



Village of Channahon Comprehensive Annual Financial Report



Fiscal Year Ended
April 30, 2018

Village of Channahon, Illinois

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2018

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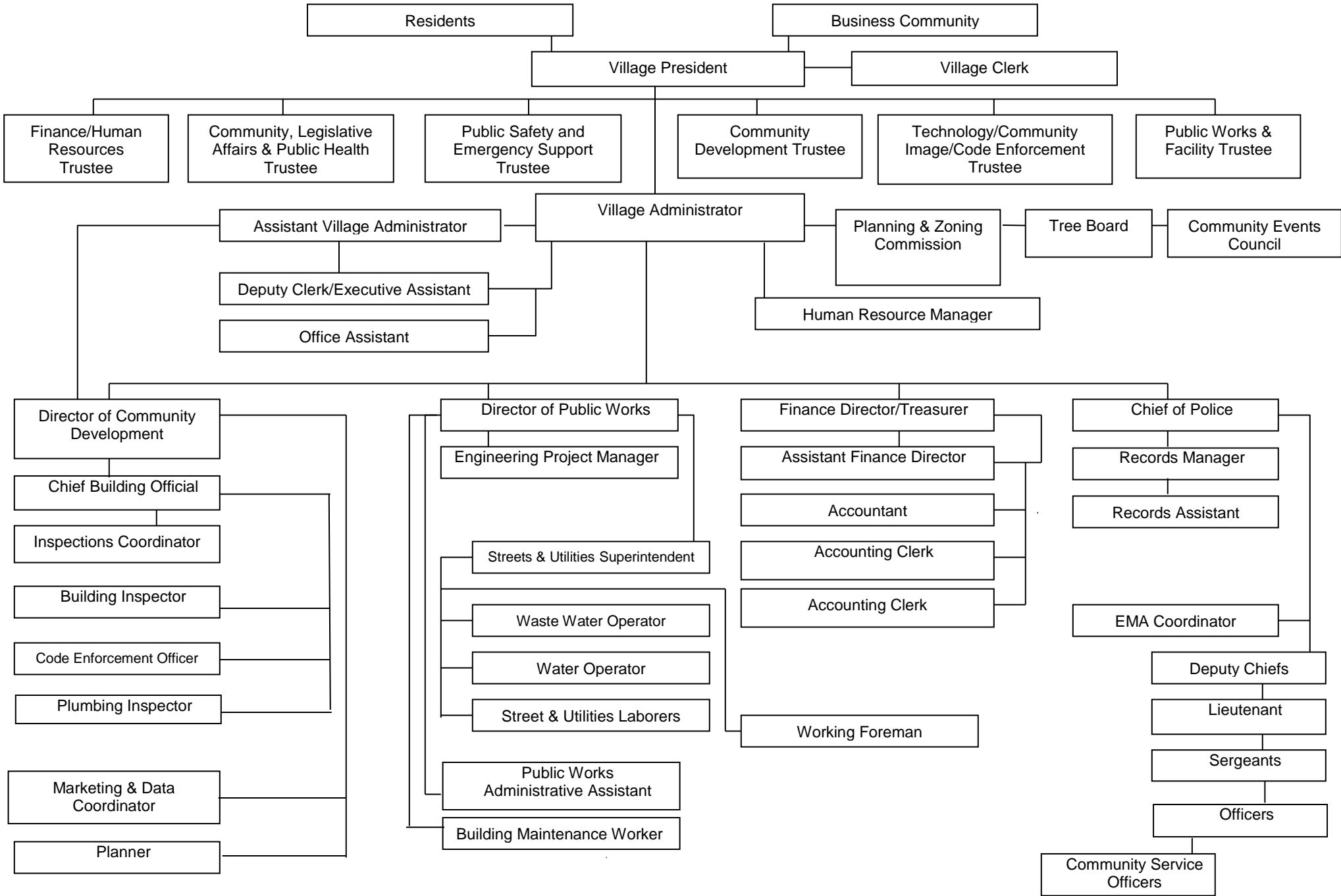
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INTRODUCTORY SECTION

VILLAGE OF CHANNAHON ORGANIZATIONAL CHART



Village of Channahon, Illinois

PRINCIPAL OFFICIALS

Year Ended April 30, 2018

Janet "Miskey" 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

Chantal Host



VILLAGE OF CHANNAHON

24555 S. NAVAJO DRIVE • CHANNAHON, ILLINOIS 60410-3334
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October 10, 2018

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, 2018 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 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 356,000 and an unemployment rate of 4.6%.

The Village's general operating budget for fiscal year ended April 30, 2018 was originally adopted to include revenues and expenses netting close to zero or breakeven. The fiscal year 2018 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 2018 included sufficient revenues to offset the annual expenses. 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. Several large industrial park projects have been constructed or are currently under construction. These industrial buildings will provide millions of square feet of industrial space and provide for additional employment opportunities. Several new small businesses have opened within the community and various developers continue to pursue 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 56th safest city in America, 2nd safest city in Illinois, the 13th best place to raise a family in Illinois, the 2nd healthiest housing market in Illinois, and the Village also celebrate 20 years of being a member of Tree City USA.

For the Future

The fiscal year 2017-2018 budget was approved with the anticipation that the economy will continue to improve. Property values increased for the second consecutive year. 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 three years and the progress of several large development projects. The Village has adopted a policy to move forward with various capital projects that were a part of the Village's 5 Year Capital Plan. Such projects include tree replacements and continuation of the Bridge Street Multi-Use Path. In addition, minimal planned equipment and vehicle replacements were purchased during fiscal year 2018 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 several years, the Village is pleased to report a successful year of development. During fiscal year 2018, the Village experienced the continued increase in development of residential and commercial property. Over 100 new homes were built in the Village during 2018, which is more in the current fiscal year than in the past 10 years combined. The development growth the Village is experiencing is a very positive indicator for the future of the growing community.

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 in order to 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: At fiscal year end, the Police Pension fund reflects a 63.6% 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 17 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, 2017 was 13 years for the Regular plan and 16 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, 2017.

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 thirteen consecutive years, including the latest award for the fiscal year ended April 30, 2017. 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 and 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 achieve the continued success.

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, 2017

Christopher P. Morill

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, 2018, 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, 2018, 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 O to the financial statements, net position of the governmental activities and fund balance of the General Fund as of May 1, 2017 have been restated to correct for a misstatement of the sales tax rebate liability. 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 the 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 for the year ended April 30, 2018 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 the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

(Continued)

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 for the year ended April 30, 2018 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2018 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 for the year ended April 30, 2018 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended April 30, 2018.

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.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois

October 10, 2018

VILLAGE OF CHANNAHON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

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, 2018. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A"). 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 \$3.5 million or 13.8% and net position in our business-type activities increased by \$0.9 million or 2.7%. The end-result amounted to a positive change in the Village's net position of \$4.4 million or 7.7%. The increase for the governmental activities was due to an increase in capital asset additions, an increase in property tax revenue and other development revenue and a significant reduction in liabilities in the current year. The increase in the business-type activities was due largely to a reduction of the debt liability.
- The Village's revenues from governmental activities were \$21.8 million, up \$3.7 million from the prior year. Expenses from governmental activities totaled \$18.2 million, up \$1.7 million from the prior year. The increase in revenues was due to an increase in property tax revenues and other state taxes. The expenses increased due to the various capital outlay expenditures incurred during the current fiscal year.
- Business-Type revenues decreased by approximately \$0.1 million or 2.0%, to \$5.0 million, while expenses increased from \$4.0 million to \$4.2 million, an increase of 4.5%.
- Moody's Investors Service reaffirmed the Village's rating of Aa2 and noted that the Village of Channahon has a very strong credit position.

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 financial 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 financial health of the Village.

**VILLAGE OF CHANNAHON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

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 public safety, public works, community 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 or other money. The Village's two types 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 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 reported 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 a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 27 and 28. These activities are excluded 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
(Unaudited)**

THE VILLAGE AS A WHOLE

The following is a condensed version of the Statement of Net Position as of April 30, 2018 and 2017:

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

	Governmental Activities		Business Type Activities		Total Primary Government	
	2018	2017*	2018	2017*	2018	2017*
Assets:						
Current and Other Assets	\$ 41.0	\$ 38.4	\$ 5.1	\$ 3.9	\$ 46.1	\$ 42.3
Noncurrent Assets	26.5	26.4	34.6	35.6	61.1	62.0
Total Assets	67.5	64.8	39.7	39.5	107.2	104.3
Deferred Outflows of Resources						
	0.9	0.8	0.1	0.2	1.0	1.0
Liabilities:						
Current Liabilities	10.7	11.3	1.4	1.2	12.1	12.5
Noncurrent Liabilities	16.7	19.0	5.6	6.8	22.3	25.8
Total Liabilities	27.4	30.3	7.0	8.0	34.4	38.3
Deferred Inflows of Resources						
	12.0	11.2	0.2	-	12.2	11.2
Net Position:						
Net Investment in Capital Assets	18.3	20.2	28.6	28.9	46.9	49.1
Restricted	9.1	7.5	-	-	9.1	7.5
Unrestricted	1.6	(3.6)	4.0	2.8	5.6	(0.8)
Total Net Position	\$ 29.0	\$ 24.1	\$ 32.6	\$ 31.7	\$ 61.6	\$ 55.8

*As originally reported (See Note O).

The Village's combined net position increased by \$4.4 million (as restated – See Note O). Current and other assets which consist mainly of cash and investments, property tax receivables, intergovernmental receivables and other receivables, increased by \$3.8 million. Capital assets includes 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 balance decreased slightly from \$62.0 million to \$61.1 million in 2018. 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. The long-term liabilities balance decreased by \$3.5 million in 2018. Other liabilities include accounts payable and interest payable on debt. Deferred inflows of resources include property taxes levied for a future period and deferred amounts related to pensions.

VILLAGE OF CHANNAHON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2018

The increase in net position is a result of the increase of various tax revenues, decrease of various significant liabilities and decreasing debt balances.

For the years ended April 30, 2018 and 2017, 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	
	2018*	2017**	2018*	2017**	2018*	2017**
Revenues						
Program Revenues:						
Charges for Services	\$ 3.6	\$ 2.0	\$ 4.9	\$ 4.2	\$ 8.5	\$ 6.2
Operating Grants and Contributions	0.5	0.3	-	-	0.5	0.3
Capital Grants and Contributions	1.0	1.2	-	0.9	1.0	2.1
General Revenues:						
Property Taxes	9.9	9.2	-	-	9.9	9.2
Intergovernmental	5.5	4.2	-	-	5.5	4.2
Other Taxes	1.1	1.1	-	-	1.1	1.1
Interest	0.2	0.1	0.1	-	0.3	0.1
Total Revenues	21.8	18.1	5.0	5.1	26.8	23.2
Program Expenses:						
General Government	9.9	8.9	-	-	9.9	8.9
Public Safety	3.1	3.2	-	-	3.1	3.2
Community Development	1.1	0.4	-	-	1.1	0.4
Streets and Bridges	3.8	3.5	-	-	3.8	3.5
Interest on Long-Term Debt	0.3	0.5	-	-	0.3	0.5
Waterworks and Sewage	-	-	3.4	3.2	3.4	3.2
Refuse Disposal	-	-	0.8	0.8	0.8	0.8
Total Expenses	18.2	16.5	4.2	4.0	22.4	20.5
Excess (Deficiency)						
Before Transfers	3.6	1.6	0.8	1.1	4.4	2.7
Interfund Transfers	(0.1)	0.2	0.1	(0.2)	-	-
Change in Net Position	3.5	1.8	0.9	0.9	4.4	2.7
Net Position, Beginning	25.5	22.3	31.7	30.8	57.2	53.1
Net Position, Ending	\$ 29.0	\$ 24.1	\$ 32.6	\$ 31.7	\$ 61.6	\$ 55.8

*As restated (see Note O)

**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, 2018

Governmental Activities

Revenues for the Village's governmental activities increased by \$3.7 million or 20.4% while total expenses increased by \$1.7 million or 10.3%. The increase in revenues was primarily due to the increase in various tax revenues and a significant increase in building permit revenue. Likewise, general government expenses increased due to the increase in capital expenditures as a result of the ongoing capital infrastructure repair 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, 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 streets 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	
	2018	2017	2018	2017
General Government	\$ 9.9	\$ 8.9	\$ 6.7	\$ 7.2
Public Safety	3.1	3.2	3.0	3.1
Community Development	1.1	0.4	1.1	0.4
Streets and Bridges	3.8	3.5	2.0	1.7
Interest on Long-Term Debt	0.3	0.5	0.3	0.5
Total Expenses	\$ 18.2	\$ 16.5	\$ 13.1	\$ 12.9

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 revenues decreased \$0.1 million during 2018. The decrease was minimal and primarily due to a lower rate of collection related to the charges for services. Expenses increased by \$0.2 million. Despite those results, there is a surplus for the Village's business-type activities and the net position increased \$0.9 million as it did in the previous year.

THE VILLAGE'S FUNDS

The General Fund's fund balance modest increase of \$0.2 million was due to minimal increases in sales tax and property tax revenue as well as the building permit revenue. The Village's TIF District's fund balance was down \$7 thousand due to the increase in bond principal payments. The Bluff Road and I-55 fund balance decreased by \$0.9 million as a result of expenses incurred for ongoing capital outlay projects. The Other Governmental Funds' fund balances increased \$2.5 million, due largely to the increased fuel and diesel tax revenues.

VILLAGE OF CHANNAHON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 April 30, 2018

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 \$5.4 million while expenditures were approximately \$7.4 million. The projected budget deficit of approximately \$2.0 million was primarily due to the uncertainty of the Village's tax revenue and conservative budgeting. At the end of the fiscal year, actual revenues exceeded the budgeted amounts by approximately \$1.2 million due to income tax collections, transfer taxes collected, building permits, and other various fines and fees. Actual expenditures were less than budgeted amounts by approximately \$0.8 million due to less than anticipated capital outlay expenditures, salaries and miscellaneous operating expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During the fiscal year, the Village's net capital assets decreased to \$61.0 million. The decrease is due to the aging of the existing capital assets and various capital assets being retired or fully depreciated in the current fiscal year. Depreciation expense for 2018 was \$3.5 million. Current year capital asset additions were approximately \$2.3 million.

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

	Governmental Activities		Business Type Activities		Total Reporting Entity	
	2018	2017	2018	2017	2018	2017
Land	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.4	\$ 0.4
Construction in Process	1.3	0.4	1.4	1.3	2.7	1.7
Land Improvements	3.7	3.8	-	-	3.7	3.8
Buildings	3.8	4.0	-	-	3.8	4.0
Waterworks and Sewage	-	-	32.8	34.0	32.8	34.0
Equipment	0.6	0.7	0.2	0.3	0.8	1.0
Infrastructure	16.8	17.3	-	-	16.8	17.3
Totals	\$ 26.4	\$ 26.4	\$ 34.6	\$ 35.8	\$ 61.0	\$ 62.2

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, 2018

Debt

Table 5 illustrates the Village's outstanding debt as of April 30, 2018. Total debt decreased from \$28.1 million to \$25.2 million.

The reason for the decrease was due to the prior year including a new bond issuance of the Series 2016 general obligation bonds. The Village did not issue any new bonds during the current fiscal year and the annual principal and interest payments were made decreasing the total amount of debt outstanding at year end.

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	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 10.3	\$ 11.1	\$ 5.1	\$ 5.8	\$ 15.4	\$ 16.9
Revenue Bonds	1.5	2.2	-	-	1.5	2.2
Infrastructure Loans	-	-	0.9	1.0	0.9	1.0
Net Pension Liabilities	6.7	7.0	0.5	0.8	7.2	7.8
Compensated Absences	0.2	0.2	-	-	0.2	0.2
Totals	\$ 18.7	\$ 20.5	\$ 6.5	\$ 7.6	\$ 25.2	\$ 28.1

The Village's general obligation bond rating for the 2016 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 had difficulty balancing 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.

VILLAGE OF CHANNAHON, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2018

- 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. In addition, the Village has received several sales tax reductions from amended sales tax returns filed by companies from several years prior. These amendments and reductions have significantly affected the Village's annual sales tax revenue over the past several years.
- The unemployment rate for the Village of Channahon was 5.4% versus the State of Illinois average of 4.6%. The U.S. average was 3.9%.

The Village's elected and appointed officials consider many factors when approving 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 2017) was set at 0.7357 per one hundred dollars of equalized assessed valuation (EAV). The Village's assessed valuation was \$325,164,928, which is an increase in the EAV for the second consecutive year. The Village realized an increase of \$103,145 in real estate taxes extended (not including road and bridge tax, which is not assessed by the Village). The actual tax extension for 2017 was \$2,400,533.

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 revenue received. 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, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current			
Cash and investments	\$ 28,928,461	\$ 4,675,296	\$ 33,603,757
Receivables, net of allowance			
Property taxes	10,526,515	-	10,526,515
Intergovernmental	1,181,929	-	1,181,929
Customer accounts	-	361,557	361,557
Interest	7,706	3,853	11,559
Other	267,004	-	267,004
Prepaid items	49,974	8,466	58,440
Inventory	51,137	20,397	71,534
Noncurrent assets			
Net pension asset	118,178	-	118,178
Capital assets not being depreciated	1,522,668	1,548,802	3,071,470
Capital assets, net of accumulated depreciation	<u>24,848,954</u>	<u>33,071,285</u>	<u>57,920,239</u>
 Total assets	 <u>67,502,526</u>	 <u>39,689,656</u>	 <u>107,192,182</u>
 DEFERRED OUTFLOWS			
Deferred outflows related to pensions	<u>925,102</u>	<u>65,161</u>	<u>990,263</u>
 Total deferred outflows	 <u>925,102</u>	 <u>65,161</u>	 <u>990,263</u>

The accompanying notes are an integral part of this statement.

Village of Channahon, Illinois
STATEMENT OF NET POSITION
April 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
LIABILITIES			
Current			
Current portion of long-term liabilities	\$ 1,969,247	\$ 893,936	\$ 2,863,183
Accounts payable	7,735,956	386,542	8,122,498
Accrued payroll	97,012	15,779	112,791
Infrastructure development liability	713,846	-	713,846
Accrued interest payable	149,376	58,287	207,663
Unearned revenue	-	4,168	4,168
Long-term liabilities, net of current portion			
Due in more than one year	<u>16,700,330</u>	<u>5,602,487</u>	<u>22,302,817</u>
Total liabilities	<u>27,365,767</u>	<u>6,961,199</u>	<u>34,326,966</u>
DEFERRED INFLOWS			
Property taxes levied for a future period	10,526,515	-	10,526,515
Deferred inflows related to pensions	<u>1,459,523</u>	<u>191,212</u>	<u>1,650,735</u>
Total deferred inflows	<u>11,986,038</u>	<u>191,212</u>	<u>12,177,250</u>
NET POSITION			
Net investment in capital assets	18,328,221	28,610,371	46,938,592
Restricted by enabling legislation	9,112,481	-	9,112,481
Unrestricted	<u>1,635,121</u>	<u>3,992,035</u>	<u>5,627,156</u>
Total net position	<u>\$ 29,075,823</u>	<u>\$ 32,602,406</u>	<u>\$ 61,678,229</u>

The accompanying notes are an integral part of this statement.

Village of Channahon, Illinois
STATEMENT OF ACTIVITIES
Year Ended April 30, 2018

<u>Functions/Programs</u>	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 9,869,479	\$ 3,001,119	\$ 191,998	\$ -
Public safety	3,135,198	136,231	-	-
Community development	1,120,187	-	-	-
Streets and bridges	3,758,010	418,321	343,200	1,035,578
Interest and fees	372,396	-	-	-
Total governmental activities	18,255,270	3,555,671	535,198	1,035,578
Business-type activities				
Waterworks and sewerage	3,350,600	4,064,650	-	-
Refuse disposal	854,717	867,921	-	-
Total business-type activities	4,205,317	4,932,571	-	-
Total	\$ 22,460,587	\$ 8,488,242	\$ 535,198	\$ 1,035,578
			General revenues	
			Property taxes	
			Unrestricted intergovernmental	
			Other taxes	
			Interest	
			Transfers	
			Total general revenues and transfers	
			Change in net position	
			Net position - beginning of year, as restated (See Note O)	
			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
\$ (6,676,362)	\$ -	\$ (6,676,362)
(2,998,967)	-	(2,998,967)
(1,120,187)	-	(1,120,187)
(1,960,911)	-	(1,960,911)
(372,396)	-	(372,396)
<u>(13,128,823)</u>	<u>-</u>	<u>(13,128,823)</u>
-	714,050	714,050
-	13,204	13,204
<u>-</u>	<u>727,254</u>	<u>727,254</u>
<u>(13,128,823)</u>	<u>727,254</u>	<u>(12,401,569)</u>
9,940,792	-	9,940,792
5,497,386	-	5,497,386
1,134,047	-	1,134,047
176,636	36,887	213,523
(102,369)	102,369	-
<u>16,646,492</u>	<u>139,256</u>	<u>16,785,748</u>
3,517,669	866,510	4,384,179
<u>25,558,154</u>	<u>31,735,896</u>	<u>57,294,050</u>
<u>\$ 29,075,823</u>	<u>\$ 32,602,406</u>	<u>\$ 61,678,229</u>

Village of Channahon, Illinois

Governmental Funds

BALANCE SHEET

April 30, 2018

	General Fund	T.I.F. District Fund	Bluff Road & I-55 Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 19,375,107	\$ 595,185	\$ 3,326,205	\$ 5,631,964	\$ 28,928,461
Receivables, net of allowances					
Property taxes	946,494	7,936,907	-	1,643,114	10,526,515
Intergovernmental	998,919	-	-	183,010	1,181,929
Other	240,636	-	-	26,368	267,004
Interest	7,706	-	-	-	7,706
Prepaid items	36,891	-	-	13,083	49,974
Inventory	51,137	-	-	-	51,137
Due from other funds	419,471	-	-	-	419,471
	<u>\$ 22,076,361</u>	<u>\$ 8,532,092</u>	<u>\$ 3,326,205</u>	<u>\$ 7,497,539</u>	<u>\$ 41,432,197</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 7,583,597	\$ -	\$ 81,689	\$ 70,670	\$ 7,735,956
Accrued payroll	97,012	-	-	-	97,012
Infrastructure development liability	345,396	-	-	368,450	713,846
Unearned revenue	321,160	-	-	-	321,160
Due to other funds	-	109,262	-	310,209	419,471
	<u>8,347,165</u>	<u>109,262</u>	<u>81,689</u>	<u>749,329</u>	<u>9,287,445</u>
Deferred inflows					
Property taxes levied for a future period	946,494	7,936,907	-	1,643,114	10,526,515
	<u>946,494</u>	<u>7,936,907</u>	<u>-</u>	<u>1,643,114</u>	<u>10,526,515</u>
Fund balances					
Nonspendable	88,028	-	-	13,083	101,111
Restricted	-	485,923	3,244,516	5,382,042	9,112,481
Assigned	6,724,863	-	-	-	6,724,863
Unassigned	5,969,811	-	-	(290,029)	5,679,782
	<u>12,782,702</u>	<u>485,923</u>	<u>3,244,516</u>	<u>5,105,096</u>	<u>21,618,237</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 22,076,361</u>	<u>\$ 8,532,092</u>	<u>\$ 3,326,205</u>	<u>\$ 7,497,539</u>	<u>\$ 41,432,197</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, 2018

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

Total fund balance - governmental funds	\$	21,618,237
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The net pension asset resulting from IMRF Sheriff's Law Enforcement Personnel (SLEP) plan fiduciary net position exceeding the total pension liability is not a financial resource and therefore not reported in the governmental funds.		118,178
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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.		26,371,622
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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	\$	178,589	
Deferred inflows related to IMRF pension fund		(544,218)	
Deferred outflows related to police pension fund		746,513	
Deferred inflows related to police pension fund		<u>(915,305)</u>	(534,421)

Because 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 unearned 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 (unearned revenue - other), in the governmental funds but not in the Statement of Net Position.		321,160
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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.		(149,376)
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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>(18,669,577)</u>
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Net position - governmental activities	\$	<u><u>29,075,823</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, 2018

	General	T.I.F.	Bluff Road	Other	Total
	Fund	District	& I-55	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
Revenues					
Property taxes	\$ 653,312	\$ 7,680,605	\$ -	\$ 1,606,875	\$ 9,940,792
Other taxes	1,134,047	-	-	-	1,134,047
Intergovernmental	2,910,313	-	-	2,522,163	5,432,476
Payments in lieu of taxes	398,635	-	-	242,504	641,139
Licenses and permits	418,321	-	-	-	418,321
Fines	136,231	-	-	-	136,231
Charges for services	411,515	-	-	-	411,515
Interest income	141,613	16,116	7,822	11,085	176,636
Grants and allotments	191,998	-	-	343,200	535,198
Miscellaneous income	186,318	-	362,388	1,399,759	1,948,465
	<u>6,582,303</u>	<u>7,696,721</u>	<u>370,210</u>	<u>6,125,586</u>	<u>20,774,820</u>
Expenditures					
Current					
General government	1,005,026	6,907,581	-	482,714	8,395,321
Public safety	3,189,040	-	-	1,270	3,190,310
Streets and bridges	1,188,114	-	132,915	473,043	1,794,072
Community development	418,241	-	-	701,206	1,119,447
Employee benefits and pension	-	-	-	1,428,441	1,428,441
Capital outlay	327,909	-	700,801	-	1,028,710
Debt service					
Principal	375,000	705,000	-	430,000	1,510,000
Interest and other	62,243	91,800	114,920	151,779	420,742
	<u>6,565,573</u>	<u>7,704,381</u>	<u>948,636</u>	<u>3,668,453</u>	<u>18,887,043</u>
Excess (deficiency) of revenues over expenditures	<u>16,730</u>	<u>(7,660)</u>	<u>(578,426)</u>	<u>2,457,133</u>	<u>1,887,777</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, 2018

	General Fund	T.I.F. District Fund	Bluff Road & I-55 Fund	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses)					
Sale of capital assets	\$ 200	\$ -	\$ -	\$ -	\$ 200
Transfers in	319,570	-	-	910,967	1,230,537
Transfers out	<u>(106,990)</u>	<u>-</u>	<u>(364,115)</u>	<u>(861,801)</u>	<u>(1,332,906)</u>
Total other financing sources (uses)	<u>212,780</u>	<u>-</u>	<u>(364,115)</u>	<u>49,166</u>	<u>(102,169)</u>
Net change in fund balances	229,510	(7,660)	(942,541)	2,506,299	1,785,608
Fund balance					
Beginning of year, as restated (See Note O)	<u>12,553,192</u>	<u>493,583</u>	<u>4,187,057</u>	<u>2,598,797</u>	<u>19,832,629</u>
End of year	<u>\$ 12,782,702</u>	<u>\$ 485,923</u>	<u>\$ 3,244,516</u>	<u>\$ 5,105,096</u>	<u>\$ 21,618,237</u>

(Concluded)

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
For the year ended April 30, 2018

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

Net change in fund balances - total governmental funds	\$ 1,785,608
The net pension asset resulting from IMRF SLEP plan fiduciary net position exceeding the total pension liability is not a financial resource and therefore not reported in the governmental funds.	118,178
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.	(32,507)
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	(814,552)
Deferred outflows and inflows of resources related to police pension fund	539,102
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:	16,420
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.	64,910
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.	<u>1,840,510</u>
Change in net position - governmental activities	<u><u>\$ 3,517,669</u></u>

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, 2018

ASSETS

Current

Cash and investments	\$	4,675,296
Customer accounts receivable (net of \$5,000 allowance for uncollectible accounts)		361,557
Interest receivable		3,853
Prepaid items		8,466
Inventory		<u>20,397</u>

Total current assets		<u>5,069,569</u>
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Noncurrent

Capital assets not being depreciated		1,548,802
Capital assets, net of accumulated depreciation		<u>33,071,285</u>

Total assets		<u>39,689,656</u>
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DEFERRED OUTFLOWS

Deferred outflows related to pensions		<u>65,161</u>
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Total deferred outflows		<u>65,161</u>
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LIABILITIES

Current

Current portion of long-term liabilities		893,936
Accounts payable		386,542
Accrued payroll		15,779
Accrued interest payable		58,287
Unearned revenue		<u>4,168</u>

Total current liabilities		<u>1,358,712</u>
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(Continued)

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, 2018

LIABILITIES (Continued)

Long-term liabilities, net of current portion

Net pension liability	\$ 460,421
General obligation bonds payable	4,317,744
Loans payable	<u>824,322</u>

Total noncurrent liabilities 5,602,487

Total liabilities 6,961,199

DEFERRED INFLOWS

Deferred inflows related to pensions 191,212

Total deferred inflows 191,212

NET POSITION

Net investment in capital assets	28,610,371
Unrestricted	<u>3,992,035</u>

Total net position \$ 32,602,406

(Concluded)

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, 2018

OPERATING REVENUES	
Water and sewer billings	\$ 2,798,769
Water meters	43,068
Water system recapture	2,775
Water and sewer tap/turn-on fees	1,038,332
Refuse pick up	867,921
Miscellaneous income	181,706
	<hr/>
Total operating revenues	4,932,571
	<hr/>
OPERATING EXPENSES	
Salaries	682,051
Employee benefits	123,600
Legal and professional fees	664
Engineering fees	1,601
Sewage transportation	169,530
Refuse removal contract	854,717
Utilities	331,093
Billing and office	48,814
Repair and maintenance	533,198
Depreciation	1,295,706
Chemical supplies and testing	25,792
Miscellaneous expense	9,230
	<hr/>
Total operating expenses	4,075,996
	<hr/>
OPERATING INCOME	856,575
	<hr/>

(Continued)

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, 2018

NONOPERATING REVENUES (EXPENSES)

Interest income	\$ 36,887
Interest expense	<u>(129,321)</u>
Total nonoperating expenses	<u>(92,434)</u>

Income before transfers	764,141
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TRANSFERS

Transfers in	364,115
Transfers out	<u>(261,746)</u>

CHANGE IN NET POSITION	866,510
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TOTAL NET POSITION

Beginning of year	<u>31,735,896</u>
End of year	<u><u>\$ 32,602,406</u></u>

(Concluded)

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, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 4,865,584
Cash paid to suppliers for goods and services	(1,939,411)
Cash paid to employees for services and benefits	<u>(823,626)</u>
Net cash provided by operating activities	<u>2,102,547</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	364,115
Transfers out	<u>(261,746)</u>
Net cash provided by noncapital financing activities	<u>102,369</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Principal paid on bonds and infrastructure loans	(777,135)
Acquisition and construction of capital assets	(161,761)
Interest paid on bonds and infrastructure loans	<u>(154,950)</u>
Net cash used in capital financing activities	<u>(1,093,846)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	37,142
Purchase of investments	(1,058,204)
Sale of investments	<u>526,466</u>
Net cash used in investing activities	<u>(494,596)</u>
NET INCREASE IN CASH	616,474
CASH	
Beginning of year	<u>2,520,890</u>
End of year	<u>\$ 3,137,364</u>
Reconciliation	
Cash	\$ 3,137,364
Investments	<u>1,537,932</u>
Total cash and investments	<u>\$ 4,675,296</u>

(Continued)

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, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ 856,575
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,295,706
Changes in assets and liabilities	
Customer accounts receivable	(67,837)
Prepaid items	(1,116)
Inventories	455
Deferred outflows related to pensions	107,674
Accounts payable	35,889
Accrued payroll	1,142
Compensated absences	2,195
Unearned revenue	850
Deferred inflows related to pensions	177,419
Net pension liability	<u>(306,405)</u>
Net cash provided by operating activities	<u>\$ 2,102,547</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Channahon, Illinois

Police Pension Trust Fund
STATEMENT OF NET POSITION
April 30, 2018

ASSETS

Cash and cash equivalents		\$	2,268,164
Investments			
U.S. treasury bonds	\$	443,617	
Agency securities		1,748,031	
Corporate bonds		381,571	
Municipal bonds		554,002	
Equities - mutual funds		3,462,953	
Other		<u>7,229</u>	6,597,403
Interest receivable			28,952
Employee contribution receivable			<u>4,050</u>
Total assets		\$	<u><u>8,898,569</u></u>

LIABILITIES

Accounts payable		\$	<u>7,575</u>
Total liabilities		\$	<u><u>7,575</u></u>

NET POSITION

Restricted for pension benefits held in trust		\$	<u><u>8,890,994</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, 2018

ADDITIONS

Contributions		
Employer		\$ 811,042
Members		<u>189,177</u>
Total contributions		<u>1,000,219</u>
Investment income		
Interest and dividends		158,919
Net appreciation in fair value of investments		275,092
Less: investment expense		<u>(12,775)</u>
Total investment income		<u>421,236</u>
Total additions		<u>1,421,455</u>

DEDUCTIONS

Pension benefit payments including refunds of member contributions		342,295
Administrative expense		<u>26,698</u>
Total deductions		<u>368,993</u>

CHANGE IN NET POSITION 1,052,462

NET POSITON RESTRICTED
FOR PENSION BENEFITS

Beginning of year		<u>7,838,532</u>
End of year		<u><u>\$ 8,890,994</u></u>

The accompanying notes are an integral part of this statement.

Village of Channahon, Illinois
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April 30, 2018

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Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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. 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, 2018

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, 2018

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, the Capital Infrastructure Fund and the Development Repayment 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 two capital projects funds - the Bluff Road & I-55 Fund and the Recaptures Capital Projects Fund.

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 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, 2018

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 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, inventories or balances due from/to other funds.
- 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, 2018.
- 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 Village President or Finance Director.

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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. As of April 30, 2018, the nonspendable balance consists of \$36,891 in prepaid expenses and \$51,137 in inventory, while the assigned balance consists of \$6,724,863 related to sales tax rebates and related potential future costs (Note K). The remaining restricted fund balances at April 30, 2018 are for purposes of the restricted funds as described in Note A.

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.

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, 2018

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, 2018

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, 2018.

Municipal Bonds: Valued at the closing price of identical instruments with comparable durations reported on the inactive market on which the individual securities are traded.

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

Corporate Bonds: Valued at the closing price of identical 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Fair Value Measurements (Continued)

Agency Securities: 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 (SEC). 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, 2018

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, 2018

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 the total years of service upon retirement as an IMRF employee. 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, 2018, \$158,071 is attributable to governmental activities and \$26,286 is a liability of the enterprise fund, both of which are included in long-term liabilities.

14. Long-Term Liabilities

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums, discounts, and gains/losses on the refunding of bonds 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, 2018, 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, 2018, 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance and Restrictions of Net Position

Governmental funds report restrictions 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	\$ 1,520,704
Maintenance of roadways	946,434
Public safety	21,363
Capital projects	5,281,884
Debt service	1,279,604
Other purposes	<u>62,492</u>
Total net position restricted by enabling legislation	\$ <u><u>9,112,481</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 Illinois Municipal Retirement Fund and the Police Pension Fund. 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, 2018

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	\$ (11,354,500)
Unamortized bond premium	(443,711)
Net pension liability (IMRF and Police)	(6,713,295)
Compensated absences	<u>(158,071)</u>
Net adjustment to reduce fund balance - governmental funds to arrive at net position - governmental activities	<u>\$ (18,669,577)</u>

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	\$ 2,174,966
Depreciation expense	<u>(2,207,473)</u>
Net adjustment to reduce net change in fund balances - governmental funds to arrive at change in net position - governmental activities	<u>\$ (32,507)</u>

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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 (Continued)

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	\$	1,510,000
Bond premium amortization		31,926
Net decrease in net pension obligations		298,423
Net decrease in compensated absences		<u>161</u>
Net adjustment to decrease net change in fund balances - governmental funds to arrive at change in net position - governmental activities	\$	<u><u>1,840,510</u></u>

NOTE C - DEPOSITS AND INVESTMENTS

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.

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*	18,981,839	2,268,164	21,250,003
Investments	1,939,009	3,127,221	5,066,230
Mutual funds	-	3,462,953	3,462,953
Illinois Metropolitan Investment Fund - Liquidating Trust Account (IMET LTA)**	-	7,229	7,229
Illinois Funds	<u>12,681,509</u>	<u>-</u>	<u>12,681,509</u>
Total cash and investments	<u>\$ 33,603,757</u>	<u>\$ 8,865,567</u>	<u>\$ 42,469,324</u>

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

* Includes accounts held in demand and savings accounts, non-negotiable certificates of deposit and money market savings accounts, which are valued at cost. The amount included above for certificates of deposit is \$4,876,813.

** The IMET LTA's fair value is the estimated net realizable value of assets seized for the purpose of liquidating the related investments.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NSROs). The Village's investment policy authorized investments in any type of security as permitted by State statute. The Police Pension Trust Fund can invest in any type of investment instrument permitted by Illinois Law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.2 - 113.4a.

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. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are rated AAA, and are valued at Illinois Funds' share price, which is the price for which the investment could be sold.

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 did not have any uninsured or uncollateralized deposits and investments. At April 30, 2018, the bank balance of the Village's and the Police Pension Trust Fund's deposits was \$18,836,772 and \$2,239,308, 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 treasury obligations and municipal bonds.

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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.

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, 2018:

	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	\$ -	\$ 1,343,824	\$ -	\$ 1,343,824
U.S. Treasury obligations	-	595,185	-	595,185
Total investments by fair value level	<u>\$ -</u>	<u>\$ 1,939,009</u>	<u>\$ -</u>	<u>\$ 1,939,009</u>
<i>Police Pension</i>				
U.S. Treasury obligations	\$ -	\$ 443,617	\$ -	\$ 443,617
Agency securities				
FHLB	-	699,693	-	699,693
FHLB	-	24,965	-	24,965
FHLMTG	-	49,591	-	49,591
FFCB	-	343,690	-	343,690
Federal Farm	-	557,053	-	557,053
FHLM	-	48,805	-	48,805
FNMA	-	24,234	-	24,234
Corporate bonds	381,571	-	-	381,571
Municipal bonds	-	554,002	-	554,002
Total investments by fair value level	<u>\$ 381,571</u>	<u>\$ 2,745,650</u>	<u>\$ -</u>	<u>\$ 3,127,221</u>

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

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

As of April 30, 2018, 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	\$ 1,343,824	\$ 128,572	\$ 1,215,252	\$ -	\$ -
U.S. Treasury obligations	595,185	595,185	-	-	-
	<u>\$ 1,939,009</u>	<u>\$ 723,757</u>	<u>\$ 1,215,252</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Police Pension</i>					
U.S. Treasury obligations	\$ 443,617	\$ 99,609	\$ 344,008	\$ -	\$ -
Agency securities					
FHLB	699,693	49,889	348,147	301,657	-
FHLB	24,965	24,965	-	-	-
FHLMTG	49,591	-	24,758	24,833	-
FFCB	343,690	-	193,258	150,432	-
Federal Farm	557,053	-	24,478	532,575	-
FHLM	48,805	-	48,805	-	-
FNMA	24,234	-	-	24,234	-
Corporate bonds	381,571	-	222,014	159,557	-
Municipal bonds	554,002	80,220	276,288	160,963	36,531
	<u>\$ 3,127,221</u>	<u>\$ 254,683</u>	<u>\$ 1,481,756</u>	<u>\$ 1,354,251</u>	<u>\$ 36,531</u>

The following investments are measured at net asset value (NAV):

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Illinois Funds	\$ 12,681,509	n/a	Daily	1 day

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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

<u>Equity Mutual Funds</u>	<u>Fair Value</u>
Bridgeway Ultra Small	\$ 113,937
Fidelity Adv Materials	63,462
First Eagle Overseas	56,480
Goldman Sachs International Equity	57,943
Homestead Small Company	247,620
LSV Value Equity Fund Institutional	387,079
Oppenheimer Developing	56,388
Oppenheimer International Growth	114,059
Pioneer Equity Income Y	391,409
T Rowe Price Growth Stock	794,246
T Rowe Price QM US Small	254,008
Vanguard Energy Fund	23,882
Vanguard 500 Index Fund	<u>902,440</u>
Total Equity Mutual Funds	<u>\$ 3,462,953</u>

The following was the Board's adopted asset allocation policy as of April 30, 2018.

<u>Asset Class</u>	<u>Target</u>		<u>Long-Term Expected Real Rate of Return</u>	
Large Cap Domestic Equity	28.0	%	6.5	%
Small Cap Domestic Equity	8.0		8.4	
International Equity	4.0		6.3	
Fixed Income	60.0		1.3	

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, 2018, 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>
Sawyer Falduto (Charles Schwab)	8.06%

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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 2018 represent the taxes from the 2016 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 2017 property tax levy will be used to finance fiscal year 2019 expenditures. The 2017 levy has been recognized as a receivable, less an allowance for uncollectible property taxes amounting to 1 percent, as of April 30, 2018, but recognition as revenue (as a deferred inflow) has been deferred, in the amount of \$10,526,515, to fiscal year 2019. The equalized assessed valuation for the extension of the 2017 tax levy was \$232,162,704.

The calendar for the 2017 property tax levy is as follows:

Levy Date - December 18, 2017
Lien Date - January 1, 2017
Due Date(s) - on or about June 1 and September 1, 2018
Estimated Collection Dates - May 16, 2018 through December 15, 2018

NOTE E - INTERFUND TRANACTIONS

1. Due to/from Other Funds

	<u>Due From</u>	<u>Due To</u>
General		
T.I.F District	\$ 109,262	\$ -
Nonmajor governmental funds	<u>310,209</u>	<u>-</u>
Total General	<u>419,471</u>	<u>-</u>
T.I.F District		
General fund	<u>-</u>	<u>109,262</u>
Nonmajor governmental funds		
General fund	<u>-</u>	<u>310,209</u>
	419,471	419,471
Less amounts eliminated during GASB 34 conversion	<u>(419,471)</u>	<u>(419,471)</u>
Total internal balances as shown on the statement of net position	<u>\$ -</u>	<u>\$ -</u>

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE E - INTERFUND TRANSACTIONS (Continued)

2. Interfund Transfers

Individual interfund transfers, during the fiscal year ended April 30, 2018, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
General			
Waterworks and Sewerage	\$ 67,570	\$ -	\$ 67,570
Odor Alert Network	2,000	15,585	(13,585)
Capital Infrastructure	250,000	-	250,000
Development Repayment	-	91,405	(91,405)
Bluff Road and I-55			
Waterworks and Sewerage	-	364,115	(364,115)
Waterworks and Sewerage			
Illinois Municipal Retirement	-	186,176	(186,176)
General	-	67,570	(67,570)
Audit	-	8,000	(8,000)
Bluff Road and I-55	364,115	-	364,115
Nonmajor governmental			
Illinois Municipal Retirement	186,176	-	186,176
Audit	8,000	-	8,000
Odor Alert Network	15,585	2,000	13,585
Capital Infrastructure	-	859,801	(859,801)
Development Repayment	701,206	-	701,206
	<u>1,594,652</u>	<u>1,594,652</u>	<u>-</u>
Less amounts eliminated during GASB 34 conversion	<u>(1,492,283)</u>	<u>(1,492,283)</u>	<u>-</u>
Total government-wide transfers	<u>\$ 102,369</u>	<u>\$ 102,369</u>	<u>\$ -</u>
Reconciliation for eliminations adjustment:	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental funds	\$ 1,230,537	\$ 1,332,906	\$ (102,369)
Enterprise funds	<u>364,115</u>	<u>261,746</u>	<u>102,369</u>
Total transfers	<u>\$ 1,594,652</u>	<u>\$ 1,594,652</u>	<u>\$ -</u>

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2018 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 progress	<u>393,405</u>	<u>922,936</u>	<u>-</u>	<u>1,316,341</u>
Total capital assets, not being depreciated	<u>599,732</u>	<u>922,936</u>	<u>-</u>	<u>1,522,668</u>
Capital assets, being depreciated				
Land improvements	5,294,005	-	-	5,294,005
Buildings	6,266,628	-	-	6,266,628
Equipment	3,884,940	216,452	29,130	4,072,262
Infrastructure	<u>30,042,603</u>	<u>1,035,578</u>	<u>-</u>	<u>31,078,181</u>
Total capital assets, being depreciated	<u>45,488,176</u>	<u>1,252,030</u>	<u>29,130</u>	<u>46,711,076</u>
Less accumulated depreciation for				
Land improvements	1,464,630	139,131	-	1,603,761
Buildings	2,347,579	156,538	-	2,504,117
Equipment	3,246,108	209,970	29,130	3,426,948
Infrastructure	<u>12,625,462</u>	<u>1,701,834</u>	<u>-</u>	<u>14,327,296</u>
Total accumulated depreciation	<u>19,683,779</u>	<u>2,207,473</u>	<u>29,130</u>	<u>21,862,122</u>
Total capital assets, being depreciated, net	<u>25,804,397</u>	<u>(955,443)</u>	<u>-</u>	<u>24,848,954</u>
Governmental activities capital assets, net	<u>\$ 26,404,129</u>	<u>\$ (32,507)</u>	<u>\$ -</u>	<u>\$ 26,371,622</u>

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE F - CAPITAL ASSETS (Continued)

2. Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 160,009	\$ -	\$ -	\$ 160,009
Construction in progress	1,266,702	122,091	-	1,388,793
Total capital assets, not being depreciated	1,426,711	122,091	-	1,548,802
Capital assets, being depreciated				
Waterworks and sewerage system	50,625,660	-	-	50,625,660
Equipment	1,382,899	39,670	-	1,422,569
Total capital assets, being depreciated	52,008,559	39,670	-	52,048,229
Less accumulated depreciation for				
Waterworks and sewerage system	16,561,110	1,264,819	-	17,825,929
Equipment	1,120,128	30,887	-	1,151,015
Total accumulated depreciation	17,681,238	1,295,706	-	18,976,944
Total capital assets, being depreciated, net	34,327,321	(1,256,036)	-	33,071,285
Business-type activities, capital assets, net	\$ 35,754,032	\$ (1,133,945)	\$ -	\$ 34,620,087

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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	\$ 162,459
Public safety	71,384
Community development	3,905
Streets and bridges	<u>1,969,725</u>
	<u>\$ 2,207,473</u>

Business – type activities:

Waterworks and sewerage	<u>\$ 1,295,706</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 2018.

<u>Coverage</u>	<u>Limits</u>
General Liability	\$ 9,950,000
Automobile Liability	9,950,000
Workers Comp	3,000,000
Cyber Liability	5,000,000
Property Damage	350,000,000
Equipment Breakdown	1,000,000

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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.

Additional information about IPBC and IMIC, including financial statement information, can be obtained by contacting the respective Cooperative.

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds					
Series 2013	\$ 2,195,000	\$ -	\$ 705,000	\$ 1,490,000	\$ 730,000
General obligation bonds					
Series 2011	1,987,500	-	375,000	1,612,500	386,250
Series 2013	4,205,000	-	205,000	4,000,000	210,000
Series 2016	4,477,000	-	225,000	4,252,000	453,000
Bond premium	475,637	-	31,926	443,711	31,926
Total general obligation bonds	<u>11,145,137</u>	<u>-</u>	<u>836,926</u>	<u>10,308,211</u>	<u>1,081,176</u>
Total bonds	13,340,137	-	1,541,926	11,798,211	1,811,176
Police net pension liability	4,967,865	1,852,416	1,417,414	5,402,867	-
IMRF net pension liability	2,043,853	1,007,805	1,741,230	1,310,428	-
Compensated absences	<u>158,232</u>	<u>251,182</u>	<u>251,343</u>	<u>158,071</u>	<u>158,071</u>
Total governmental activities	<u>\$ 20,510,087</u>	<u>\$ 3,111,403</u>	<u>\$ 4,951,913</u>	<u>\$ 18,669,577</u>	<u>\$ 1,969,247</u>

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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, 2018 was \$1,490,000.

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, 2018 was \$1,612,500 for government activities and \$537,500 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, 2018 was \$4,000,000.

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. The outstanding balance at April 30, 2018 was \$4,252,000 for government activities and \$948,000 for business-type activities.

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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
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	483,000	206,220	689,220
2024-2028	2,655,000	808,405	3,463,405
2029-2033	2,831,000	288,900	3,119,900
	\$ 11,354,500	\$ 2,489,800	\$ 13,844,300

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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, 2018:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
General obligation bonds					
Series 2011	\$ 662,500	\$ -	\$ 125,000	\$ 537,500	\$ 128,750
Series 2012	4,015,000	-	570,000	3,445,000	580,000
Series 2016	948,000	-	-	948,000	57,000
Bond premium	<u>191,869</u>	<u>-</u>	<u>19,527</u>	<u>172,342</u>	<u>19,348</u>
 Total general obligation bonds	 <u>5,817,369</u>	 <u>-</u>	 <u>714,527</u>	 <u>5,102,842</u>	 <u>785,098</u>
 Infrastructure loans payable	 989,009	 -	 82,135	 906,874	 82,552
IMRF net pension liability	766,826	-	306,405	460,421	-
Compensated absences	<u>24,091</u>	<u>43,434</u>	<u>41,239</u>	<u>26,286</u>	<u>26,286</u>
 Total business-type activities	 <u>\$ 7,597,295</u>	 <u>\$ 43,434</u>	 <u>\$ 1,144,306</u>	 <u>\$ 6,496,423</u>	 <u>\$ 893,936</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, 2018 was \$537,500.

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, 2018 was \$3,445,000.

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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, 2018 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
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	537,000	60,080	597,080
2024-2028	1,065,000	125,720	1,190,720
2029-2032	314,000	32,000	346,000
	\$ 4,930,500	\$ 663,975	\$ 5,594,475

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, 2018 are as follows:

	Beginning Balance	Loans Received	Loans Paid	Ending Balance	Due Within One Year
Water Loan					
2.535% Interest	\$ 67,916	\$ -	\$ 16,343	\$ 51,573	\$ 16,760
Water Tower Loan					
0.0% Interest	921,093	-	65,792	855,301	65,792
	\$ 989,009	\$ -	\$ 82,135	\$ 906,874	\$ 82,552

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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, 2018:

Year Ending April 30,	Infrastructure Loans Payable		
	Principal	Interest	Total
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	65,792	-	65,792
2024-2028	328,962	-	328,962
2029-2031	197,377	-	197,377
	\$ 906,874	\$ 2,311	\$ 909,185

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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.

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, 2018

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.

Employees Covered by Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

	Regular	SLEP
Retirees and beneficiaries currently receiving benefits	32	-
Inactive plan members entitled to but not yet receiving benefits	22	-
Active plan members	33	-
Total	87	-

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 2017 was 19.05%. For the fiscal year ended April 30, 2018 the Village contributed \$417,733 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, 2018

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, 2017. 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, 2017:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 20125). 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-2017 (base year 2015). 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-2017 (base year 2015). 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, 2018

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
Domestic equity	37%	6.85%
International equity	18%	6.75%
Fixed income	28%	3.00%
Real estate	9%	5.75%
Alternative investments	7%	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, 2018

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 3.31%, and the resulting single discount rate is 7.50%.

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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, 2017 for the Regular Plan:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability* (A) - (B)
	<u> </u>	<u> </u>	<u> </u>
Balances at December 31, 2016	\$ 11,046,703	\$ 8,137,473	\$ 2,909,230
Changes for the year:			
Service cost	238,191	-	238,191
Interest on the total pension liability	820,577	-	820,577
Difference between expected and actual experience of the total pension liability	(27,442)	-	(27,442)
Changes of assumptions	(362,007)	-	(362,007)
Contributions - employer	-	398,358	(398,358)
Contributions - employees	-	94,101	(94,101)
Net investment income	-	1,444,583	(1,444,583)
Benefit payments, including refunds of employee contributions	(449,539)	(449,539)	-
Other (net transfer)	-	(129,342)	129,342
Net changes	<u>219,780</u>	<u>1,358,161</u>	<u>(1,138,381)</u>
Balances at December 31, 2017	<u>\$ 11,266,483</u>	<u>\$ 9,495,634</u>	<u>\$ 1,770,849</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, 2018

NOTE I - PENSION LIABILITIES (Continued)

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

Changes in Net Pension (Asset) Liability

The following table shows the components of the change in the Village's net pension asset for the calendar year ended December 31, 2017 for the SLEP Plan:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Asset (A) - (B)
Balances at December 31, 2016	\$ -	\$ 98,551	\$ (98,551)
Changes for the year:			
Net investment income	-	19,839	(19,839)
Other (net transfer)	-	(212)	212
Net changes	-	19,627	(19,627)
Balances at December 31, 2017	\$ -	\$ 118,178	\$ (118,178)

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate

The following presents the plan's net pension (asset) 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:

	1% Lower (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
Regular Plan			
Net pension liability	\$ 3,333,480	\$ 1,770,849	\$ 491,833
SLEP			
Net pension asset	\$ (118,178)	\$ (118,178)	\$ (118,178)

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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, 2018, the Village recognized pension expense of \$367,543 for the Regular Plan. At April 30, 2018, the Village reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

<i>Regular Plan</i>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 62,065	\$ -
Change of assumptions	-	299,070
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>436,360</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>62,065</u>	<u>735,430</u>
Pension contributions made subsequent to the measurement date	<u>188,555</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 250,620</u>	<u>\$ 735,430</u>

The Village reported \$188,555 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, 2019.

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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, 2018, the Village recognized pension income of \$8,173 for the SLEP Plan. At April 30, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SLEP Plan

	<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>3,095</u>	\$ <u>9,965</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>3,095</u>	<u>9,965</u>
Total deferred amounts related to pensions	\$ <u><u>3,095</u></u>	\$ <u><u>9,965</u></u>

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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

Year Ended April 30,	Regular Plan Net Deferred Inflows of Resources	SLEP Net Deferred Inflows of Resources
2019	\$ (119,396)	\$ (1,002)
2020	(152,963)	(1,001)
2021	(233,505)	(2,375)
2022	(167,501)	(2,492)
2023	-	-
Thereafter	-	-
Total	\$ (673,365)	\$ (6,870)

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, 2018

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, 2018

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, 2018, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>22</u>
Total plan membership	<u><u>33</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, 2018, the Village's contribution was 43.61% of covered payroll.

Net Pension Liability

The Village's police fund net pension liability was measured as of April 30, 2018. 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, 2018

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, 2018, using the following actuarial methods and assumptions:

Actuarial valuation date	May 1, 2018
Actuarial cost method	Projected unit credit
Amortization method	90% funding by 2040
Asset valuation method	5-year smoothed market
Funding method	Entry age normal actuarial cost method
Actuarial asset method	Investment gains and losses are smoothed over a 5-year period
Assumptions	
Investment rate of return	6.75%
Discount rate	6.75%
Salary increases	Graded schedule based on service; 3.5% initial, 11.0% ultimate
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 for healthy lives were based on the RP-2000 Combined Healthy Mortality Table with a blue collar adjustment, projected to the valuation date using Scale BB. Mortality rates for disabled lives were based on the RP-2000 Disabled Retiree Mortality, projected to the valuation date with Scale BB.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%, which was 7.00% in the prior year. 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, 2018

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>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances at April 30, 2017	\$ 12,806,396	\$ 7,838,531	\$ 4,967,865
Changes for the year:			
Service cost	498,819	-	498,819
Interest on the total pension liability	919,385	-	919,385
Difference between expected and actual experience of the total pension liability	164,722	-	164,722
Changes of assumptions	242,781	-	242,781
Contributions - employer	-	811,042	(811,042)
Contributions - employees	-	185,127	(185,127)
Net investment income	-	421,245	(421,245)
Benefit payment, including refunds of employee contributions	(342,295)	(342,295)	-
Administrative expense	-	(26,709)	26,709
Net changes	<u>1,483,412</u>	<u>1,048,410</u>	<u>435,002</u>
Balances at April 30, 2018	<u>\$ 14,289,808</u>	<u>\$ 8,886,941</u>	<u>\$ 5,402,867</u>

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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 6.75% 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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 7,903,939	\$ 5,402,867	\$ 3,404,529

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

For the year ended April 30, 2018 the Village recognized pension expense of \$706,942. At April 30, 2018, 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	\$ 170,734	\$ 808,625
Change in assumptions	212,436	96,715
Net difference between projected and actual earnings on pension plan investments	353,378	-
Total Deferred Amounts Related to Police Pension	\$ 736,548	\$ 905,340

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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
2019	\$ 17,807
2020	17,807
2021	(89,205)
2022	(95,815)
2023	(125,696)
Thereafter	106,310
Total	\$ (168,792)

3. **Summary of Pension Items**

Below is a summary of the various pension items:

	IMRF	Police	Total
Deferred outflows of resources:			
Employer contributions	\$ 188,555	\$ -	\$ 188,555
Experience	62,065	170,734	232,799
Investments	3,095	353,378	356,473
Assumptions	-	212,436	212,436
	\$ 253,715	\$ 736,548	\$ 990,263
Net pension liability	\$ 1,770,849	\$ 5,402,867	\$ 7,173,716
Deferred inflows of resources:			
Experience	\$ -	\$ 808,625	\$ 808,625
Investments	446,325	-	446,325
Assumptions	299,070	96,715	395,785
	\$ 745,395	\$ 905,340	\$ 1,650,735

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

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:	\$ 925,102	\$ 65,161	\$ 990,263
Net pension liability	6,713,295	460,421	7,173,716
Deferred inflows of resources:	1,459,523	191,212	1,650,735

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, 2018 was \$33,300,000.

NOTE K - SALES TAX REBATE LIABILITY

Several years ago, the Village entered into sales tax rebate agreements with various companies. Subsequent to the agreements, the State of Illinois' sales tax sourcing laws were revised. In addition, several governmental entities challenged the appropriateness of the sales tax rebate agreements. As a result, the Village ceased payments to the companies until all matters of the appropriateness of the rebates were settled. The Village has accrued \$6,724,863 related to rebates earned by the companies prior to the agreements being terminated. This amount, to date, has not yet been paid to the various companies. This amount is included as a liability on the statement of net position of the governmental funds balance sheet. Subsequent to year end, in May 2018, the Village made a sales tax rebate payment in the amount of \$5,670,918, reducing the liability to approximately \$1,050,000.

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE L - 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 of approximately \$326,000 was made in July 2017 as the agreement went into effect during fiscal year 2018. The agreement will expire on January 15, 2028.

NOTE M - OPERATING LEASE

During fiscal year 2018, the Village entered into a lease agreement for printers that requires sixty monthly payments at \$880 per month. Total lease expense for fiscal year 2018 was approximately \$9,000.

As of April 30, 2018, the total future minimum lease payments required under this operating lease are as follows:

<u>Years ending</u>	
2019	\$ 10,560
2020	10,560
2021	10,560
2022	10,560
2023	<u>1,760</u>
	<u>\$ 44,000</u>

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE N - 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, 2018, 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. Management has determined that any settlements that arise from these matters would be a reduction of currently accrued sales tax rebates due as part of an agreement (Note K), as any amounts paid to the plaintiffs would be offset by an equal amount that would reduce the amount owed to the developers mentioned in Note K.

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 appeals 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, 2018. Future commitments under these contracts were approximately \$3,008,000 at April 30, 2018.

NOTE O - CORRECTION OF AN ERROR

As of April 30, 2017, accounts payable of the Governmental Activities and Governmental Funds was overstated by \$1,390,804. Therefore, the Village restated its net position and current liabilities as of May 1, 2017. As a result of this error, as of May 1, 2017, net position of the Governmental Activities and the fund balance of the General Fund increased by \$1,390,804.

Village of Channahon, Illinois
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 10, 2018, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than those note K and noted below, have occurred subsequent to the statement of net position date that require disclosure in the financial statements.

In addition, in June 2018, the Village entered into a development agreement with a business which involves the Village reimbursing the business for signalization costs related to roadway improvements. The Village will repay the business through a partial rebate of the Village's diesel tax. The Village shall make rebate payments to the owner of 50% of the diesel fuel taxes collected on the property on a quarterly basis, with such payments by the Village commencing on the first day of the second full calendar quarter following the date on which the Village receives dieses taxes from the property after the completion of the road improvements and signalization projects. These rebate payments shall continue on the first day of each calendar quarter thereafter until the owner has been repaid 50% of the actual cost, or 5 years – whichever comes first.

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, 2018

Calendar year ended December 31,	Regular Plan			
	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 238,191	\$ 245,370	\$ 242,402	\$ 252,079
Interest on the total pension liability	820,577	780,572	716,210	611,319
Difference between expected and actual experience of the total pension liability	(27,442)	(49,177)	317,658	593,991
Assumption changes	(362,007)	(88,080)	27,866	351,462
Benefit payments and refunds	(449,539)	(421,718)	(407,743)	(344,353)
Net change in total pension liability	219,780	466,967	896,393	1,464,498
Total pension liability, beginning	11,046,703	10,579,736	9,683,343	8,218,845
Total pension liability, ending	<u>\$ 11,266,483</u>	<u>\$ 11,046,703</u>	<u>\$ 10,579,736</u>	<u>\$ 9,683,343</u>
Plan fiduciary net position				
Contributions, employer	\$ 398,358	\$ 357,573	\$ 281,357	\$ 274,080
Contributions, employee	94,101	94,541	124,825	130,603
Net investment income	1,444,583	525,881	36,752	420,912
Benefit payments, including refunds of employee contributions	(449,539)	(421,718)	(407,743)	(344,353)
Other (net transfer)	(129,342)	37,116	157,790	(179)
Net change in plan fiduciary net position	1,358,161	593,393	192,981	481,063
Plan fiduciary net position, beginning	8,137,473	7,544,080	7,351,099	6,870,036
Plan fiduciary net position, ending	<u>\$ 9,495,634</u>	<u>\$ 8,137,473</u>	<u>\$ 7,544,080</u>	<u>\$ 7,351,099</u>
Net pension liability	<u>\$ 1,770,849</u>	<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	84.28 %	73.66 %	71.31 %	75.91 %
Covered Valuation Payroll	\$ 2,091,119	\$ 2,100,900	\$ 2,052,210	\$ 2,053,036
Net pension liability as a percentage of covered valuation payroll	84.68 %	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, 2018

Calendar year ended December 31,	Sheriff's Law Enforcement Personnel (SLEP)			
	2017	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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan fiduciary net position				
Contributions, employer	\$ -	\$ -	\$ -	\$ 6,075
Contributions, employee	-	-	-	2,998
Net investment income	19,839	6,322	527	8,005
Benefit payments, including refunds of employee contributions	-	-	-	(50,798)
Other (net transfer)	(212)	187	(13,840)	(13,021)
Net change in plan fiduciary net position	19,627	6,509	(13,313)	(46,741)
Plan fiduciary net position, beginning	98,551	92,042	105,355	152,096
Plan fiduciary net position, ending	<u>\$ 118,178</u>	<u>\$ 98,551</u>	<u>\$ 92,042</u>	<u>\$ 105,355</u>
Net pension asset	<u>\$ (118,178)</u>	<u>\$ (98,551)</u>	<u>\$ (92,042)</u>	<u>\$ (105,355)</u>
Plan fiduciary net position as a percentage of the total pension (asset) liability	NA	NA	NA	NA
Covered Valuation Payroll	\$ -	\$ -	\$ -	\$ 39,970
Net pension (asset) liability as a percentage of covered valuation payroll	NA	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, 2018

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
2017	\$ 398,358 *	\$ 398,358	\$ -	\$ 2,091,119	19.05 %
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
2017	\$ - **	\$ -	\$ -	-	NA
2016	-	-	-	-	NA
2015	-	-	-	-	NA
2014	6,075	6,075	-	39,970	15.20 %

* Estimated based on contribution rate of 19.05% and covered valuation payroll of \$2,091,119 (most recent information available).

** Estimated based on contribution rate of 13.36% and covered valuation payroll of \$0 (most recent information available).

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, 2018

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 2017 Contribution Rates*:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll (Closed)
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period Taxing bodies (Regular, SLEP and ECO groups): 26-year closed 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 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-Year Smoothed Market Value; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in the valuation
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.

*Based on valuation assumptions used in the December 31, 2015 actuarial valuation.

Village of Channahon, Illinois

Police Pension Trust Fund

MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

April 30, 2018

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 498,819	\$ 469,431	\$ 473,127	\$ 448,278
Interest on the total pension liability	919,385	845,433	872,398	717,336
Difference between expected and actual experience of the total pension liability	164,722	35,472	(1,293,798)	48,892
Assumption changes	242,781	-	(154,744)	830,657
Benefit payments and refunds	(342,295)	(304,256)	(252,724)	(353,527)
Net change in total pension liability	1,483,412	1,046,080	(355,741)	1,691,636
Total pension liability, beginning	12,806,396	11,760,316	12,116,057	10,424,421
Total pension liability, ending	\$ 14,289,808	\$ 12,806,396	\$ 11,760,316	\$ 12,116,057
Plan fiduciary net position				
Contributions, employer	\$ 811,042	\$ 582,707	\$ 562,298	\$ 511,620
Contributions, employee	185,127	206,225	195,170	167,057
Net investment income (loss)	421,245	466,962	(63,608)	296,735
Benefit payments, including refunds of employee contributions	(342,295)	(304,256)	(252,724)	(353,527)
Administrative expense	(26,709)	(27,612)	(18,611)	(34,717)
Net change in plan fiduciary net position	1,048,410	924,026	422,525	587,168
Plan fiduciary net position, beginning	7,838,531	6,914,505	6,491,980	5,904,812
Plan fiduciary net position, ending	\$ 8,886,941	\$ 7,838,531	\$ 6,914,505	\$ 6,491,980
Net pension liability	\$ 5,402,867	\$ 4,967,865	\$ 4,845,811	\$ 5,624,077
Plan fiduciary net position as a percentage of the total pension liability	62.19 %	61.21 %	58.80 %	53.58 %
Covered valuation payroll	\$ 1,859,785	\$ 2,080,979	\$ 1,797,855	\$ 1,772,010
Net pension liability as a percentage of covered valuation payroll	290.51	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, 2018, amounts reported as changes of assumptions resulted from the 2017 Department of Insurance experience study, which includes: updated investment return assumption from 7.00% to 6.75%; updated retirement, termination and disability rate tables; updated assumed salary increase rates; updated the percent of disabilities assumed to be in the line of duty from 70% to 60%; and updated the percentage of deaths assumed to be in the line of duty from 5% to 10%.

Village of Channahon, Illinois
 Police Pension Trust Fund
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
April 30, 2018

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2018	\$ 589,036	\$ 811,042	\$ 222,006	\$ 1,859,785	43.61 %
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, 2016

Methods and assumptions used to determine contribution rates:

Funding method	Entry age normal actuarial cost method
Amortization method	Level percentage of payroll method over a period ending in 2041
Remaining amortization period	23 years (as of valuation at May 1, 2017)
Actuarial asset method	Investment gains and losses are smoothed over a five year period
Investment return	7.00% per year compounded annually, net of investment expenses
Salary scale	Service based
Payroll growth	4.50%
Inflation	2.50%
Mortality rate	RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date with Scale BB
Disabled mortality rate	RP-2000 Disabled Retiree Mortality, projected to the valuation date with Scale BB
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 than males
	Funding to a 90% funded ratio using the level dollar method over a period ending in 2040
Cost of living adjustment	Tier 1: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.

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 Trust Fund
 MULTIYEAR SCHEDULE OF INVESTMENT RETURNS
April 30, 2018

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2018	8.06%
2017	See below
2016	-1.13%
2015	3.44%
	Fiscal Year 2017 Money-Weighted Return for Portion of Fund Managed
Investment Advisor	
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, 2018

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
Revenues				
Property taxes	\$ 1,070,950	\$ 647,150	\$ 654,348	\$ 7,198
Other taxes	1,095,400	1,090,400	1,133,011	42,611
Intergovernmental	3,124,800	2,794,200	3,102,311	308,111
Payments in lieu of taxes	134,000	134,000	398,635	264,635
Licenses and permits	181,200	178,400	418,321	239,921
Fines and fees	94,100	90,100	136,231	46,131
Charges for services	346,879	323,929	411,515	87,586
Interest income	26,000	9,000	141,613	132,613
Miscellaneous income	132,080	99,780	186,318	86,538
Total revenues	6,205,409	5,366,959	6,582,303	1,215,344
Expenditures				
Current				
General government	1,099,999	1,182,108	1,005,026	(177,082)
Public safety	3,399,296	3,461,334	3,189,040	(272,294)
Streets and bridges	1,267,688	1,341,133	1,188,114	(153,019)
Community development	458,883	482,673	418,241	(64,432)
Capital outlay	505,000	505,000	327,909	(177,091)
Debt service				
Principal	375,000	375,000	375,000	-
Interest and other	62,246	62,246	62,243	(3)
Total expenditures	7,168,112	7,409,494	6,565,573	(843,921)
Excess (deficiency) of revenues over expenditures	(962,703)	(2,042,535)	16,730	2,059,265
Other financing sources (uses)				
Sale of capital assets	2,000	-	200	200
Transfers in	586,570	319,570	319,570	-
Transfers out	(71,000)	(125,990)	(106,990)	19,000
Total other financing sources	517,570	193,580	212,780	19,200
Net change in fund balance	\$ (445,133)	\$ (1,848,955)	229,510	\$ 2,078,465
Fund balance				
Beginning of year, as restated (See Note O)			12,553,192	
End of year			\$ 12,782,702	

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, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Property taxes	\$ 7,710,000	\$ 7,680,500	\$ 7,680,605	\$ 105
Interest income	1,200	1,200	16,116	14,916
Miscellaneous	54,500	-	-	-
Total revenues	<u>7,765,700</u>	<u>7,681,700</u>	<u>7,696,721</u>	<u>15,021</u>
Expenditures				
General government				
Taxing district surplus distribution	4,750,000	4,851,500	4,851,239	(261)
Redevelopment agreement payments	2,200,000	2,200,000	2,049,673	(150,327)
Legal and other professional fees	2,500	3,000	2,219	(781)
Audit fees	3,800	3,800	3,800	-
Dues and subscriptions	650	650	650	-
Total general government	<u>6,956,950</u>	<u>7,058,950</u>	<u>6,907,581</u>	<u>(151,369)</u>
Debt service				
Bond principal	705,000	705,000	705,000	-
Bond interest	87,800	87,800	87,800	-
Bond paying agent fees	4,000	4,000	4,000	-
Total debt service	<u>796,800</u>	<u>796,800</u>	<u>796,800</u>	<u>-</u>
Total expenditures	<u>7,753,750</u>	<u>7,855,750</u>	<u>7,704,381</u>	<u>(151,369)</u>
Net change in fund balance	<u>\$ 11,950</u>	<u>\$ (174,050)</u>	(7,660)	<u>\$ 166,390</u>
Fund balance				
Beginning of year			<u>493,583</u>	
End of year			<u>\$ 485,923</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, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Interest income	\$ 1,000	\$ 1,000	\$ 7,822	\$ 6,822
Miscellaneous income	-	-	362,388	362,388
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>370,210</u>	<u>369,210</u>
Expenditures				
Streets and bridges				
Engineering fees	-	133,200	132,882	(318)
Miscellaneous	-	100	33	(67)
Total streets and bridges	<u>-</u>	<u>133,300</u>	<u>132,915</u>	<u>(385)</u>
Capital outlay	<u>4,174,000</u>	<u>4,174,000</u>	<u>700,801</u>	<u>(3,473,199)</u>
Debt service				
Bond interest	114,680	114,680	114,680	-
Bond paying agent fees	500	500	240	(260)
Total debt service	<u>115,180</u>	<u>115,180</u>	<u>114,920</u>	<u>(260)</u>
Total expenditures	<u>4,289,180</u>	<u>4,422,480</u>	<u>948,636</u>	<u>(3,473,844)</u>
Deficiency of revenues over expenditures	<u>(4,288,180)</u>	<u>(4,421,480)</u>	<u>(578,426)</u>	<u>3,843,054</u>
Other financing uses				
Transfers out	-	(364,500)	(364,115)	385
Total other financing uses	<u>-</u>	<u>(364,500)</u>	<u>(364,115)</u>	<u>385</u>
Net change in fund balance	<u>\$ (4,288,180)</u>	<u>\$ (4,785,980)</u>	(942,541)	<u>\$ 3,843,439</u>
Fund balance				
Beginning of year			<u>4,187,057</u>	
End of year			<u>\$ 3,244,516</u>	

Village of Channahon, Illinois
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2018

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 17, 2017, and was amended by the Village Board on June 18, 2018.

SUPPLEMENTARY FINANCIAL INFORMATION

Village of Channahon, Illinois

General Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

Year Ended April 30, 2018

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
Revenues				
Taxes				
Property				
General	\$ 750,000	\$ 331,000	\$ 331,029	\$ 29
Police	200,000	195,200	195,201	1
Road and bridge	120,000	120,000	127,082	7,082
Mobile home	950	950	1,036	86
Total property taxes	1,070,950	647,150	654,348	7,198
Other taxes				
Village sales tax	843,000	843,000	783,236	(59,764)
Village transfer tax	160,000	160,000	246,179	86,179
Mobile home rental tax	8,000	8,000	8,196	196
Hotel & motel tax	40,000	35,000	36,436	1,436
Village gaming tax	2,400	2,400	4,000	1,600
Dedicated Village sales taxes	32,000	32,000	37,900	5,900
Dedicated Village fuel taxes	10,000	10,000	17,064	7,064
Total other taxes	1,095,400	1,090,400	1,133,011	42,611
Total taxes	2,166,350	1,737,550	1,787,359	49,809
Intergovernmental revenues				
Taxes				
State sales tax	1,057,000	1,057,000	1,019,407	(37,593)
State income tax	1,140,000	1,000,000	1,222,464	222,464
State use tax	290,000	290,000	330,372	40,372
Personal property replacement tax	1,200	1,200	1,228	28
Auto rental tax	2,500	2,500	4,258	1,758
Gaming revenue tax	48,000	48,000	65,299	17,299
Excise tax	152,000	137,000	137,631	631
Village telecommunications tax	101,000	76,500	91,754	15,254
Dedicated state sale taxes	32,000	32,000	37,900	5,900
Total intergovernmental taxes	2,823,700	2,644,200	2,910,313	266,113

(Continued)

Village of Channahon, Illinois

General Fund

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL

Year Ended April 30, 2018

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
Revenues (Continued)				
Intergovernmental grants				
Federal road grants	\$ 180,000	\$ 30,000	\$ 30,285	\$ 285
ITEP grant	-	-	41,713	41,713
Bike path cash contribution	120,000	120,000	120,000	-
Tobacco enforcement grant	1,100	-	-	-
	301,100	150,000	191,998	41,998
Total intergovernmental grants				
Total intergovernmental revenues	3,124,800	2,794,200	3,102,311	308,111
Licenses and permits				
Liquor license	30,500	28,000	28,070	70
Business license	10,000	10,000	12,750	2,750
Vending machine license	4,000	4,000	5,150	1,150
Solicitors permits	500	200	200	-
Village dog tags	200	200	252	52
Building permits	135,000	135,000	369,149	234,149
Application fees	1,000	1,000	2,750	1,750
	181,200	178,400	418,321	239,921
Total licenses and permits				
Fines and fees				
Registration fee	500	500	620	120
Overweight permit fees	-	-	31,140	31,140
Police fines	44,000	40,500	40,581	81
Police fines - warrant fee	1,000	500	560	60
Compliance tickets	21,600	21,600	24,735	3,135
DUI/law enforcement	9,000	9,000	9,795	795
Impound fees	18,000	18,000	28,800	10,800
	94,100	90,100	136,231	46,131
Total fines and fees				

(Continued)

Village of Channahon, Illinois
 General Fund
 SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues (Continued)				
Charges for services				
Cadet program revenue	\$ 1,000	\$ 500	\$ 500	\$ -
Ameritech franchise fee	35,000	28,500	28,531	31
Cable TV franchise fee	167,600	167,600	179,993	12,393
Ameritech lease	2,680	2,680	2,814	134
City attorney fee	6,600	6,100	6,138	38
Police training	5,000	5,000	18,859	13,859
School district reimbursement	52,999	52,999	68,945	15,946
Inspection reimbursement	500	400	423	23
Insurance reports	500	500	840	340
Security details	10,000	1,900	1,908	8
Warrior Dash	7,000	7,000	7,242	242
Plan review - Public Works	15,000	15,000	59,616	44,616
Plan review - Development	8,000	750	756	6
Contractor registration	35,000	35,000	34,950	(50)
Total charges for services	<u>346,879</u>	<u>323,929</u>	<u>411,515</u>	<u>87,586</u>
Payments in lieu of taxes				
TIF payments	<u>134,000</u>	<u>134,000</u>	<u>398,635</u>	<u>264,635</u>
Total payments in lieu of taxes	<u>134,000</u>	<u>134,000</u>	<u>398,635</u>	<u>264,635</u>
Other general revenues				
Interest income	26,000	9,000	141,613	132,613
Miscellaneous revenues	<u>132,080</u>	<u>99,780</u>	<u>186,318</u>	<u>86,538</u>
Total other general revenues	<u>158,080</u>	<u>108,780</u>	<u>327,931</u>	<u>219,151</u>
Total revenues	<u>\$ 6,205,409</u>	<u>\$ 5,366,959</u>	<u>\$ 6,582,303</u>	<u>\$ 1,215,344</u>

(Concluded)

Village of Channahon, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

Year Ended April 30, 2018

Expenditures	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
General government				
Salary - Village President	\$ 18,741	\$ 19,000	\$ 18,967	\$ (33)
Salary - Village Liquor Commissioner	720	720	720	-
Salary - Village Trustees	69,246	69,246	64,275	(4,971)
Salary - Village Clerk	8,512	8,512	6,448	(2,064)
Salary - Village Administrator	121,200	121,200	122,848	1,648
Salary - Administrative Assistant	71,174	71,174	70,408	(766)
Salary - Administrative Receptionist	50,030	50,030	50,026	(4)
Salary - Finance Director	110,379	110,379	104,496	(5,883)
Salary - Human Resources Manager	74,587	74,587	73,784	(803)
Salary - EMA Director	1,500	1,500	2,250	750
Salary - Accounts Payable/Cash Receipts	51,928	51,928	51,878	(50)
Salary - part time, overtime, moving Administrator vehicle allowance	4,000	4,700	4,699	(1)
Employee benefits	3,600	3,600	3,600	-
Engineering, legal and other fees	140,612	141,612	106,808	(34,804)
Professional development	120,500	177,800	122,958	(54,842)
Telephone	3,000	3,000	1,039	(1,961)
Gasoline	19,000	22,000	21,927	(73)
Dues and subscriptions	4,500	8,600	8,540	(60)
Printing and publishing	21,000	21,000	20,747	(253)
Office supplies and postage	7,500	7,500	3,699	(3,801)
Building maintenance/utilities	15,500	15,500	10,025	(5,475)
Vehicle maintenance	49,200	49,200	34,578	(14,622)
Fuel	500	500	-	(500)
Equipment maintenance	500	500	-	(500)
Meetings and travel	7,500	7,500	1,505	(5,995)
Bonds and insurance	6,800	6,800	4,014	(2,786)
Community events activities	5,800	5,800	645	(5,155)
EMA and alert network	2,500	2,500	1,999	(501)
Ordinance codification	3,000	3,000	887	(2,113)
Economic development	4,500	4,500	-	(4,500)
	44,000	44,000	30,306	(13,694)

(Continued)

Village of Channahon, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

Year Ended April 30, 2018

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)				
General government (Continued)				
Village President travel/development	\$ 3,500	\$ 4,400	\$ 4,267	\$ (133)
Miscellaneous	12,150	14,800	9,344	(5,456)
Computers and technology	38,820	38,820	32,577	(6,243)
Equipment lease	-	11,500	11,111	(389)
Contingency	4,000	4,700	3,651	(1,049)
Total general government	1,099,999	1,182,108	1,005,026	(177,082)
Public safety				
Salary - Police Chief	125,161	147,000	146,725	(275)
Salary - Deputy Police Chief	223,515	223,515	179,850	(43,665)
Salary - Sergeants	506,929	526,022	522,236	(3,786)
Salary - Patrolmen	1,130,261	1,137,767	1,092,002	(45,765)
Salary - Network and Other	30,121	33,021	19,435	(13,586)
Salary - Secretary and Clerical	94,227	94,227	89,462	(4,765)
Salary - Overtime	189,600	198,000	199,610	1,610
Employee benefits	591,352	592,652	515,712	(76,940)
Uniforms and clothing	27,000	27,000	24,059	(2,941)
Building maintenance	4,000	4,000	-	(4,000)
Equipment maintenance	12,500	12,500	12,398	(102)
Vehicle operation and maintenance	77,250	77,750	66,724	(11,026)
Minor equipment	14,000	14,000	6,267	(7,733)
Fingerprinting	2,000	2,000	-	(2,000)
Police commission testing	3,000	3,000	1,837	(1,163)
Training and education expenditures	11,900	11,900	7,841	(4,059)
Range supplies and maintenance	15,600	15,600	11,625	(3,975)
Professional development	1,800	1,800	634	(1,166)
Office supplies and postage	10,750	10,750	5,376	(5,374)
Printing and publishing	1,500	1,500	862	(638)
Telephone	14,500	14,500	9,174	(5,326)
Utilities	1,500	1,500	937	(563)
Dues and subscriptions	14,265	14,265	12,390	(1,875)
Community relations	2,000	2,000	1,136	(864)

(Continued)

Village of Channahon, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

Year Ended April 30, 2018

	Original Budget	Amended and Final Budget	Actual	Variance Over / (Under)
Expenditures (Continued)				
Public safety (Continued)				
Meetings and travel	\$ 6,865	\$ 6,365	\$ 4,227	\$ (2,138)
Legal and professional fees	64,500	64,500	43,540	(20,960)
Dispatch services	209,000	210,000	209,300	(700)
Kennel	1,500	1,500	175	(1,325)
Miscellaneous	7,700	7,700	3,946	(3,754)
Contingency	5,000	5,000	1,560	(3,440)
Total public safety	3,399,296	3,461,334	3,189,040	(272,294)
Streets and bridges				
Salary - Public Works Director	44,884	44,884	43,806	(1,078)
Salary - Public Works Assistant	30,179	30,179	26,682	(3,497)
Salary - Street Laborers	291,884	291,884	296,080	4,196
Salary - Inspectors	33,739	33,739	33,045	(694)
Salary - Building Maintenance	55,557	55,557	55,526	(31)
Salary - Public Works Superintendent	38,766	38,766	37,902	(864)
Salary - Part-time and Pager	28,040	28,040	25,754	(2,286)
Salary - Foreman	25,649	25,649	25,492	(157)
Salary - Overtime	44,820	56,000	55,500	(500)
Employee benefits	196,975	231,800	227,147	(4,653)
Uniforms	8,710	8,710	5,153	(3,557)
Engineering and legal fees	12,000	26,000	22,906	(3,094)
Professional development	8,775	8,775	4,540	(4,235)
Dues and subscriptions	12,095	12,095	5,219	(6,876)
Permits	1,000	1,250	1,250	-
Telephone and utilities	9,200	10,200	8,854	(1,346)
Office supplies and postage	5,045	5,045	3,896	(1,149)
Printing and publishing	675	700	531	(169)
Building and grounds maintenance	16,925	16,925	4,377	(12,548)
Equipment maintenance	39,890	40,455	22,574	(17,881)
Vehicle operation and maintenance	61,525	68,025	61,103	(6,922)
Streets and signs maintenance	82,290	82,290	51,403	(30,887)

(Continued)

Village of Channahon, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

Year Ended April 30, 2018

	<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	\$ 75,000	\$ 78,000	\$ 77,589	\$ (411)
Salt purchases	78,000	78,000	52,199	(25,801)
Minor equipment and tools	3,600	3,600	2,072	(1,528)
Leases and rent	3,000	5,100	5,057	(43)
Meetings	250	250	154	(96)
Tree and weed control	28,720	28,720	19,385	(9,335)
Bike path	15,410	15,410	12,368	(3,042)
Mosquito abatement	9,800	9,800	-	(9,800)
Miscellaneous	3,285	3,285	550	(2,735)
Contingency	2,000	2,000	-	(2,000)
Total streets and bridges	<u>1,267,688</u>	<u>1,341,133</u>	<u>1,188,114</u>	<u>(153,019)</u>
Community development				
Salary - Planning and Zoning Board	4,320	4,320	2,550	(1,770)
Salary - Director of Development	101,902	101,902	100,804	(1,098)
Salary - Electrical, Building and Plumbing Inspectors	15,000	27,000	26,750	(250)
Salary - Building and Zoning Supervisor	86,572	86,572	85,639	(933)
Salary - Building and Zoning Asst.	44,592	44,592	44,111	(481)
Salary - Development Clerk	39,362	39,362	39,552	190
Salary - Code Enforcement Officer	46,203	48,103	37,298	(10,805)
Salary - Overtime	2,000	4,400	4,395	(5)
Employee benefits	60,132	60,822	30,720	(30,102)
Uniforms	500	1,200	1,136	(64)
Engineering, legal and other fees	15,000	20,000	17,915	(2,085)
Planning	1,000	1,000	-	(1,000)
Professional development	2,350	2,350	1,106	(1,244)
Dues and subscriptions	1,500	1,500	860	(640)
Telephone	2,700	2,900	2,896	(4)
Office supplies and postage	2,750	2,750	1,694	(1,056)
Printing and publishing	3,000	3,400	3,111	(289)

(Continued)

Village of Channahon, Illinois

General Fund

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures (Continued)				
Community development (Continued)				
Vehicle operation and maintenance	\$ 5,000	\$ 5,500	\$ 3,830	\$ (1,670)
Minor equipment	2,500	2,500	535	(1,965)
Marketing	5,000	5,000	2,630	(2,370)
Meetings and travel	5,000	5,000	3,781	(1,219)
Weed control	8,500	8,500	6,928	(1,572)
Miscellaneous	1,500	1,500	-	(1,500)
Contingency	2,500	2,500	-	(2,500)
Total community development	<u>458,883</u>	<u>482,673</u>	<u>418,241</u>	<u>(64,432)</u>
Capital outlay				
Admin projects	20,000	20,000	6,870	(13,130)
Public safety	70,000	70,000	63,915	(6,085)
Vehicles	-	190,000	154,698	(35,302)
Street department improvements	415,000	225,000	102,426	(122,574)
Total capital outlay	<u>505,000</u>	<u>505,000</u>	<u>327,909</u>	<u>(177,091)</u>
Debt service				
Principal	375,000	375,000	375,000	-
Interest and other	62,246	62,246	62,243	(3)
Total debt service	<u>437,246</u>	<u>437,246</u>	<u>437,243</u>	<u>(3)</u>
Total expenditures	<u>\$ 7,168,112</u>	<u>\$ 7,409,494</u>	<u>\$ 6,565,573</u>	<u>\$ (843,921)</u>

(Concluded)

Village of Channahon, Illinois

Nonmajor Governmental Funds
COMBINING BALANCE SHEET
Year Ended April 30, 2018

	Special Revenue Funds			
	Motor Fuel	Police	D.A.R.E.	IMRF and
	Tax Fund	Forfeiture Fund	Fund	Social Security Fund
ASSETS				
Cash and investments	\$ 917,681	\$ 8,723	\$ 12,640	\$ 1,533,968
Receivables, net of allowances				
Property taxes	-	-	-	588,867
Intergovernmental	28,753	-	-	-
Other	-	-	-	-
Prepaid items	-	-	-	-
	\$ 946,434	\$ 8,723	\$ 12,640	\$ 2,122,835
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 13,264
Infrastructure development liability	-	-	-	-
Due to other funds	-	-	-	-
	-	-	-	13,264
DEFERRED INFLOWS				
Property taxes levied for a future period	-	-	-	588,867
	-	-	-	588,867
FUND BALANCE (DEFICIT)				
Nonspendable				
Prepays and inventory	-	-	-	-
Restricted for				
Debt service	-	-	-	-
Special revenue funds	946,434	8,723	12,640	1,520,704
Capital projects	-	-	-	-
Unassigned	-	-	-	-
	946,434	8,723	12,640	1,520,704
Total fund balance (deficit)	946,434	8,723	12,640	1,520,704
Total liabilities and fund balance (deficit)	\$ 946,434	\$ 8,723	\$ 12,640	\$ 2,122,835

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
\$ -	\$ -	\$ 62,492	\$ 750,696	\$ -	\$ -
624,422	292,548	39,602	-	-	97,675
-	-	-	37,003	-	-
-	20,386	-	-	-	-
-	13,083	-	-	-	-
<u>\$ 624,422</u>	<u>\$ 326,017</u>	<u>\$ 102,094</u>	<u>\$ 787,699</u>	<u>\$ -</u>	<u>\$ 97,675</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206
-	-	-	-	-	-
-	39,117	-	-	-	271,092
-	39,117	-	-	-	271,298
<u>624,422</u>	<u>292,548</u>	<u>39,602</u>	<u>-</u>	<u>-</u>	<u>97,675</u>
<u>624,422</u>	<u>292,548</u>	<u>39,602</u>	<u>-</u>	<u>-</u>	<u>97,675</u>
-	13,083	-	-	-	-
-	-	-	-	-	-
-	-	62,492	787,699	-	-
-	-	-	-	-	-
-	(18,731)	-	-	-	(271,298)
-	(5,648)	62,492	787,699	-	(271,298)
<u>\$ 624,422</u>	<u>\$ 326,017</u>	<u>\$ 102,094</u>	<u>\$ 787,699</u>	<u>\$ -</u>	<u>\$ 97,675</u>

(Continued)

Village of Channahon, Illinois

Nonmajor Governmental Funds
COMBINING BALANCE SHEET
Year Ended April 30, 2018

	Special Revenue Funds		Total Special Revenue Funds	Capital Projects Fund
	Capital Infrastructure Fund	Development Repayment Fund		Recaptures Capital Projects Fund
ASSETS				
Cash and investments	\$ 1,020,009	\$ -	\$ 4,306,209	\$ 957,305
Receivables, net of allowances				
Property taxes	-	-	1,643,114	-
Intergovernmental	117,254	-	183,010	-
Other	-	-	20,386	-
Prepaid items	-	-	13,083	-
Total assets	\$ 1,137,263	\$ -	\$ 6,165,802	\$ 957,305
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 13,470	\$ 57,200
Infrastructure development liability	-	-	-	-
Due to other funds	-	-	310,209	-
Total liabilities	-	-	323,679	57,200
DEFERRED INFLOWS				
Property taxes levied for a future period	-	-	1,643,114	-
Total deferred inflows	-	-	1,643,114	-
FUND BALANCE (DEFICIT)				
Nonspendable				
Prepays and inventory	-	-	13,083	-
Restricted for				
Debt service	-	-	-	-
Special revenue funds	1,137,263	-	4,475,955	-
Capital projects	-	-	-	900,105
Unassigned	-	-	(290,029)	-
Total fund balance (deficit)	1,137,263	-	4,199,009	900,105
Total liabilities and fund balance (deficit)	\$ 1,137,263	\$ -	\$ 6,165,802	\$ 957,305

<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 368,450	\$ 5,631,964
-	1,643,114
-	183,010
5,982	26,368
<u>-</u>	<u>13,083</u>
<u>\$ 374,432</u>	<u>\$ 7,497,539</u>
\$ -	\$ 70,670
368,450	368,450
<u>-</u>	<u>310,209</u>
<u>368,450</u>	<u>749,329</u>
<u>-</u>	<u>1,643,114</u>
<u>-</u>	<u>1,643,114</u>
-	13,083
5,982	5,982
-	4,475,955
-	900,105
<u>-</u>	<u>(290,029)</u>
<u>5,982</u>	<u>5,105,096</u>
<u>\$ 374,432</u>	<u>\$ 7,497,539</u>
<u>(Concluded)</u>	

Village of Channahon, Illinois
 Nonmajor Governmental Funds
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES (DEFICIT)
Year Ended April 30, 2018

	Special Revenue Funds			
	Motor Fuel Tax Fund	Police Forfeiture Fund	D.A.R.E Fund	IMRF and Social Security Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 592,459
Intergovernmental	826,000	-	-	-
Payments in lieu of taxes	-	-	-	94,998
Interest income	933	16	18	2,300
Grants and allotments	343,200	-	-	-
Miscellaneous income	-	1,815	-	-
Total revenues	<u>1,170,133</u>	<u>1,831</u>	<u>18</u>	<u>689,757</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Streets and bridges	300,000	-	-	-
Employee benefits and pension	-	-	-	617,399
Community development	-	-	-	-
Principal	225,000	-	-	-
Interest and other	13,701	-	-	-
Total expenditures	<u>538,701</u>	<u>-</u>	<u>-</u>	<u>617,399</u>
Excess (deficiency) of revenues over expenditures	<u>631,432</u>	<u>1,831</u>	<u>18</u>	<u>72,358</u>
Other financing sources (uses)				
Transfers in	-	-	-	186,176
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,176</u>
Net change in fund balance	631,432	1,831	18	258,534
Fund balance (deficit)				
Beginning of year	<u>315,002</u>	<u>6,892</u>	<u>12,622</u>	<u>1,262,170</u>
End of year	<u>\$ 946,434</u>	<u>\$ 8,723</u>	<u>\$ 12,640</u>	<u>\$ 1,520,704</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
\$ 711,974	\$ 265,748	\$ 36,694	\$ -	\$ -	\$ -
-	-	-	458,974	-	-
99,010	42,611	5,885	-	-	-
58	74	79	583	-	101
-	-	-	-	-	-
-	22,794	-	-	-	-
<u>811,042</u>	<u>331,227</u>	<u>42,658</u>	<u>459,557</u>	<u>-</u>	<u>101</u>
-	320,532	28,000	-	-	762
-	-	-	-	1,270	-
-	-	-	173,043	-	-
811,042	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>811,042</u>	<u>320,532</u>	<u>28,000</u>	<u>173,043</u>	<u>1,270</u>	<u>762</u>
-	10,695	14,658	286,514	(1,270)	(661)
-	-	8,000	-	15,585	-
-	-	-	-	(2,000)	-
-	-	8,000	-	13,585	-
-	10,695	22,658	286,514	12,315	(661)
-	(16,343)	39,834	501,185	(12,315)	(270,637)
<u>\$ -</u>	<u>\$ (5,648)</u>	<u>\$ 62,492</u>	<u>\$ 787,699</u>	<u>\$ -</u>	<u>\$ (271,298)</u>

(Continued)

Village of Channahon, Illinois
Nonmajor Governmental Funds
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICIT)
Year Ended April 30, 2018

	<u>Special Revenue Funds</u>		Total Special Revenue Funds	<u>Capital Projects Fund</u>
	<u>Capital Infrastructure Fund</u>	<u>Development Repayment Fund</u>		<u>Recaptures Capital Projects Fund</u>
Revenues				
Property taxes	\$ -	\$ -	\$ 1,606,875	\$ -
Intergovernmental	1,237,189	-	2,522,163	-
Payments in lieu of taxes	-	-	242,504	-
Interest income	1,567	-	5,729	1,025
Grants and allotments	-	-	343,200	-
Miscellaneous income	-	-	24,609	1,032,500
Total revenues	<u>1,238,756</u>	<u>-</u>	<u>4,745,080</u>	<u>1,033,525</u>
Expenditures				
Current				
General government	-	-	349,294	133,420
Public safety	-	-	1,270	-
Streets and bridges	-	-	473,043	-
Employee benefits and pension	-	-	1,428,441	-
Community development	-	701,206	701,206	-
Principal	-	-	225,000	-
Interest and other	-	-	13,701	-
Total expenditures	<u>-</u>	<u>701,206</u>	<u>3,191,955</u>	<u>133,420</u>
Excess (deficiency) of revenues over expenditures	<u>1,238,756</u>	<u>(701,206)</u>	<u>1,553,125</u>	<u>900,105</u>
Other financing sources (uses)				
Transfers in	-	701,206	910,967	-
Transfers out	(859,801)	-	(861,801)	-
Total other financing sources (uses)	<u>(859,801)</u>	<u>701,206</u>	<u>49,166</u>	<u>-</u>
Net change in fund balance	378,955	-	1,602,291	900,105
Fund balance (deficit)				
Beginning of year	<u>758,308</u>	<u>-</u>	<u>2,596,718</u>	<u>-</u>
End of year	<u>\$ 1,137,263</u>	<u>\$ -</u>	<u>\$ 4,199,009</u>	<u>\$ 900,105</u>

Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ 1,606,875
-	2,522,163
-	242,504
4,331	11,085
-	343,200
<u>342,650</u>	<u>1,399,759</u>
<u>346,981</u>	<u>6,125,586</u>
-	482,714
-	1,270
-	473,043
-	1,428,441
-	701,206
205,000	430,000
<u>138,078</u>	<u>151,779</u>
<u>343,078</u>	<u>3,668,453</u>
<u>3,903</u>	<u>2,457,133</u>
-	910,967
-	<u>(861,801)</u>
-	<u>49,166</u>
3,903	2,506,299
<u>2,079</u>	<u>2,598,797</u>
<u>\$ 5,982</u>	<u>\$ 5,105,096</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, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Motor fuel tax allotments	\$ 357,110	\$ 314,000	\$ 343,200	\$ 29,200
Intergovernmental	-	-	826,000	826,000
Interest income	<u>700</u>	<u>700</u>	<u>933</u>	<u>233</u>
Total revenues	<u>357,810</u>	<u>314,700</u>	<u>1,170,133</u>	<u>855,433</u>
Expenditures				
Street maintenance	300,000	300,000	300,000	-
Bond paying agent fees	850	850	-	(850)
Bond principal	225,000	225,000	225,000	-
Bond interest	<u>13,700</u>	<u>13,700</u>	<u>13,701</u>	<u>1</u>
Total expenditures	<u>539,550</u>	<u>539,550</u>	<u>538,701</u>	<u>(849)</u>
Net change in fund balance	\$ <u>(181,740)</u>	\$ <u>(224,850)</u>	631,432	\$ <u>856,282</u>
Fund balance				
Beginning of year			<u>315,002</u>	
End of year			\$ <u>946,434</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, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Forfeitures	\$ 500	\$ 500	\$ 1,815	\$ 1,315
Interest income	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
Total revenues	<u>500</u>	<u>500</u>	<u>1,831</u>	<u>1,331</u>
Net change in fund balance	<u>\$ 500</u>	<u>\$ 500</u>	1,831	<u>\$ 1,331</u>
Fund balance				
Beginning of year			<u>6,892</u>	
End of year			<u>\$ 8,723</u>	

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, 2018

	<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>18</u>	\$ <u>18</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	18	\$ <u>18</u>
Fund balance				
Beginning of year			<u>12,622</u>	
End of year			\$ <u>12,640</u>	

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, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Property taxes	\$ 600,000	\$ 592,000	\$ 592,459	\$ 459
Tax increment financing payments	100,000	94,500	94,998	498
Interest income	400	400	2,300	1,900
Total revenues	<u>700,400</u>	<u>686,900</u>	<u>689,757</u>	<u>2,857</u>
Expenditures				
Administrative - IMRF	95,000	95,000	96,065	1,065
Administrative - Social Security	79,900	79,900	34,734	(45,166)
Administrative - Medicare	8,400	8,400	8,107	(293)
Development - IMRF	61,000	61,000	59,191	(1,809)
Development - Social Security	44,500	44,500	19,187	(25,313)
Development - Medicare	4,700	4,700	4,487	(213)
Police - IMRF	25,000	25,000	19,936	(5,064)
Police - Social Security	18,000	18,000	6,411	(11,589)
Police - Medicare	30,700	31,500	32,120	620
Street department - IMRF	99,200	105,000	107,043	2,043
Street department - Social Security	52,075	52,075	35,399	(16,676)
Street department - Medicare	5,500	8,500	8,292	(208)
Police commission - Social Security	100	100	15	(85)
Police commission - Medicare	50	50	3	(47)
Waterworks - IMRF	64,000	67,000	68,290	1,290
Waterworks - Social Security	30,000	30,000	21,635	(8,365)
Waterworks - Medicare	3,200	5,000	5,074	74
Sewer - IMRF	59,000	62,500	63,316	816
Sewer - Social Security	27,000	27,000	19,942	(7,058)
Sewer - Medicare	2,900	4,600	4,677	77
Refuse - IMRF	2,600	2,600	2,505	(95)
Refuse - Social Security	1,900	1,900	786	(1,114)
Refuse - Medicare	200	200	184	(16)
Total expenditures	<u>714,925</u>	<u>734,525</u>	<u>617,399</u>	<u>(117,126)</u>
Excess (deficiency) of revenues over expenditures	<u>(14,525)</u>	<u>(47,625)</u>	<u>72,358</u>	<u>119,983</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, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Other financing sources				
Transfers in	\$ <u>190,800</u>	\$ <u>186,000</u>	\$ <u>186,176</u>	\$ <u>176</u>
Total other financing sources	<u>190,800</u>	<u>186,000</u>	<u>186,176</u>	<u>176</u>
Net change in fund balance	\$ <u><u>176,275</u></u>	\$ <u><u>138,375</u></u>	258,534	\$ <u><u>120,159</u></u>
Fund balance				
Beginning of year			<u>1,262,170</u>	
End of year			\$ <u><u>1,520,704</u></u>	

(Concluded)

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, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Property taxes	\$ 589,036	\$ 589,036	\$ 711,974	\$ 122,938
Tax increment financing payments	84,000	84,000	99,010	15,010
Interest income	-	-	58	58
Total revenues	<u>673,036</u>	<u>673,036</u>	<u>811,042</u>	<u>138,006</u>
Expenditures				
Contributions to police pension fund	<u>673,036</u>	<u>811,500</u>	<u>811,042</u>	<u>(458)</u>
Total expenditures	<u>673,036</u>	<u>811,500</u>	<u>811,042</u>	<u>(458)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(138,464)</u>	-	\$ <u>138,464</u>
Fund balance				
Beginning of year			<u>-</u>	
End of year			\$ <u>-</u>	

Village of Channahon, Illinois

Insurance Fund

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

Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Property taxes	\$ 260,000	\$ 260,000	\$ 265,748	\$ 5,748
Tax increment financing payments	25,000	25,000	42,611	17,611
Interest income	50	50	74	24
Miscellaneous income	<u>27,794</u>	<u>22,794</u>	<u>22,794</u>	<u>-</u>
Total revenues	<u>312,844</u>	<u>307,844</u>	<u>331,227</u>	<u>23,383</u>
Expenditures				
Risk management contribution	<u>297,794</u>	<u>356,794</u>	<u>320,532</u>	<u>(36,262)</u>
Total expenditures	<u>297,794</u>	<u>356,794</u>	<u>320,532</u>	<u>(36,262)</u>
Net change in fund balance	<u>\$ 15,050</u>	<u>\$ (48,950)</u>	10,695	<u>\$ 59,645</u>
Fund deficit				
Beginning of year			<u>(16,343)</u>	
End of year			<u>\$ (5,648)</u>	

Village of Channahon, Illinois

Audit Fund

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

Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Property taxes	\$ 35,000	\$ 35,000	\$ 36,694	\$ 1,694
Tax increment financing payments	5,000	5,000	5,885	885
Interest income	<u>10</u>	<u>10</u>	<u>79</u>	<u>69</u>
Total revenues	<u>40,010</u>	<u>40,010</u>	<u>42,658</u>	<u>2,648</u>
Expenditures				
Audit services	<u>29,500</u>	<u>29,500</u>	<u>28,000</u>	<u>(1,500)</u>
Total expenditures	<u>29,500</u>	<u>29,500</u>	<u>28,000</u>	<u>(1,500)</u>
Excess of revenues over expenditures	<u>10,510</u>	<u>10,510</u>	<u>14,658</u>	<u>4,148</u>
Other financing sources				
Transfers in	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Total other financing sources	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Net change in fund balance	\$ <u>18,510</u>	\$ <u>18,510</u>	22,658	\$ <u>4,148</u>
Fund balance				
Beginning of year			<u>39,834</u>	
End of year			\$ <u>62,492</u>	

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, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Village fuel tax	\$ 275,000	\$ 275,000	\$ 315,634	\$ 40,634
Village diesel fuel tax	70,000	70,000	143,340	73,340
Interest income	50	50	583	533
Total revenues	<u>345,050</u>	<u>345,050</u>	<u>459,557</u>	<u>114,507</u>
Expenditures				
Streets and bridges				
Engineering fees	27,000	27,000	10,950	(16,050)
Streets maintenance road program	207,000	207,500	162,093	(45,407)
Total expenditures	<u>234,000</u>	<u>234,500</u>	<u>173,043</u>	<u>(61,457)</u>
Net change in fund balance	<u>\$ 111,050</u>	<u>\$ 110,550</u>	286,514	<u>\$ 175,964</u>
Fund balance				
Beginning of year			<u>501,185</u>	
End of year			<u>\$ 787,699</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, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Contribution	\$ 4,500	\$ -	\$ -	\$ -
Total revenues	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Public safety	<u>8,940</u>	<u>8,940</u>	<u>1,270</u>	<u>(7,670)</u>
Total expenditures	<u>8,940</u>	<u>8,940</u>	<u>1,270</u>	<u>(7,670)</u>
Deficiency of revenues over expenditures	<u>(4,440)</u>	<u>(8,940)</u>	<u>(1,270)</u>	<u>7,670</u>
Other financing sources (uses)				
Transfers in	12,000	12,000	15,585	3,585
Transfers out	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>12,000</u>	<u>10,000</u>	<u>13,585</u>	<u>3,585</u>
Net change in fund balance	\$ <u><u>7,560</u></u>	\$ <u><u>1,060</u></u>	12,315	\$ <u><u>11,255</u></u>
Fund balance (deficit)				
Beginning of year			<u>(12,315)</u>	
End of year			\$ <u><u>-</u></u>	

Village of Channahon, Illinois

TIF Rte. 6 and I-55 Fund

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

Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Interest income	\$ -	\$ -	\$ 101	\$ 101
Total revenues	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>
Expenditures				
Legal fees	-	800	762	(38)
TIF capital projects	<u>132,500</u>	<u>132,500</u>	<u>-</u>	<u>(132,500)</u>
Total expenditures	<u>132,500</u>	<u>133,300</u>	<u>762</u>	<u>(132,538)</u>
Net change in fund balance	\$ <u><u>(132,500)</u></u>	\$ <u><u>(133,300)</u></u>	(661)	\$ <u><u>132,639</u></u>
Fund deficit				
Beginning of year			<u>(270,637)</u>	
End of year			\$ <u><u>(271,298)</u></u>	

Village of Channahon, Illinois

Capital Infrastructure Fund

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

Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Village diesel fuel tax	\$ 900,000	\$ 900,000	\$ 1,237,189	\$ 337,189
Interest income	500	500	1,567	1,067
Total revenues	<u>900,500</u>	<u>900,500</u>	<u>1,238,756</u>	<u>338,256</u>
Excess of revenues over expenditures	<u>900,500</u>	<u>900,500</u>	<u>1,238,756</u>	<u>338,256</u>
Other financing uses				
Transfers out	<u>(880,000)</u>	<u>(880,000)</u>	<u>(859,801)</u>	<u>20,199</u>
Total other financing uses	<u>(880,000)</u>	<u>(880,000)</u>	<u>(859,801)</u>	<u>20,199</u>
Net change in fund balance	\$ <u>20,500</u>	\$ <u>20,500</u>	378,955	\$ <u>358,455</u>
Fund balance				
Beginning of year			<u>758,308</u>	
End of year			\$ <u><u>1,137,263</u></u>	

Village of Channahon, Illinois

Development Repayment Fund

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

Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Expenditures				
Community development	\$ <u>420,000</u>	\$ <u>701,500</u>	\$ <u>701,206</u>	\$ <u>294</u>
Total expenditures	<u>420,000</u>	<u>701,500</u>	<u>701,206</u>	<u>294</u>
Deficiency of revenues over expenditures	<u>(420,000)</u>	<u>(701,500)</u>	<u>(701,206)</u>	<u>(294)</u>
Other financing sources (uses)				
Transfers in	<u>420,000</u>	<u>420,000</u>	<u>701,206</u>	<u>281,206</u>
Total other financing sources (uses)	<u>420,000</u>	<u>420,000</u>	<u>701,206</u>	<u>281,206</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>(281,500)</u></u>	<u><u>-</u></u>	\$ <u><u>280,912</u></u>
Fund balance				
Beginning of year			<u>-</u>	
End of year			\$ <u><u>-</u></u>	

Village of Channahon, Illinois

Recaptures Capital Projects Fund

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

Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Recapture income	\$ -	\$ -	\$ 1,032,500	\$ 1,032,500
Interest income	-	-	1,025	1,025
Total revenues	-	-	1,033,525	1,033,525
Expenditures				
General government	-	-	133,420	133,420
Total expenditures	-	-	133,420	133,420
Excess of revenues over expenditures	-	-	900,105	900,105
Other financing uses				
Transfers out	-	134,000	-	(134,000)
Total other financing uses	-	134,000	-	(134,000)
Net change in fund balance	\$ -	\$ (134,000)	900,105	\$ 1,034,105
Fund balance				
Beginning of year			-	
End of year			\$ 900,105	

Village of Channahon, Illinois

Wescom Debt Service Fund

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

Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Amended and Final Budget</u>	<u>Actual</u>	<u>Variance Over / (Under)</u>
Revenues				
Debt service charge	\$ 342,650	\$ 342,650	\$ 342,650	\$ -
Interest earnings	<u>500</u>	<u>500</u>	<u>4,331</u>	<u>3,831</u>
Total revenues	<u>343,150</u>	<u>343,150</u>	<u>346,981</u>	<u>3,831</u>
Expenditures				
Bond principal	205,000	205,000	205,000	-
Bond interest	137,650	137,650	137,650	-
Bond paying agent fees	<u>500</u>	<u>500</u>	<u>428</u>	<u>(72)</u>
Total expenditures	<u>343,150</u>	<u>343,150</u>	<u>343,078</u>	<u>(72)</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	3,903	\$ <u><u>3,903</u></u>
Fund balance				
Beginning of year			<u>2,079</u>	
End of year			\$ <u><u>5,982</u></u>	

Village of Channahon, Illinois

General Obligation Bonds

Schedule of Debt Service Requirements

April 30, 2018

Fiscal Year Ending April 30,	Series 2011		Series 2013		Series 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
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	16,949	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>1,612,500</u>	\$ <u>147,375</u>	\$ <u>4,000,000</u>	\$ <u>1,198,125</u>	\$ <u>4,252,000</u>	\$ <u>1,054,300</u>

Total	
Principal	Interest
\$ 1,049,250	\$ 310,821
1,079,750	287,905
868,750	263,750
897,750	233,799
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
<u>335,000</u>	<u>11,222</u>
<u>\$ 9,864,500</u>	<u>\$ 2,399,800</u>

Village of Channahon, Illinois
 Tax Increment Financing Limited Obligation Revenue Bonds
 Schedule of Debt Service Requirements
April 30, 2018

Fiscal Year Ending April 30,	Series 2013	
	Principal	Interest
2019	\$ 730,000	\$ 59,600
2020	760,000	30,400
Total	\$ 1,490,000	\$ 90,000

Village of Channahon, Illinois
Waterworks and Sewerage Fund General Obligation Bonds
Schedule of Debt Service Requirements
April 30, 2018

Fiscal Year Ending April 30,	Series 2011		Series 2012	
	Principal	Interest	Principal	Interest
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>537,500</u>	\$ <u>49,125</u>	\$ <u>3,445,000</u>	\$ <u>354,750</u>

Series 2016		Total	
Principal	Interest	Principal	Interest
\$ 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>\$ 260,100</u>	<u>\$ 4,930,500</u>	<u>\$ 663,975</u>

STATISTICAL SECTION (Unaudited)

Statistical Section

This part of the Village's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.

139 - 146

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

152 - 153

Operating Information

These schedules contain information about the Village's service and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.

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SOURCES: Unless otherwise noted, the information in these schedules is derived from the audited financial statements for the relevant year.

Village of Channahon, Illinois

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	2018	2017*	2016**	2015
Governmental Activities				
Net Investment in Capital Assets	\$ 18,328,221	\$ 20,211,629	\$ 23,454,088	\$ 23,420,672
Restricted	9,112,481	7,578,732	1,932,759	2,085,503
Unrestricted	1,635,121	(3,623,011)	(4,069,234)	2,787,269
Total Governmental Activities				
Net Position	<u>\$ 29,075,823</u>	<u>\$ 24,167,350</u>	<u>\$ 21,317,613</u>	<u>\$ 28,293,444</u>
Business-Type Activities				
Net Investment in Capital Assets	\$ 28,610,371	\$ 28,947,654	\$ 28,296,459	\$ 27,292,694
Unrestricted	3,992,035	2,788,242	2,566,573	3,067,042
Total Business-Type Activities				
Net Position	<u>\$ 32,602,406</u>	<u>\$ 31,735,896</u>	<u>\$ 30,863,032</u>	<u>\$ 30,359,736</u>
Primary Government				
Net Investment in Capital Assets	\$ 46,938,592	\$ 49,159,283	\$ 51,750,547	\$ 50,713,366
Restricted	9,112,481	7,578,732	1,932,759	2,085,503
Unrestricted	5,627,156	(834,769)	(1,502,661)	5,854,311
Total Primary Government				
Net Position	<u>\$ 61,678,229</u>	<u>\$ 55,903,246</u>	<u>\$ 52,180,645</u>	<u>\$ 58,653,180</u>

*As originally reported (See Note O)

**As originally reported

2014	2013	2012	2011	2010	2009
\$ 24,118,967	\$ 23,261,239	\$ 24,197,329	\$ 14,202,354	\$ 11,578,431	\$ 9,197,658
2,026,036	7,640,241	5,762,766	2,427,614	406,383	238,008
1,876,901	(115,385)	239,857	240,667	3,589,527	4,738,884
<u>\$ 28,021,904</u>	<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>
\$ 27,911,877	\$ 27,330,614	\$ 27,697,358	\$ 22,004,299	\$ 21,214,191	\$ 20,098,626
3,023,454	3,375,095	3,488,078	3,614,761	2,877,050	3,106,437
<u>\$ 30,935,331</u>	<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>
\$ 52,030,844	\$ 50,591,853	\$ 51,894,687	\$ 36,206,653	\$ 32,792,622	\$ 29,296,284
2,026,036	7,640,241	5,762,766	2,427,614	406,383	238,008
4,900,355	3,259,710	3,727,935	3,855,428	6,466,577	7,845,321
<u>\$ 58,957,235</u>	<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>

Village of Channahon, Illinois

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2018	2017*	2016**	2015
Expenses				
Governmental Activities:				
General Government	\$ 9,869,479	\$ 8,862,971	\$ 7,995,404	\$ 12,187,452
Public Safety	3,135,198	3,226,160	3,745,969	3,481,205
Community Development	1,120,187	407,017	484,355	454,990
Streets and Bridges	3,758,010	3,528,654	3,637,545	4,004,756
Interest and Fees	372,396	503,934	403,335	460,638
Total Governmental Activities Expenses	<u>18,255,270</u>	<u>16,528,736</u>	<u>16,266,608</u>	<u>20,589,041</u>
Business-Type Activities:				
Waterworks and Sewerage	3,350,600	3,211,153	3,121,916	2,903,153
Refuse Disposal	854,717	812,894	820,075	780,395
Total Business-Type Activities Expenses	<u>4,205,317</u>	<u>4,024,047</u>	<u>3,941,991</u>	<u>3,683,548</u>
Total Primary Government Expenses	<u><u>\$ 22,460,587</u></u>	<u><u>\$ 20,552,783</u></u>	<u><u>\$ 20,208,599</u></u>	<u><u>\$ 24,272,589</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 3,001,119	\$ 1,675,260	\$ 929,281	\$ 857,375
Public Safety	136,231	87,689	448,960	457,751
Community Development	-	-	4,343	-
Streets and Bridges	418,321	262,329	-	-
Operating Grants and Contributions	535,198	343,400	46,253	51,616
Capital Grants and Contributions	1,035,578	1,188,203	1,291,401	780,823
Total Governmental Activities				
Program Revenues	<u>5,126,447</u>	<u>3,556,881</u>	<u>2,720,238</u>	<u>2,147,565</u>
Business-Type Activities:				
Charges for Services				
Waterworks and Sewerage	4,064,650	3,335,702	2,854,490	2,417,456
Refuse Disposal	867,921	881,355	801,240	917,764
Operating Grants and Contributions	-	20,000	-	-
Capital Grants and Contributions	-	869,532	1,537,528	-
Total Business-Type Activities				
Program Revenues	<u>4,932,571</u>	<u>5,106,589</u>	<u>5,193,258</u>	<u>3,335,220</u>
Total Primary Government				
Program Revenues	<u><u>\$ 10,059,018</u></u>	<u><u>\$ 8,663,470</u></u>	<u><u>\$ 7,913,496</u></u>	<u><u>\$ 5,482,785</u></u>
Net (Expense)/Revenue				
Governmental Activities	(\$ 13,128,823)	(\$ 12,971,855)	(\$ 13,546,370)	(\$ 18,441,476)
Business-Type Activities	727,254	1,082,542	1,251,267	(348,328)
Total Primary Government Net Expense	<u><u>(\$ 12,401,569)</u></u>	<u><u>(\$ 11,889,313)</u></u>	<u><u>(\$ 12,295,103)</u></u>	<u><u>(\$ 18,789,804)</u></u>

*As originally reported (See Note O)

**As originally reported

2014	2013	2012	2011	2010	2009
\$ 26,855,724	\$ 20,564,874	\$ 22,956,377	\$ 20,934,083	\$ 20,701,064	\$ 19,965,616
3,431,534	3,418,906	3,431,437	3,546,910	3,160,617	3,133,967
450,280	418,532	605,026	687,753	771,582	737,410
4,652,190	3,594,083	3,371,956	775,461	1,197,247	1,618,689
440,901	587,197	619,881	746,108	819,243	873,473
35,830,629	28,583,592	30,984,677	26,690,315	26,649,753	26,329,155
2,885,376	2,931,661	2,933,995	2,777,319	2,690,757	2,512,364
754,466	727,416	705,270	685,777	679,637	659,012
3,639,842	3,659,077	3,639,265	3,463,096	3,370,394	3,171,376
\$ 39,470,471	\$ 32,242,669	\$ 34,623,942	\$ 30,153,411	\$ 30,020,147	\$ 29,500,531
\$ 741,800	\$ 743,422	\$ 753,492	\$ 820,896	\$ 804,176	\$ 635,099
135,004	152,374	212,593	197,724	142,595	97,697
-	-	-	-	-	-
-	6,250	2,600	3,950	13,500	16,450
88,728	48,926	31,808	80,945	280,112	452,252
2,042,548	573,491	11,657,433	394,666	348,138	738,945
3,008,080	1,524,463	12,657,926	1,498,181	1,588,521	1,940,443
2,448,623	2,465,558	2,370,142	2,174,469	2,388,146	2,416,717
787,112	762,565	744,700	746,043	696,443	679,438
-	-	45,986	451,068	-	20,000
871,461	172,318	6,267,342	1,317,034	843,536	187,715
4,107,196	3,400,441	9,428,170	4,688,614	3,928,125	3,303,870
\$ 7,115,276	\$ 4,924,904	\$ 22,086,096	\$ 6,186,795	\$ 5,516,646	\$ 5,244,313
(\$ 32,822,549)	(\$ 27,059,129)	(\$ 18,326,751)	(\$ 25,192,134)	(\$ 25,061,232)	(\$ 24,388,712)
467,354	(258,636)	5,788,905	1,225,518	557,731	132,494
(\$ 32,355,195)	(\$ 27,317,765)	(\$ 12,537,846)	(\$ 23,966,616)	(\$ 24,503,501)	(\$ 24,256,218)

(Continued)

Village of Channahon, Illinois
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2018	2017*	2016**	2015
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes	\$ 9,940,792	\$ 9,221,854	\$ 8,980,302	\$ 9,122,612
Intergovernmental Revenues	5,497,386	4,160,859	2,830,229	5,362,355
Other Taxes	1,134,047	1,096,886	1,494,915	3,861,439
Interest	176,636	80,360	38,328	31,943
Other General Revenues	-	-	141,613	99,733
Transfers	(102,369)	231,471	175,536	234,934
Total Governmental Activities General Revenues and Other	<u>16,646,492</u>	<u>14,791,430</u>	<u>13,660,923</u>	<u>18,713,016</u>
Business-Type Activities:				
Interest Earnings	36,887	21,793	15,796	7,667
Transfers	102,369	(231,471)	(175,536)	(234,934)
Total Business-Type Activities General Revenues and Other	<u>139,256</u>	<u>(209,678)</u>	<u>(159,740)</u>	<u>(227,267)</u>
Total Primary Government General Revenues and Other	<u>\$16,785,748</u>	<u>\$ 14,581,752</u>	<u>\$ 13,501,183</u>	<u>\$ 18,485,749</u>
Change in Net Position				
Governmental Activities	\$ 3,517,669	\$ 1,819,575	\$ 114,553	\$ 271,540
Business-Type Activities	866,510	872,864	1,091,527	(575,595)
Total Primary Government	<u>\$ 4,384,179</u>	<u>\$ 2,692,439</u>	<u>\$ 1,206,080</u>	<u>\$ (304,055)</u>
Other Changes in Net Position				
Adjustment to Beginning Net Position				
Governmental Activities	\$ 1,390,804	\$ 1,030,162	\$ 7,090,384	\$ -
Adjustment to Beginning Net Position				
Business-Type Activities	\$ -	\$ -	\$ 588,231	\$ -

*As originally reported (See Note O)

**As originally reported

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.

2014	2013	2012	2011	2010	2009
\$ 8,458,632	\$ 7,999,306	\$ 8,180,013	\$ 9,105,512	\$ 9,084,949	\$ 7,038,059
11,114,808	10,416,626	12,123,164	9,217,426	9,085,179	10,480,581
9,836,947	8,719,423	11,046,408	8,334,529	8,373,194	9,192,297
24,974	25,071	23,714	60,626	161,457	339,774
378,498	256,258	50,370	53,244	42,471	107,257
244,499	228,588	232,399	(282,909)	(286,227)	(307,250)
30,058,358	27,645,272	31,656,068	26,488,428	26,461,023	26,850,718
6,767	7,497	9,870	19,392	42,220	102,084
(244,499)	(228,588)	(232,399)	282,909	286,227	307,250
(237,732)	(221,091)	(222,529)	302,301	328,447	409,334
\$ 29,820,626	\$ 27,424,181	\$ 31,433,539	\$ 26,790,729	\$ 26,789,470	\$ 27,260,052
(\$ 2,764,191)	\$ 586,143	\$ 13,329,317	\$ 1,296,294	\$ 1,399,791	\$ 2,462,006
229,622	(479,727)	5,566,376	1,527,819	886,178	541,828
\$ (2,534,569)	\$ 106,416	\$ 18,895,693	\$ 2,824,113	\$ 2,285,969	\$ 3,003,834

\$ - \$ - \$ - \$ - \$ - \$ -

\$ - \$ - \$ - \$ - \$ - \$ -

(Concluded)

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

	2018	2017*	2016**	2015
General Fund				
Nonspendable	\$ 88,028	\$ 84,891	\$ 59,503	\$ 56,224
Restricted	-	-	-	264,249
Assigned	6,724,863	5,032,593	-	-
Unassigned	5,969,811	6,044,904	252,130	-
Unreserved	-	-	9,755,720	10,517,555
Total General Fund	\$ 12,782,702	\$ 11,162,388	\$ 10,067,353	\$ 10,838,028
All Other Governmental Funds				
Unreserved, Reported in:				
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -
Nonspendable	13,083	68,030	74,965	60,260
Restricted	9,112,481	7,578,732	1,932,759	1,821,254
Assigned	-	-	588,586	648,170
Unassigned	(290,029)	(367,325)	(51,108)	(10,908)
Total All Other Governmental Funds	\$ 8,835,535	\$ 7,279,437	\$ 2,545,202	\$ 2,518,776

*As originally reported (See Note O)

**As originally reported

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.

2014	2013	2012	2011	2010	2009
\$ 75,552	\$ 149,684	\$ -	\$ -	\$ -	\$ -
281,473	351,280	3,444,681	-	-	-
-	-	-	-	-	-
9,299,920	7,849,574	3,202,982	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,814,263</u>	<u>6,681,397</u>	<u>8,909,762</u>
<u>\$ 9,656,945</u>	<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>
\$ -	\$ -	\$ -	\$ 3,529,268	\$ 3,261,952	\$ 2,880,873
102,815	165,533	208,406	-	-	-
1,744,563	12,291,501	2,319,089	-	-	-
692,301	670,050	825,024	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,539,679</u>	<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>

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

	2018	2017	2016	2015
Revenues				
Property Taxes	\$ 9,940,792	\$ 9,221,854	\$ 8,980,302	\$ 9,122,612
Other Taxes	1,134,047	1,096,886	1,487,228	4,422,023
Intergovernmental	5,432,476	4,126,885	2,820,612	5,924,862
Payments in Lieu of Taxes	641,139	503,684	356,492	366,601
Charges for Services	411,515	341,493	318,738	309,934
Licenses and Permits	418,321	262,329	203,731	101,970
Fines	136,231	87,689	120,630	120,273
Grants and Allotments	535,198	343,400	381,865	392,945
Interest Income	176,636	80,360	38,328	31,943
Other	1,948,465	830,083	526,529	544,382
Total Revenue	<u>20,774,820</u>	<u>16,894,663</u>	<u>15,234,455</u>	<u>21,337,545</u>
Expenditures				
Current:				
General Government	8,395,321	7,394,503	7,532,076	11,709,510
Public Safety	3,190,310	3,133,012	2,973,486	2,799,678
Streets and Bridges	1,794,072	1,601,270	1,557,896	1,964,044
Community Development	1,119,447	396,448	408,738	370,793
Employee Benefits and Pension	1,428,441	1,140,318	1,097,549	1,040,026
Capital Outlay	1,028,710	514,302	420,447	385,484
Debt Service - Principal	1,510,000	1,787,500	1,730,000	1,662,500
Debt Service - Interest and Fees	420,742	494,112	438,718	495,139
Total Expenditures	<u>18,887,043</u>	<u>16,461,465</u>	<u>16,158,910</u>	<u>20,427,174</u>
Excess (Deficiency) of Revenue Over Expenditures	1,887,777	433,198	(924,455)	910,371
Other Financing Sources (Uses)				
Debt Issuance	-	4,697,000	-	-
Premium on Bonds Sold	-	333,349	-	-
Sale of Capital Assets	200	8,175	4,670	14,875
Transfer to Escrow Paying Agent	-	(904,085)	-	-
Transfers In	1,230,537	474,903	673,536	1,091,023
Transfers Out	(1,332,906)	(243,432)	(498,000)	(856,089)
Total Other Financing Sources (Uses)	<u>(102,169)</u>	<u>4,365,910</u>	<u>180,206</u>	<u>249,809</u>
Net Change in Fund Balances	<u>\$ 1,785,608</u>	<u>\$ 4,799,108</u>	<u>(\$ 744,249)</u>	<u>\$ 1,160,180</u>
Debt Service as a Percentage of Noncapital Expenditures	11.6%	15.3%	13.7%	10.6%
Expenditures Capitalized as Assets	\$ 2,174,966	\$ 1,542,375	\$ 291,141	\$ 116,154

2014	2013	2012	2011	2010	2009
\$ 8,458,632	\$ 7,999,306	\$ 8,180,013	\$ 9,105,512	\$ 9,084,949	\$ 7,038,059
9,678,170	9,088,198	10,684,556	8,484,904	8,324,936	9,645,213
11,042,704	10,394,491	11,777,018	9,345,563	9,051,030	10,960,663
310,572	320,189	258,306	295,860	297,086	197,128
311,674	281,676	288,613	311,393	289,571	266,239
84,748	94,937	87,315	91,068	105,604	115,269
157,255	166,472	286,038	229,401	202,228	130,223
444,949	426,527	429,476	451,461	359,956	419,980
24,974	25,071	23,714	60,626	161,456	339,774
475,581	501,066	206,795	171,707	376,247	579,214
30,989,259	29,297,933	32,221,844	28,547,495	28,253,063	29,691,762
26,864,975	20,236,934	23,198,292	20,541,863	20,266,855	19,551,868
2,736,291	2,743,588	2,837,799	2,828,446	2,733,070	2,653,213
2,307,467	1,684,471	1,644,996	2,801,523	3,112,561	2,164,308
361,538	332,758	376,664	576,103	671,232	657,046
984,898	919,944	874,610	905,379	716,583	753,599
569,927	168,465	2,327	291,798	469,127	2,179,359
1,595,000	1,297,500	1,262,500	1,133,750	1,007,500	976,250
335,035	579,189	657,976	785,542	837,494	914,173
35,755,131	27,962,849	30,855,164	29,864,404	29,814,422	29,849,816
(4,765,872)	1,335,084	1,366,680	(1,316,909)	(1,561,359)	(158,054)
-	9,710,000	5,085,000	-	-	-
-	203,768	136,536	-	-	-
-	-	-	-	300	-
(4,759,625)	-	(5,150,214)	-	-	-
1,044,499	555,588	618,649	1,590,102	1,711,783	1,490,761
(800,000)	(327,000)	(400,000)	(1,873,011)	(1,998,010)	(1,798,011)
(4,515,126)	10,142,356	289,971	(282,909)	(285,927)	(307,250)
(\$ 9,280,998)	\$ 11,477,440	\$ 1,656,651	(\$ 1,599,818)	(\$ 1,847,286)	(\$ 465,304)
5.5%	6.8%	6.2%	7.3%	7.0%	7.3%
\$ 533,751	\$ 168,465	\$ 2,327	\$ 3,642,340	\$ 3,401,689	\$ 3,861,755

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		
2017	\$ 194,547,064	\$ 953,266	\$ 36,662,374	\$ 232,162,704	\$ 73,150,038
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

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				
\$ 469,269	\$19,382,917	\$ 93,002,224	\$ 325,164,928	0.7357	\$ 975,494,784	33.33%
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%

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

Tax Rates Per \$100 Assessed Valuation (1)	2017	2016	2015	2014	2013
Village of Channahon (2)	0.7357	0.7524	0.7582	0.7212	0.7480
Village of Channahon Road and Bridge	0.1020	0.0717	0.0555	0.0547	0.0534
Total Village (3)	0.8377	0.8241	0.8137	0.7759	0.8014
Will County (Including Forest Preserve)	0.7881	0.8091	0.8295	0.8410	0.8186
Channahon Township	0.0325	0.0341	0.0901	0.0888	0.0869
Channahon Fire Protection District	0.9942	1.0054	1.0501	1.0504	1.0222
Three Rivers Library District	0.1114	0.1146	0.1158	0.1186	0.1175
Channahon School District 17	2.7457	2.7081	2.7339	2.8220	2.8377
Minooka Community High School District 111	2.5839	2.6620	2.5494	2.5141	2.3525
Community College District 525	0.2994	0.3099	0.3065	0.3085	0.2955
Channahon Park District	0.3193	0.3238	0.3308	0.3272	0.3182
Total	8.7122	8.7911	8.8198	8.8465	8.6505
	2012	2011	2010	2009	2008
Village of Channahon (2)	0.6851	0.6115	0.5136	0.5239	0.5239
Village of Channahon Road and Bridge	0.0540	0.0536	0.0546	0.0531	0.0528
Total Village (3)	0.7391	0.6651	0.5682	0.5770	0.5767
Will County (Including Forest Preserve)	0.7767	0.7244	0.6841	0.0654	0.6387
Channahon Township	0.0863	0.0842	0.0843	0.0819	0.0816
Channahon Fire Protection District	0.9646	0.8866	0.8680	0.0820	0.8132
Three Rivers Library District	0.1141	0.1033	0.0941	0.0906	0.0906
Channahon School District 17	2.8076	2.6807	2.5352	2.5651	2.5651
Minooka Community High School District 111	2.3580	2.3265	2.2949	2.3027	2.3246
Community College District 525	0.2768	0.2463	0.2270	0.2144	0.1896
Channahon Park District	0.3151	0.2816	0.3074	0.2974	0.3029
Total	8.4383	7.9987	7.6632	6.2765	7.5830

Notes:

- (1) Source: County Clerk, Will County
- (2) Includes corporate, street and bridge, police protection, audit, insurance, IMRF, SS and police pension
- (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	2017 Equalized Assessed Valuation	Percentage of 2017 Equalized Assessed Valuation	2017 Rank
Aux Sable Liquid Products	Chemicals	\$ 86,327,966	26.55%	1
DOKA USA LTD	Concrete Barriers	2,492,312	0.77%	2
Interstate Chemical Co., Inc.	Chemicals	1,700,837	0.52%	3
Thontons, Inc.	Fueling Station	1,399,271	0.43%	4
Alpont Realty	Real Estate	1,259,913	0.39%	5
Barr, George/Goldstein	Legal/Property Manage.	1,046,657	0.32%	6
Chicago Title Land Trust Company	Financial	775,730	0.24%	7
El Zapote Enterprises LLC	Individual	713,093	0.22%	8
Mosak Properties LLC	Construction	708,087	0.22%	9
K & J Management Co., LLC	Property Management	702,318	0.22%	10
		<u>\$ 97,126,184</u>	<u>29.88%</u>	
Total Village Assessed Valuation		<u>\$ 325,164,928</u>		

Taxpayer	Type of Business, Property	2008 Equalized Assessed Valuation	Percentage of 2008 Equalized Assessed Valuation	2008 Rank
DOKA USA Ltd	Concrete Barriers	\$ 2,433,912	0.67%	1
Coleman Management	Chemicals	1,700,837	0.47%	2
International Chemical	Chemicals	1,259,913	0.35%	3
George Barr/Goldstein	Investor Group	1,046,657	0.29%	4
Romar Cabinets	Industrial Park	831,117	0.23%	5
TAC of Illinois	Tank Wash	724,287	0.20%	6
K&J Management	Developers	710,421	0.19%	7
Marck, Kathleen Mosak	Individual	702,116	0.19%	8
B R Channahon LLC	Developers	662,463	0.18%	9
JP Ruth	Individual	636,583	0.17%	10
		<u>\$ 10,708,306</u>	<u>2.94%</u>	
Total Village Assessed Valuation		<u>\$ 364,906,482</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 2017 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>	2017	2016	2015	2014	2013
General	0.1963	0.2236	0.2516	0.2069	0.1953
Police Protection	0.0609	0.0604	0.0753	0.0648	0.0586
Social Security	0.0684	0.0644	0.0639	0.0720	0.0683
Audit	0.0123	0.0115	0.0102	0.0105	0.0103
Insurance	0.0906	0.0824	0.0613	0.0516	0.1303
Police Pension	0.1933	0.1910	0.1983	0.1715	0.1540
Illinois Municipal Retirement Fund	0.1139	0.1191	0.0976	0.1439	0.1312
Total	0.7357	0.7524	0.7582	0.7212	0.7480

<u>Property Tax Extensions by Fund</u>					
General	\$ 640,903	\$ 692,806	\$ 723,246	\$ 575,127	\$ 550,102
Police Protection	198,581	187,097	216,403	180,106	165,063
Social Security	223,144	199,431	183,687	200,099	192,325
Audit	40,002	35,496	29,283	29,145	29,013
Insurance	295,503	255,091	176,164	143,387	367,026
Police Pension	630,730	591,695	570,036	476,723	433,746
Illinois Municipal Retirement Fund	371,670	368,820	280,532	400,025	369,515
Total	\$2,400,533	\$2,330,436	\$2,179,351	\$2,004,612	\$2,106,790

Current Year Collections	\$ -	\$ -	\$ -	\$ -	\$ -
Subsequent Collections	-	2,328,552	2,165,743	2,002,724	2,105,714
Total Collections	\$ -	\$2,328,552	\$2,165,743	\$2,002,724	\$2,105,714

Percentage of Extensions Collected	0.00%	99.92%	99.38%	99.91%	99.95%
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Other Property Taxes					
Street and Bridge (Extension Excluding Township Portion)	\$ 116,571	\$ 170,359	\$ 164,515	\$ 113,996	\$ 107,458
Street and Bridge Property Tax Collections	-	127,082	121,947	113,466	107,203
Tax Increment Property Tax Collections	\$ -	\$7,829,293	\$6,934,164	\$6,863,087	\$6,907,818

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

Information obtained from the respective County Clerk's Office.

2012	2011	2010	2009	2008
0.2136	0.1921	0.1811	0.1997	0.2073
0.0652	0.0587	0.0568	0.0633	0.0799
0.0642	0.0686	0.0397	0.0610	0.0659
0.0101	0.0093	0.0082	0.0075	0.0079
0.0809	0.0581	0.0499	0.0490	0.0415
0.1431	0.1286	0.1098	0.0654	0.0576
0.1080	0.0961	0.0681	0.0780	0.0638
0.6851	0.6115	0.5136	0.5239	0.5239

\$ 629,743	\$ 615,091	\$ 641,693	\$ 730,458	\$ 756,504
192,239	187,872	201,064	231,537	291,430
189,127	219,274	140,103	223,124	240,557
29,752	29,752	29,233	27,433	28,720
238,532	186,002	176,822	179,231	151,371
421,912	411,696	390,006	239,218	210,270
318,286	307,338	240,991	285,307	232,894

\$2,019,591	\$1,957,025	\$1,819,912	\$1,916,308	\$1,911,746
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\$ -	\$ -	\$ -	\$ -	\$ -
2,014,739	1,945,974	1,743,456	1,899,306	1,891,072
\$2,014,739	\$1,945,974	\$1,743,456	\$1,899,306	\$1,891,072

99.76%	99.44%	95.80%	99.11%	98.92%
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\$ 112,088	\$ 135,304	\$ 144,059	\$ 144,059	\$ 163,997
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111,634	134,441	141,048	143,713	163,519
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\$6,293,103	\$5,901,172	\$6,296,453	\$7,062,493	\$7,030,357
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Village of Channahon, Illinois
SCHEDULE OF VILLAGE SALES TAXES BY INDUSTRY
Year Ended April 30, 2018

Type of Industry	Home Rule Sales Tax	State Sales Tax	Total Sales Tax
Generators	\$ 29,791	\$ 151,769	\$ 181,560
Retail	76,971	158,147	235,118
Fuel Suppliers	118,827	589,000	707,827
Manufacturers	56,265	62,890	119,155
Construction	128,713	-	128,713
Other	410,569	95,501	506,070
Total	\$ 821,136	\$ 1,057,307	\$ 1,878,443

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
2018	\$ 821,136	\$ 1,057,307	\$ 1,878,443	\$ 187,844,300
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

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
2018	\$ 9,864,500	\$ 443,711	\$ 1,490,000	\$ 4,930,500	\$ 172,342	\$ 906,874
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
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
2018	\$ 17,807,927	4.68%	12,600	\$ 1,413	\$ 783	\$ 1,717
2017	20,146,515	5.29%	12,600	1,599	847	1,945
2016	17,566,658	4.61%	12,600	1,394	633	1,872
2015	20,076,881	5.27%	12,600	1,593	719	2,286
2014	22,494,186	5.86%	12,560	1,791	804	2,053
2013	29,486,175	7.87%	12,560	2,348	883	2,242
2012	21,531,114	5.81%	12,560	1,714	551	2,406
2011	23,406,565	6.50%	12,386	1,890	620	2,578
2010	24,323,666	6.76%	12,386	1,964	676	2,581
2009	25,832,650	8.67%	9,757	2,648	920	2,847

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, 2018

	Total Debt	Applicable Percent	Direct And Overlapping Debt
<u>Direct Debt</u>			
Village of Channahon (1)	\$ 11,798,211	100.00%	\$ 11,798,211
<u>Overlapping Debt (2)</u>			
<u>Schools</u>			
Coal City CUSD Number 1	34,735,000	0.025%	8,700
Joliet CCD No. 525	73,435,000	1.597%	1,172,556
Joliet Township High School District 204	88,550,000	0.417%	369,002
Minooka Community High School District 111	58,720,000	23.850%	14,004,720
Minooka Junior High School District 201	74,889,860	10.689%	8,005,207
Morris CHSD Number 101	5,480,000	1.374%	75,288
Saratoga CCSD Number 60C	7,415,000	3.170%	235,027
Troy Community Consolidated School District 30C	68,458,000	3.645%	2,495,294
Wilmington School District 209U	29,292,940	0.776%	227,381
Total Schools			26,593,175
<u>Other Than Schools</u>			
Channahon Park District	920,040	34.818%	320,340
Grundy County	12,002,645	4.525%	543,089
Will County	-	1.127%	-
Will County Forest Preserve District	108,309,792	1.127%	1,220,651
Total Other Than Schools			2,084,080
Total Overlapping Debt			28,677,255
Total Direct and Overlapping Debt			\$ 40,475,466

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 2017 EAV.
Overlapping debt outstanding as of April 2018.

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						Coverage
	Utility	Less:	Net	Debt Service			
	Service Charges	Operating Expenses	Available Revenue	Principal	Interest		
2018	\$ 4,079,031	\$ 2,075,844	\$ 2,003,187	\$ 777,135	\$ 154,086	215%	
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%	

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			
2018	\$ 7,680,605	\$ 6,907,580	\$ 773,025	\$ 705,000	\$ 87,800	98%
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%

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 2016							
Fiscal Year	Motor Fuel Taxes	Less: Operating Expenditures	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2018	\$ 343,201	\$ 300,000	\$ 43,201	\$ 225,000	\$ 128,380	12%	
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%	

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		
2018	\$ -	\$ -	\$ -	\$ 375,000	\$ 61,641	0%	
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%	

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, 2018

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
2018	12,600	\$ 30,757	\$ 387,538,200	5.4%
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%

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	2018 Number of Employees	Percent of 2018 Total Employment
Channahon Park District	Park Facilities	179	7.16%
Channahon Grade School District 17	Grade School	155	6.20%
Brieser Construction	Construction	115	4.60%
Utility Concrete Products, LLC	Industrial, Manufacturing, Concrete	90	3.60%
Romar Cabinet & Top Co. Inc.	Construction, Home Improvement	85	3.40%
Martin Whalen Office Solutions	Office Equipment, Supplies & Services	70	2.80%
Aux Sable Liquid Products	Natural Gas Extraction	60	2.40%
Village of Channahon	Municipality	53	2.12%
DOKA USA Ltd	Manufacturing	50	2.00%
JB Hunt Transport, Inc.	Industrial, Logistics, Trucking, Automotive	43	1.72%

Employer	Type of Business or Property	2009 Number of Employees	Percent of 2009 Total Employment
Channahon Grade School District 17	Grade School	137	6.35%
A&R Transport	Trucking	115	5.33%
Brieser Construction	Construction	82	3.80%
Aux Sable Liquid Products	Natural Gas Extraction	78	3.62%
Martin Whalen	Office Furniture & Supplies	70	3.25%
Romar Cabinets	Cabinets	69	3.20%
Village of Channahon	Municipality	66	3.06%
Utility Concrete	Concrete Forms	65	3.01%
DNJ Transportation	Trucking	60	2.78%
Packard Trucking	Trucking	58	2.69%

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	2018	2017	2016	2015	2014
General Government					
Administrative Department	4	4	4	4	4
Finance Department	3	3	3	3	4
Public Safety					
Police Department	24	26	26	24	25
Community Development					
Community and Economic Development	5	4	5	5	3
Public Works and Utilities					
Street Department	14	12	12	13	13
Water and Sewer	3	3	4	3	4
TOTAL STAFF	53	52	54	52	53
	2013	2012	2011	2010	2009
General Government					
Administrative Department	4	4	4	3	3
Finance Department	4	4	4	6	6
Public Safety					
Police Department	26	26	29	29	29
Community Development					
Community and Economic Development	3	3	7	8	8
Public Works and Utilities					
Street Department	13	13	15	15	15
Water and Sewer	4	4	5	5	5
TOTAL STAFF	54	54	64	66	66

Source of Information: Village Human Resources

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

Function	2018	2017	2016	2015
General Government				
Administration				
Resolutions Adopted	15	21	23	22
Ordinances Adopted	38	45	42	26
Village Newsletters	-	-	-	-
Finance				
Purchase Orders Processed	176	173	79	484
Nonpayroll Checks Issued	1,399	1,413	1,493	1,660
Utility Bills Issued	44,227	43,117	43,111	43,299
Accounts Payables Processed	2,351	2,438	2,520	2,598
Community Development				
Residential Building Permits	113	62	16	10
Commercial Permits	1	2	1	-
Commercial Square Footage Permitted	1,000,110	749,554	5,500	-
Public Safety				
Calls for Service	7,710	8,497	11,899	8,635
Reports Processed	2,790	3,037	1,937	2,261
Number of Cases Investigated	237	366	174	156
Training Hours	1,241	2,072	2,544	3,065
Patrol Miles	207,939	212,120	172,518	179,593
Streets				
Tons of Salt Used for Snow Removal	1,103	836	690	1,530
Water And Sewer				
Peak Day Water Pumpage-Gallons	1,413,000	1,598,000	1,661,000	1,725,000
Average Daily Water Pumpage - Gallons	702,443	619,559	626,342	760,386
Average Daily Sewage Treatment- Gallons	643,000	669,000	705,000	681,916

Source of Information: Various Village Departments

2014	2013	2012	2011	2010	2009
18	33	10	17	15	34
36	49	44	28	36	43
-	2	2	3	3	3
784	743	719	910	913	992
1,844	1,654	1,764	2,133	2,211	2,335
41,040	48,720	47,580	47,472	47,201	45,157
2,791	2,551	2,573	3,251	3,566	3,704
7	6	3	3	11	28
2	-	1	-	4	4
21,369	-	4,836	-	91,781	100,587
9,077	10,270	11,461	11,034	11,944	11,716
2,847	2,716	4,935	4,614	5,270	4,306
205	203	208	224	216	360
1,540	1,410	2,301	3,134	2,263	2,530
166,425	164,203	187,939	197,037	259,930	291,989
1,653	1,071	702	1,173	1,023	1,223
1,698,000	1,757,000	1,422,000	1,131,000	1,183,000	1,076,000
680,438	690,496	670,396	749,422	666,148	821,918
714,000	546,000	653,000	607,083	580,000	493,151

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

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Administration										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	1	1	1	1	1	1	1	1	1	1
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	18	18	18	16	16	16	16	16	15	15
Streets										
Miles of Streets	82	94	94	94	94	94	94	83	83	81
Vehicles	17	17	17	17	17	17	17	17	18	18
Buildings	3	3	3	3	3	3	3	3	3	3
Community Development										
Vehicles	2	2	2	2	2	3	3	3	5	5
Water and Sewer										
Water										
Buildings	3	3	3	3	3	3	3	3	7	7
Storage Capacity (Thousands of Gallons)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	950
Vehicles	3	3	3	3	3	4	4	2	2	2
Sewer										
Buildings	9	9	9	9	9	9	9	9	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, 2018

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:	3,983
Number of Registered Voters:	6,798
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.