuation		<u>\$ 348,600,774</u>		

Note: Every effort has been made to identify the largest taxpayers. However, some taxpayers may have multiple parcels which may have been overlooked. The 2016 EAV is the most current available.

Source of Information: Will and Grundy County Treasurers' Offices.

**Village of Channahon, Illinois**  
**PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS**  
**(WILL AND GRUNDY COUNTIES)**  
**LAST TEN TAX YEARS**

<u>Property Tax Rates by Fund</u>	2016	2015	2014	2013	2012
General	0.2236	0.2516	0.2069	0.1953	0.2136
Police Protection	0.0604	0.0753	0.0648	0.0586	0.0652
Social Security	0.0644	0.0639	0.0720	0.0683	0.0642
Audit	0.0115	0.0102	0.0105	0.0103	0.0101
Insurance	0.0824	0.0613	0.0516	0.1303	0.0809
Police Pension	0.1910	0.1983	0.1715	0.1540	0.1431
Illinois Municipal Retirement Fund	0.1191	0.0976	0.1439	0.1312	0.1080
<b>Total</b>	<b>0.7524</b>	<b>0.7582</b>	<b>0.7212</b>	<b>0.7480</b>	<b>0.6851</b>
<u>Property Tax Extensions by Fund</u>					
General	\$ 692,806	\$ 723,246	\$ 575,127	\$ 550,102	\$ 629,743
Police Protection	187,097	216,403	180,106	165,063	192,239
Social Security	199,431	183,687	200,099	192,325	189,127
Audit	35,496	29,283	29,145	29,013	29,752
Insurance	255,091	176,164	143,387	367,026	238,532
Police Pension	591,695	570,036	476,723	433,746	421,912
Illinois Municipal Retirement Fund	368,820	280,532	400,025	369,515	318,286
<b>Total</b>	<b>\$2,330,436</b>	<b>\$2,179,351</b>	<b>\$2,004,612</b>	<b>\$2,106,790</b>	<b>\$2,019,591</b>
Current Year Collections	\$ -	\$ -	\$ -	\$ -	\$ -
Subsequent Collections	-	2,165,743	2,002,724	2,105,714	2,014,739
<b>Total Collections</b>	<b>\$ -</b>	<b>\$2,165,743</b>	<b>\$2,002,724</b>	<b>\$2,105,714</b>	<b>\$2,014,739</b>
Percentage of Extensions Collected	0.00%	99.38%	99.91%	99.95%	99.76%
Other Property Taxes					
Street and Bridge (Extension Excluding Township Portion)	\$ 170,359	\$ 164,515	\$ 113,996	\$ 107,458	\$ 112,088
Street and Bridge Property Tax Collections	-	121,947	113,466	107,203	111,634
Tax Increment Property Tax Collections	\$ -	\$6,934,164	\$6,863,087	\$6,907,818	\$6,293,103

Note - Tax rates are per \$100 assessed valuation and are expressed as a combined rate.

Information obtained from the respective County Clerk's Office.

2011	2010	2009	2008	2007
0.1921	0.1811	0.1997	0.2073	0.2143
0.0587	0.0568	0.0633	0.0799	0.0647
0.0686	0.0397	0.0610	0.0659	0.0546
0.0093	0.0082	0.0075	0.0079	0.0078
0.0581	0.0499	0.0490	0.0415	0.0350
0.1286	0.1098	0.0654	0.0576	0.0871
0.0961	0.0681	0.0780	0.0638	0.0603
0.6115	0.5136	0.5239	0.5239	0.5238

\$ 615,091	\$ 641,693	\$ 730,458	\$ 756,504	\$ 747,052
187,872	201,064	231,537	291,430	225,545
219,274	140,103	223,124	240,557	190,336
29,752	29,233	27,433	28,720	27,191
186,002	176,822	179,231	151,371	122,010
411,696	390,006	239,218	210,270	303,631
307,338	240,991	285,307	232,894	210,206

\$1,957,025	\$1,819,912	\$1,916,308	\$1,911,746	\$1,825,971
\$ -	\$ -	\$ -	\$ -	\$ -
1,945,974	1,743,456	1,899,306	1,891,072	1,797,088
\$1,945,974	\$1,743,456	\$1,899,306	\$1,891,072	\$1,797,088

99.44%	95.80%	99.11%	98.92%	98.42%
--------	--------	--------	--------	--------

\$ 135,304	\$ 144,059	\$ 144,059	\$ 163,997	\$ 177,732
134,441	141,048	143,713	163,519	177,353
\$5,901,172	\$6,296,453	\$7,062,493	\$7,030,357	\$5,063,618

**Village of Channahon, Illinois**  
**SCHEDULE OF VILLAGE SALES TAXES BY INDUSTRY**  
Year Ended April 30, 2017

Type of Industry	Home Rule Sales Tax	State Sales Tax	Total Sales Tax
Generators	\$ 36,280	\$ 165,057	\$ 201,337
Computers	12,517	301	12,818
Retail	77,742	168,120	245,862
Fuel Suppliers	133,922	568,809	702,731
Manufacturers	32,725	82,720	115,445
Construction	117,901	29,084	146,985
Other	411,085	78,648	489,733
<b>Total</b>	<b>\$ 822,172</b>	<b>\$ 1,092,739</b>	<b>\$ 1,914,911</b>

The State Sales Tax rates are 6.25% and 7.00% for Grundy and Will Counties respectively.  
The Village receives 1.00% of the State's total rate.

The Village has a 1.00% rate via its Home Rule powers for a total of 7.25% and 8.00% respectively.

Source of Information: Village Finance Department and State of Illinois Department of Revenue.

**Village of Channahon, Illinois**  
**SCHEDULE OF VILLAGE SALES TAXES BY YEAR**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Home Rule Sales Tax	State Sales Tax	Total Sales Tax	Total Taxable Sales
2017	\$ 822,172	\$ 1,092,739	\$ 1,914,911	\$ 191,491,100
2016	664,278	934,550	1,598,828	159,882,800
2015	3,545,489	4,081,355	7,626,844	762,684,400
2014	8,881,934	9,242,201	18,124,135	1,812,413,500
2013	8,262,036	8,721,469	16,983,505	1,698,350,500
2012	9,923,861	10,450,768	20,374,629	2,037,462,900
2011	7,734,769	8,180,829	15,915,598	1,591,559,800
2010	7,574,777	7,918,534	15,493,311	1,549,331,100
2009	9,612,381	9,953,022	19,565,403	1,956,540,300
2008	8,418,324	8,840,877	17,259,201	1,725,920,100

The State Sales Tax rates are 6.25% and 7.00% for Grundy and Will Counties respectively.  
The Village receives 1.00% of the State's total rate.

The Village has a 1.00% rate via its Home Rule powers for a total of 7.25% and 8.00%, respectively.

Source of Information: Village Finance Department and State of Illinois Department of Revenue.

**Village of Channahon, Illinois**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Premiums on G.O. Bonds	Tax Increment Revenue Bonds	Water/Sewer General Obligation Bonds	Premiums on Water/Sewer G.O. Bonds	Water/Sewer IEPA Infrastructure Loans
2017	\$ 10,669,500	\$ 475,637	\$ 2,195,000	\$ 5,625,500	\$ 191,869	\$ 989,009
2016	7,975,000	170,175	2,870,000	5,355,000	125,745	1,070,738
2015	9,055,000	185,094	3,520,000	6,025,000	139,716	1,152,071
2014	10,097,500	200,013	4,140,000	6,677,500	153,687	1,225,486
2013	11,092,500	214,932	9,380,000	7,317,500	167,659	1,313,584
2012	6,920,000	26,083	5,140,000	1,250,000	-	8,195,031
2011	7,676,250	31,299	5,605,000	1,353,750	-	8,740,266
2010	8,375,000	36,515	6,040,000	1,495,000	-	8,377,151
2009	8,977,500	41,731	6,445,000	1,924,745	-	8,443,674
2008	9,568,750	46,947	6,830,000	2,342,707	-	8,918,342

Fiscal Year	Total Debt	Total Debt as a Percentage of Personal Income	Population	Total Debt Per Capita	General Obligation Bonds Per Capita	Water/Sewer Debt Per Water/Sewer Customer
2017	\$ 19,479,009	5.12%	12,600	\$ 1,546	\$ 847	\$ 1,945
2016	17,270,738	4.61%	12,600	1,371	633	1,872
2015	19,752,071	5.27%	12,600	1,568	719	2,286
2014	22,140,486	5.86%	12,560	1,763	804	2,053
2013	29,103,584	7.87%	12,560	2,317	883	2,242
2012	21,505,031	5.81%	12,560	1,712	551	2,406
2011	23,375,266	6.50%	12,386	1,887	620	2,578
2010	24,287,151	6.76%	12,386	1,961	676	2,581
2009	25,790,919	8.67%	9,757	2,643	920	2,847
2008	27,659,799	9.44%	9,757	2,835	981	3,388

Source of Information: Various Village Offices

The Village has abated debt service property taxes for all years shown above and has repaid debt from other general revenues.

**Village of Channahon, Illinois**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
April 30, 2017

	Total Debt	Applicable Percent	Direct And Overlapping Debt
<u>Direct Debt</u>			
Village of Channahon (1)	\$ 19,479,009	100.00%	\$ 19,479,009
<u>Overlapping Debt (2)</u>			
<u>Schools</u>			
Coal City CUSD Number 1	36,160,000	0.025%	9,057
Joliet CCD No. 525	73,770,000	1.597%	1,177,906
Joliet Township High School District 204	94,180,000	0.417%	392,463
Minooka Community High School District 111	63,435,000	23.850%	15,129,248
Minooka Junior High School District 201	73,654,860	10.689%	7,873,194
Morris CHSD Number 101	5,645,000	1.374%	77,555
Saratoga CCSD Number 60C	8,450,000	3.170%	267,833
Troy Community Consolidated School District 30C	69,358,000	3.645%	2,528,099
Wilmington School District 209U	30,012,088	0.776%	232,963
Total Schools			27,688,318
<u>Other Than Schools</u>			
Channahon Park District	950,245	34.818%	330,856
Grundy County	13,119,661	4.525%	593,631
Will County	-	1.127%	-
Will County Forest Preserve District	124,699,709	1.127%	1,405,366
Total Other Than Schools			2,329,853
Total Overlapping Debt			30,018,171
Total Direct and Overlapping Debt			\$ 49,497,180

Notes:

- (1) The amount represents the debt of governmental activities.  
The Village is not levying taxes to retire any of its outstanding debt.
- (2) Overlapping debt percentages based on 2016 EAV.  
Overlapping debt outstanding as of April 2017.

Overlap is based on equalized assessed valuation of each overlapping government that coincides with village's property.  
Schedule includes the par value of general obligation debt for which taxes may be levied.

Source of Information: Will and Grundy County Clerks' Offices

## Village of Channahon, Illinois

### PLEDGED REVENUE COVERAGE

#### LAST TEN FISCAL YEARS

Fiscal Year	Water and Sewer General Obligation Bonds and IEPA Loans					
	Utility	Less:	Net	Debt Service		Coverage
	Service Charges	Operating Expenses	Available Revenue	Principal	Interest	
2017	\$ 3,355,702	\$ 1,701,964	\$ 1,653,738	\$ 759,228	\$ 143,519	183%
2016	2,854,490	1,629,362	1,225,128	751,333	134,441	138%
2015	2,417,456	1,424,710	992,746	725,915	147,635	114%
2014	2,448,623	1,423,550	1,025,073	728,098	161,079	115%
2013	2,465,558	1,358,364	1,107,194	780,542	175,948	116%
2012	2,370,142	1,419,199	950,943	662,733	215,093	108%
2011	2,185,852	1,425,324	760,528	640,708	270,024	84%
2010	2,388,146	1,381,507	1,006,639	851,015	291,313	88%
2009	2,327,755	1,368,796	958,959	908,418	320,362	78%
2008	2,572,132	1,187,277	1,384,855	877,737	376,450	110%

Details about the Village's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest, depreciation or refuse expenses.

Debt service principal does not include amounts refunded by new debt.

#### Limited Obligation Tax Increment Revenue Bonds - Series 2013

Fiscal Year	Tax	Less:	Net	Debt Service		Coverage
	Increment	Non-capital	Available	Principal	Interest	
	Financing Taxes	Expenditures	Revenue	Principal	Interest	
2017	\$ 6,934,164	\$ 6,165,816	\$ 768,348	\$ 675,000	\$ 114,800	97%
2016	6,863,087	6,119,639	743,448	650,000	144,800	94%
2015	6,907,818	6,096,981	810,837	620,000	170,028	103%
2014	6,293,103	5,931,597	361,506	600,000	134,300	49%
2013	5,901,172	5,177,938	723,234	500,000	353,375	85%
2012	6,296,453	5,474,945	821,508	465,000	385,344	97%
2011	7,062,493	6,235,097	827,396	435,000	415,250	97%
2010	7,034,256	6,179,336	854,920	405,000	440,563	101%
2009	5,063,618	4,290,821	772,797	385,000	464,625	91%
2008	5,225,513	4,506,786	718,727	360,000	487,125	85%

Principal and interest payments are made by the Village's TIF District Fund from incremental property taxes generated from properties in the Village's Tax Increment Financing District. Payments began in 2001.

Details about the Village's outstanding debt can be found in the notes to the financial statements.

Non-capital expenditures consist mainly of redistributed tax surpluses and tax increment rebates.

Coverage in certain years may be less than 100% due to the use of surpluses from prior years or transfers from other funds.

(Continued)

**Village of Channahon, Illinois**  
**PLEDGED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Motor Fuel Tax - General Obligation Bonds Series 2006 and 2007						
Fiscal Year	Motor Fuel Taxes	Less: Operating Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	\$ 341,300	\$ 327,319	\$ 13,981	\$ 1,215,000	\$ 32,711	1%
2016	344,205	448,881	( 104,676)	520,000	67,988	-18%
2015	385,805	772,489	( 386,684)	495,000	88,245	-66%
2014	443,117	1,043,844	( 600,727)	480,000	107,695	-102%
2013	374,800	669,806	( 295,006)	460,000	126,345	-50%
2012	386,290	608,300	( 222,010)	445,000	144,582	-38%
2011	392,666	1,491,181	( 1,098,515)	425,000	161,251	-188%
2010	336,824	1,864,877	( 1,528,053)	340,000	175,963	-296%
2009	348,794	955,171	( 606,377)	340,000	215,389	-109%
2008	324,498	461,981	( 137,483)	120,000	100,827	-62%

Although the Village can legally levy property taxes to raise revenues to pay debt service on the bonds, the Village has abated the property taxes and has pledged available fuel taxes.

Details about the Village's outstanding debt can be found in the notes to the financial statements.

Operating expenditures do not include interest or original bond construction expenditures.

Debt service principal does not include principal refunded by new debt.

Coverage in certain years may be less than 100% due to the use of surpluses from prior years.

State and Home Rule Sales Tax - General Obligation Bonds Series 2011						
Fiscal Year	State and Home Rule Sales Taxes	Less: Operating Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	\$ -	\$ 1,111	(\$ 1,111)	\$ 367,500	\$ 69,726	0%
2016	-	76,664	( 76,664)	360,000	78,248	-17%
2015	2,395,699	4,243,091	( 1,847,392)	345,000	91,596	-423%
2014	16,182,543	14,571,172	1,611,371	345,000	91,596	369%
2013	15,061,483	13,733,300	1,328,183	337,500	98,346	305%
2012	18,330,775	17,073,916	1,256,859	352,500	128,049	262%
2011	14,639,297	13,187,796	1,451,501	273,750	207,602	302%
2010	14,502,451	13,066,552	1,435,899	262,500	220,970	297%
2009	16,353,108	14,243,822	2,109,286	251,250	232,267	436%
2008	15,627,820	13,455,280	2,172,540	240,000	243,668	449%

Although the Village can legally levy property taxes to raise revenues to pay debt service on the bonds, the Village has abated the property taxes and has pledged available home rule sales taxes. Payments began in 2003.

Details about the Village's outstanding debt can be found in the notes to the financial statements.

Operating expenditures only include tax rebates.

(Concluded)

**Village of Channahon, Illinois**  
LEGAL DEBT MARGIN INFORMATION  
April 30, 2017

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The Village of Channahon is a “home rule” municipality under the 1970 Illinois Constitution. As a home rule community, the Village has no debt limit nor is it required to seek referendum approval for issuance of general obligation debt. The Illinois General Assembly may, by a three-fifths vote, limit debt incurred which is payable through any funds other than ad valorem property tax receipts. When debt is secured through property taxes, the General Assembly may set limits and require referenda.

**Village of Channahon, Illinois**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

Year	(a) Population	(b) Per Capita Income	(a) x (b) Personal Income	Unemployment Rate
2017	12,600	\$ 43,864	\$ 552,686,400	5.4%
2016	12,600	30,220	380,772,000	5.7%
2015	12,600	30,220	380,772,000	7.8%
2014	12,560	30,565	383,896,400	6.8%
2013	12,560	29,458	369,992,480	9.7%
2012	12,560	29,458	369,992,480	9.4%
2011	12,560	29,015	364,428,400	11.0%
2010	12,386	29,015	359,379,790	11.2%
2009	12,386	30,497	377,735,842	11.2%
2008	12,386	30,037	372,038,282	5.2%

Sources of Information: Office of Will County Clerk, U.S. Census Bureau, and Illinois Dept. of Employment Security

Note: Per Capita Income is based on 2013, 2010 and 2000 Censuses.

**Village of Channahon, Illinois**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	Type of Business or Property	2017 Number of Employees	Percent of 2016 Total Employment
Channahon Park District	Park Facilities	179	7.16%
Channahon Grade School District 17	Grade School	155	6.20%
Aux Sable Liquid Products	Natural Gas Extraction	160	6.40%
A&R Logistics, Inc.	Transportation, Storage	147	5.88%
Brieser Construction	Construction	115	4.60%
Utility Concrete Products, LLC	Industrial, Manufacturing, Concrete	90	3.60%
Martin Whalen Office Solutions	Office Equipment, Supplies & Service	70	2.80%
Romar Cabinet & Top Co. Inc.	Construction, Home Improvement	66	2.64%
JB Hunt Transport, Inc.	Industrial, Logistics, Trucking, Automotive	43	1.72%

Employer	Type of Business or Property	2008 Number of Employees	Percent of 2007 Total Employment
Channahon Grade School District 17	Grade School	131	2.91%
Utility Concrete	Concrete Forms	100	2.22%
Romar Cabinets	Cabinets	96	2.13%
Aux Sable Liquid Products	Natural Gas Extraction	78	1.73%
DNJ Transportation	Trucking	70	1.56%
Packard Trucking	Trucking	62	1.38%
Village of Channahon	Municipality	60	1.33%
Metal Stamp	Tool & Die Manufacturer	53	1.18%
A&R Transport	Trucking	50	1.11%
Northern Illinois Steel	Steel Distribution	43	0.96%

Sources of Information: Will County Center for Economic Development, and Illinois Department of Employment Security

**Village of Channahon, Illinois**  
**VILLAGE EMPLOYMENT STATISTICS**  
**LAST TEN FISCAL YEARS**

Staff	2017	2016	2015	2014	2013
<b>General Government</b>					
Administrative Department	4	4	4	4	4
Finance Department	3	3	3	4	4
<b>Public Safety</b>					
Police Department	26	26	24	25	26
<b>Community Development</b>					
Community and Economic Development	4	5	5	3	3
<b>Public Works and Utilities</b>					
Street Department	12	12	13	13	13
Water and Sewer	3	4	3	4	4
<b>TOTAL STAFF</b>	<b>52</b>	<b>54</b>	<b>52</b>	<b>53</b>	<b>54</b>
	2012	2011	2010	2009	2008
<b>General Government</b>					
Administrative Department	4	4	3	3	2
Finance Department	4	4	6	6	6
<b>Public Safety</b>					
Police Department	26	29	29	29	25
<b>Community Development</b>					
Community and Economic Development	3	7	8	8	8
<b>Public Works and Utilities</b>					
Street Department	13	15	15	15	14
Water and Sewer	4	5	5	5	5
<b>TOTAL STAFF</b>	<b>54</b>	<b>64</b>	<b>66</b>	<b>66</b>	<b>60</b>

Source of Information: Village Human Resources

**Village of Channahon, Illinois**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	2017	2016	2015	2014
<b>General Government</b>				
<b>Administration</b>				
Resolutions Adopted	21	23	22	18
Ordinances Adopted	45	42	26	36
Village Newsletters	-	-	-	-
<b>Finance</b>				
Purchase Orders Processed	173	79	484	784
Nonpayroll Checks Issued	1,413	1,493	1,660	1,844
Utility Bills Issued	43,117	43,111	43,299	41,040
Accounts Payables Processed	2,438	2,520	2,598	2,791
<b>Community Development</b>				
Residential Building Permits	62	16	10	7
Commercial Permits	2	1	-	2
Commercial Square Footage Permitted	749,554	5,500	-	21,369
Residential Lots Platted	-	-	-	-
<b>Public Safety</b>				
Calls for Service	8,497	11,899	8,635	9,077
Reports Processed	3,037	1,937	2,261	2,847
Number of Cases Investigated	366	174	156	205
Training Hours	2,072	2,544	3,065	1,540
Patrol Miles	212,120	172,518	179,593	166,425
<b>Streets</b>				
Tons of Salt Used for Snow Removal	836	690	1,530	1,653
<b>Water And Sewer</b>				
Peak Day Water Pumpage-Gallons	1,598,000	1,661,000	1,725,000	1,698,000
Average Daily Water Pumpage - Gallons	619,559	626,342	760,386	680,438
Average Daily Sewage Treatment- Gallons	669,000	705,000	681,916	714,000

Source of Information: Various Village Departments

2013	2012	2011	2010	2009	2008
33	10	17	15	34	16
49	44	28	36	43	50
2	2	3	3	3	3
743	719	910	913	992	967
1,654	1,764	2,133	2,211	2,335	2,275
48,720	47,580	47,472	47,201	45,157	46,506
2,551	2,573	3,251	3,566	3,704	3,670
6	3	3	11	28	45
-	1	-	4	4	1
-	4,836	-	91,781	100,587	3,056
-	-	-	-	-	48
10,270	11,461	11,034	11,944	11,716	12,240
2,716	4,935	4,614	5,270	4,306	5,186
203	208	224	216	360	361
1,410	2,301	3,134	2,263	2,530	1,496
164,203	187,939	197,037	259,930	291,989	264,385
1,071	702	1,173	1,023	1,223	1,377
1,757,000	1,422,000	1,131,000	1,183,000	1,076,000	1,804,000
690,496	670,396	749,422	666,148	821,918	864,945
546,000	653,000	607,083	580,000	493,151	455,068

**Village of Channahon, Illinois**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Government</b>										
<b>Administration</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	1	1	1	1	1	1	1	1	1	-
<b>Police</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	18	18	16	16	16	16	16	15	15	15
<b>Streets</b>										
Miles of Streets	94	94	94	94	94	94	83	83	81	81
Vehicles	17	17	17	17	17	17	17	18	18	18
Buildings	3	3	3	3	3	3	3	3	3	3
<b>Community Development</b>										
Vehicles	2	2	2	2	3	3	3	5	5	6
<b>Water and Sewer</b>										
<b>Water</b>										
Buildings	3	3	3	3	3	3	3	7	7	7
Storage Capacity (Thousands of Gallons)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	950	450
Vehicles	3	3	3	3	4	4	2	2	2	2
<b>Sewer</b>										
Buildings	9	9	9	9	9	9	9	7	7	7
Treatment Capacity (Thousands of Gallons)	720	720	720	720	720	720	720	720	720	720
Vehicles	2	2	2	2	2	2	2	2	2	2

Source of Information: Various Village Departments

## Village of Channahon, Illinois

### MISCELLANEOUS STATISTICS

April 30, 2017

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Date of Organization:	December 15, 1961
Form of Government:	Board-Trustee
Governing Body:	Village Board
Land Area:	16.4 Square Miles
Number of Housing Units:	3,870
Number of Registered Voters:	6,493
Number of Townships:	4
Number of School Districts:	2
Number of Community College Districts:	1

Source of Information: Village Business Office, Village Planning Offices, Will County Clerk's Office and U.S. Census Bureau