

VILLAGE OF LITTLE CHUTE

**POPULAR ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2020**



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HORIZONS**

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**EXCEEDING
EXPECTATIONS**

LITTLE CHUTE AT A GLANCE

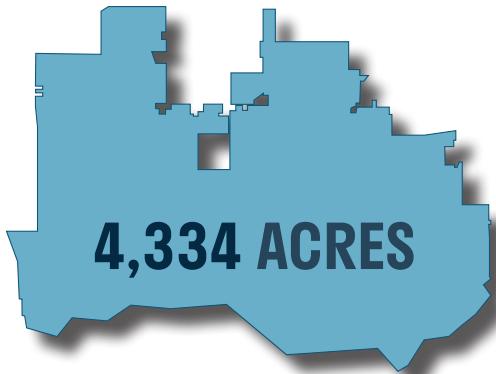
MISSION STATEMENT

Little Chute is committed to preserving community character, enhancing quality of life, and building a sustainable community for future generations through visionary leadership and citizen engagement.

Nelson Crossing Bridge Construction Fall 2020

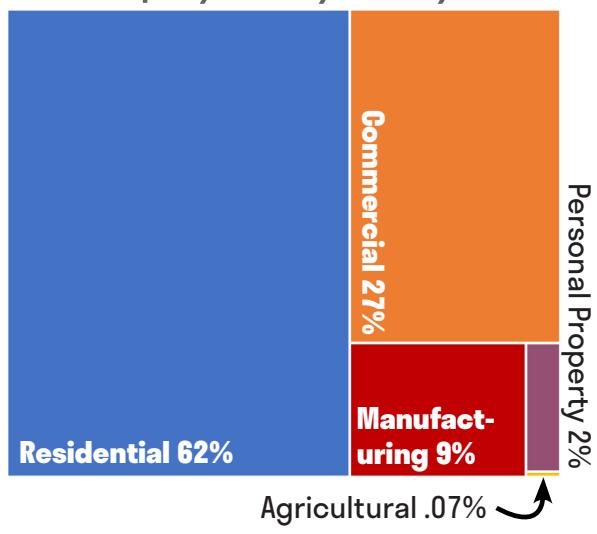


11,947 RESIDENTS



\$228M
2020 Adopted
Village Budget

EQUALIZED LAND VALUE
\$1,015,966,200



INTRODUCTION

We are pleased to present the Village of Little Chute's first popular annual financial report (PAFR) for the fiscal year ended December 31, 2020. The PAFR summarizes the Village's financial information in a user-friendly and simplified format. Our goal in producing this report is to present the Village's finances in a manner that appeals to a wider audience, enhancing the interest and understanding of the Village's overall financial condition.

Each year Little Chute prepares detailed financial information in our Annual Comprehensive Financial Report. The ACFR presents audited financial information in a technical and detailed format. The format of the PAFR is intended to present the information at a summarized, easy to understand level, removing technical details. The PAFR is unaudited and does not comply with generally accepted accounting principles, although the financial information stems directly from the ACFR. For more in-depth information, you can view the Village's Annual Comprehensive Financial Report at www.littlechutewi.org/DocumentCenter/View/6105/Final-Annual-Comprehensive-Financial-Report

Nestled in the heart of the Fox River Valley on the eastern border of the City of Appleton and on the Fox River, the Village of Little Chute is Outagamie County's largest village with a population of approximately 12,000 residents. Little Chute is a community proud of its Dutch heritage and its participation with our neighboring communities in the cultural, residential, business, and recreational life of the Fox Cities and Fox River Valley. The Village is a full-service municipality offering quality municipal services while maintaining a combined local municipal tax and utility rates that are among the lowest compared with the other incorporated communities in the Fox Cities Area.

We hope the PAFR gives readers a glimpse of the Village's success and financial condition. Please contact me directly with any questions.

Sincerely,

Lisa A Remiker-DeWall
Lisa A Remiker-DeWall CPA, CPFO
Director of Finance
lisa@littlechutewi.org

VILLAGE PRESIDENT

**Michael
Vanden Berg**

VILLAGE BOARD (as of 12.31.2020)

James Hietpas

**Bill
Peerenboom**

Skip Smith

**Don
Van Deurzen**

**Brian
Van Lankveldt**

**Larry
Van Lankveldt**

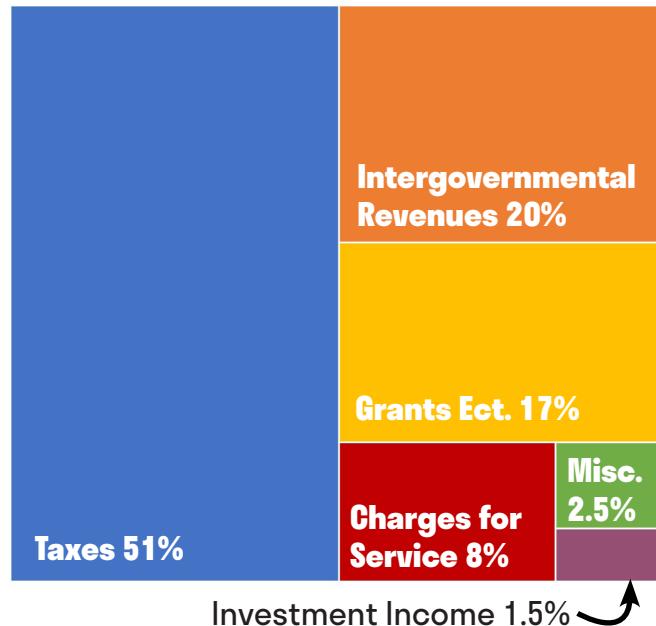
NOTE: The analysis on the following pages uses the Government-wide statement of activities using the economic resources measurement focus and the accrual basis of accounting unless noted otherwise.

REVENUES

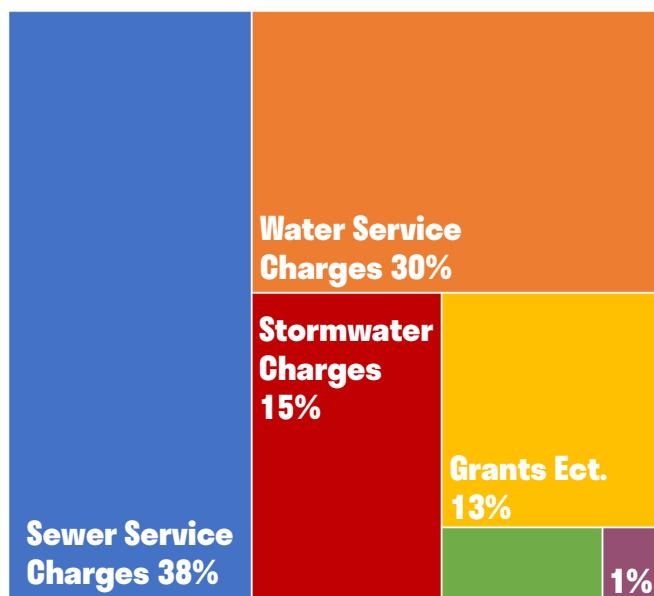
WHERE DOES OUR MONEY COME FROM?

The largest source of revenue for Village of Little Chute comes from taxes, which make up about 50.5% of the governmental activities revenues for the Village. Property taxes make up the largest portion of the tax revenue.

2020 GOVERNMENTAL ACTIVITIES	AMOUNT
Taxes	\$8,059,288
Intergovernmental Revenues	\$3,243,682
Grants, Contributions and Transfers	\$2,737,812
Charges for Services	\$1,283,927
Miscellaneous	\$385,819
Investment Income	\$235,380
TOTAL	\$15,945,908



Additionally, our sewer, water, and stormwater utility make up about 82.6% of the Business Type (Utilities) revenues for the Village. All three utilities have net operating income from operations and overall increased their net position funding improvements to the system.



2020 BUSINESS-TYPE (UTILITY) ACTIVITIES	AMOUNT
Sewer Service Charges	\$2,865,938
Water Service Charges	\$2,289,352
Stormwater Charges	\$1,171,123
Grants, Contributions & Transfers	\$1,016,008
Investment Income	\$237,743
Miscellaneous	\$82,671
TOTAL	\$7,662,835

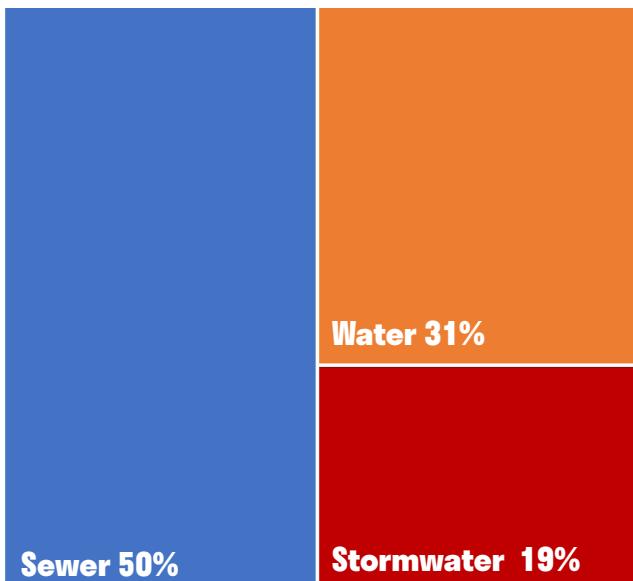
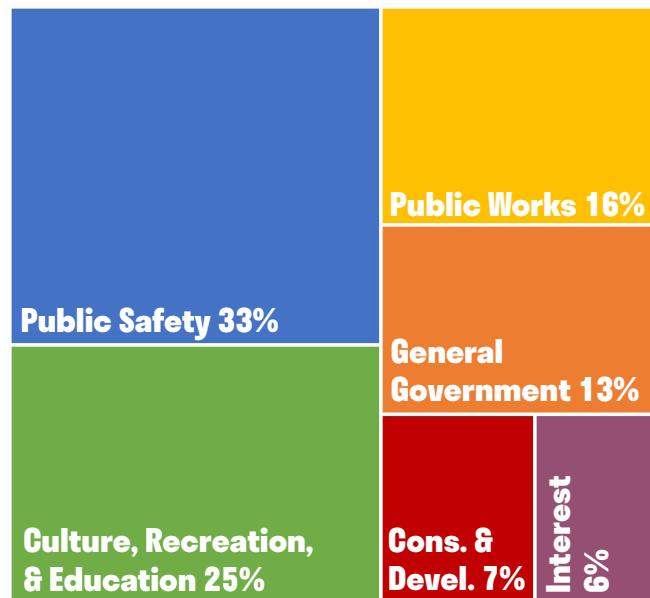
EXPENDITURES

WHERE DOES OUR MONEY GO?

The Village of Little Chute spends about 32.2% of its governmental budget on Public Safety, which is the largest spending category. This year, Culture, Recreation and Education was higher than Public Works due to the construction of the Nelson Crossing Boardwalk across the Fox River connecting Little Chute and Kaukauna (joint project). Public works came in at 15.7% of total expenditures ensuring safe roads and garbage/recyclables are collected.

2020 GOVERNMENTAL ACTIVITIES EXPENSES

	AMOUNT
Public Safety	\$3,651,316
Culture, Recreation, & Education	\$2,811,960
Public Works	\$1,772,645
General Government	\$1,540,110
Conservation & Development	\$853,679
Interest	\$697,050
TOTAL	\$11,326,760



	AMOUNT
Sewer Operation & Maintenance	\$2,858,860
Water Operation & Maintenance	\$1,805,837
Stormwater Operation & Maintenance	\$1,118,382
TOTAL	\$5,783,079

RATES

Rate setting authority for the Sewer and Stormwater Utility is governed by the Village Board while the Water Utility is subject to oversight by the Public Service Commission.

UTILITY TYPE

Sewer
Water
Stormwater

INCREASE INFORMATION

No increase to rate since 7.1.2001
Last increase of 3% occurred on 9.29.2015
No increase to rate since 1.1.2017

YOUR TAX BILL

WHERE DOES IT GO?



PUBLIC SCHOOLS 46%

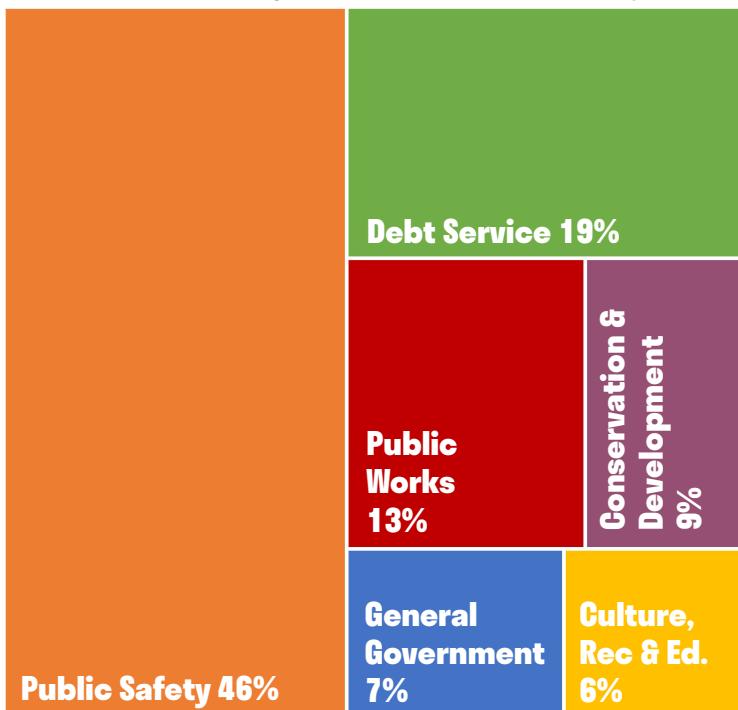


VILLAGE 31%

COUNTY 18%
TECHNICAL COLLEGE 5%

VILLAGE BREAKDOWN

How does the Village spend it's 31 cents of your tax dollar?

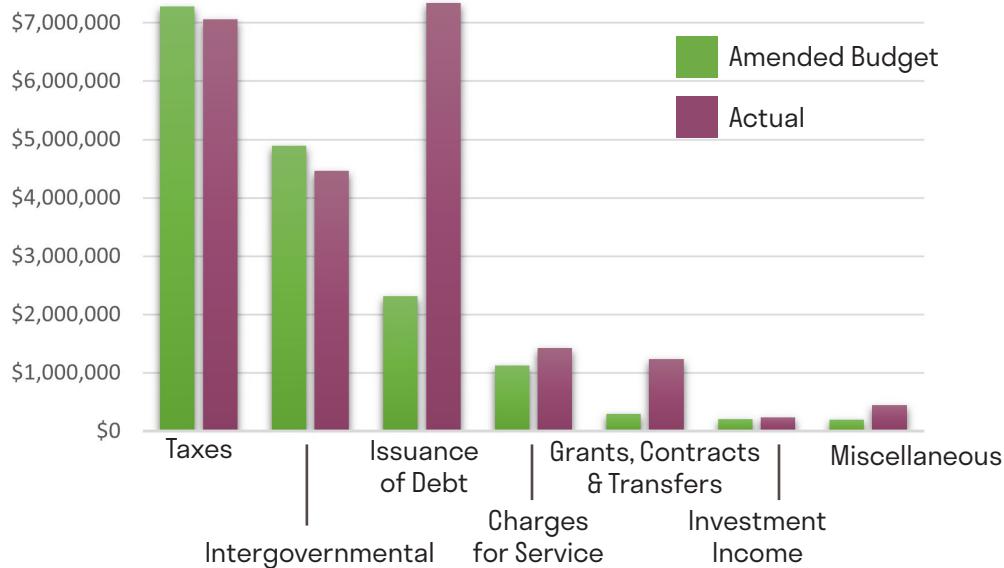


NOTE: This is a breakdown of tax dollars only and does not include all revenues as detailed on Page 4.

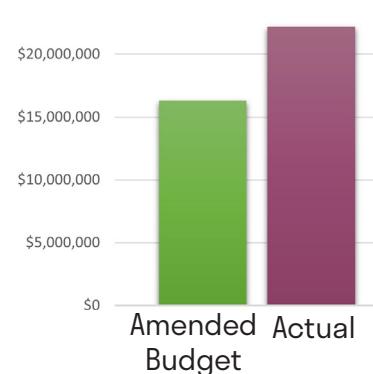
BUDGET PERFORMANCE

HOW DID WE DO THIS YEAR?

REVENUE

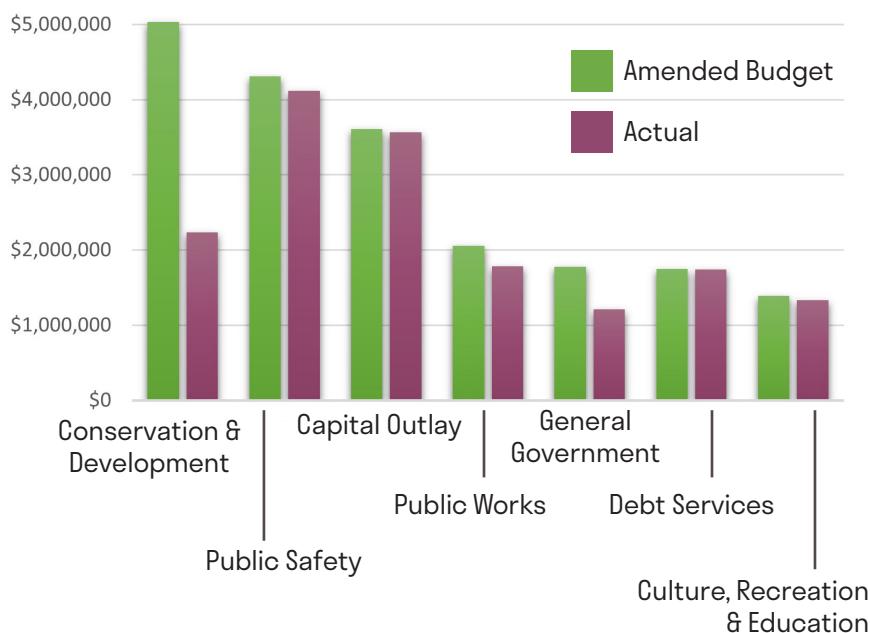


TOTAL REVENUE

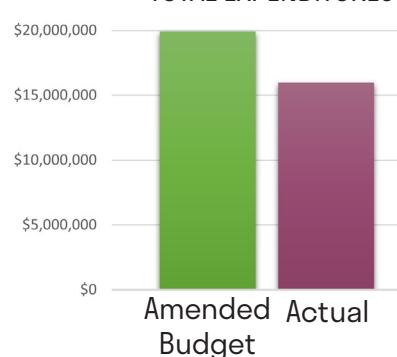


Actual revenues exceeded the amended budget mainly because the Village borrowed in 2020 to finance upcoming projects in both 2020 and 2021. This approach was used to take advantage of the favorable market. The unspent bond proceeds on December 31, 2020 will be carried over and utilized in 2021. The construction timing of the Nelson Crossing Boardwalk impacted when grant revenues and contributions will be received. In 2020, there was an increase in sanitation fees, as well as continued strong development in the village resulting in favorable building permit revenues.

EXPENDITURES



TOTAL EXPENDITURES

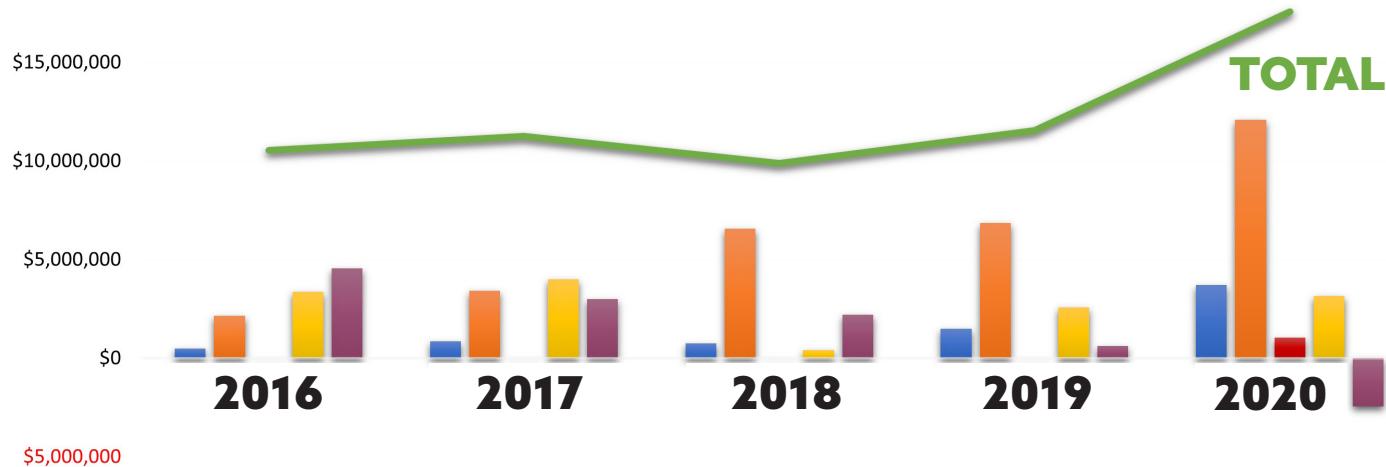


Actual expenses came in less than the amended budget by \$3,947,266; however, \$3,187,041 of this variance represents projects that were budgeted but not completed and will carryover into 2021. The COVID-19 pandemic had various impacts on programs that either could not be carried out or had to be modified significantly in 2020.

GOVERNMENTAL FUND BALANCE

WHAT FUNDS ARE AVAILABLE?

This graph shows the fund balance level for the Village of Little Chute. Fund balance levels can be used as a barometer for the financial health of the Village.



FUND BALANCE CATEGORIES

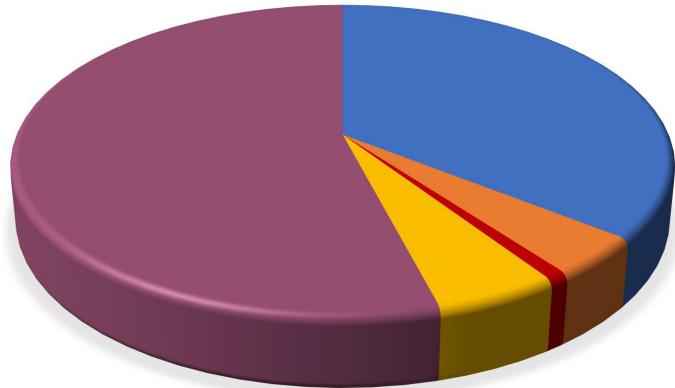
- NONSPENDABLE:** funds include amounts that cannot be spent because they are not in spendable form (inventories or prepaid expenses, for example), or are legally required to remain intact.
- RESTRICTED:** funds that are restricted to a specific purpose by external parties or laws or regulations, constitutional provisions or legislation. (The restricted fund balance has increased due to using internal sources versus incurring outside debt for certain projects.)
- COMMITTED:** funds that are committed for a specific purpose by formal action of the highest level of decision-making authority, usually the Village Board.
- ASSIGNED:** funds that are intended to be used for specific purposes.
- UNASSIGNED:** funds available for any purpose (The unassigned fund balance for governmental funds decreased \$2,782,693 because project costs for the Village's Tax Incremental Districts will be recovered over time.)

NOTE: The above analysis uses the Governmental fund financial statements using the current financial resources measurement and the modified accrued basis of accounting.

DEBT

HOW DO WE PAY FOR LONG-TERM PROJECTS?

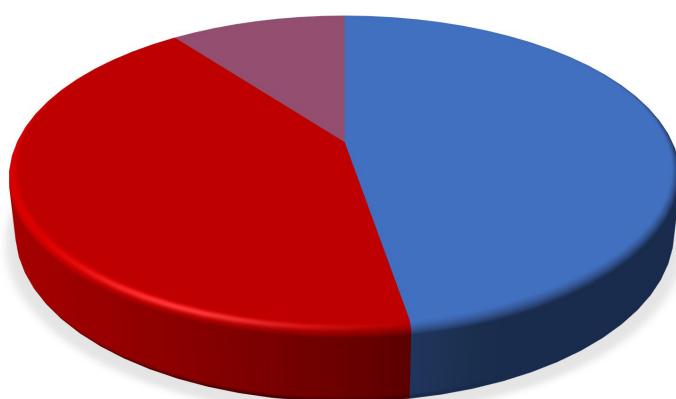
DEBT - DECEMBER 2020



General Obligation Debt	Amount
General	\$10,544,328
Storm Water Utility	\$1,224,603
Sewer Utility	\$254,815
Water Utility	\$1,559,667
Tax Incremental Districts 4, 5, 6, 7 & 8	\$15,996,589
TOTAL	\$29,580,002

REVENUE BOND DEBT

Revenue Bond Debt	Amount
Storm Utility	\$1,723,404
Water Utility	\$1,544,257
Tax Incremental District 5	\$372,000
TOTAL	\$3,639,661



Tax Incremental District: A financing option municipalities have to fund infrastructure and other improvements, through property tax revenue of newly developed property in an identified area. As property values rise, the municipality uses the taxes paid on the development to pay for the project costs.

Aa3

Our Moody's bond rating is the fourth highest rating available and is critical to be able to fund major projects. The high rating saves the taxpayers money by securing better interest rates.

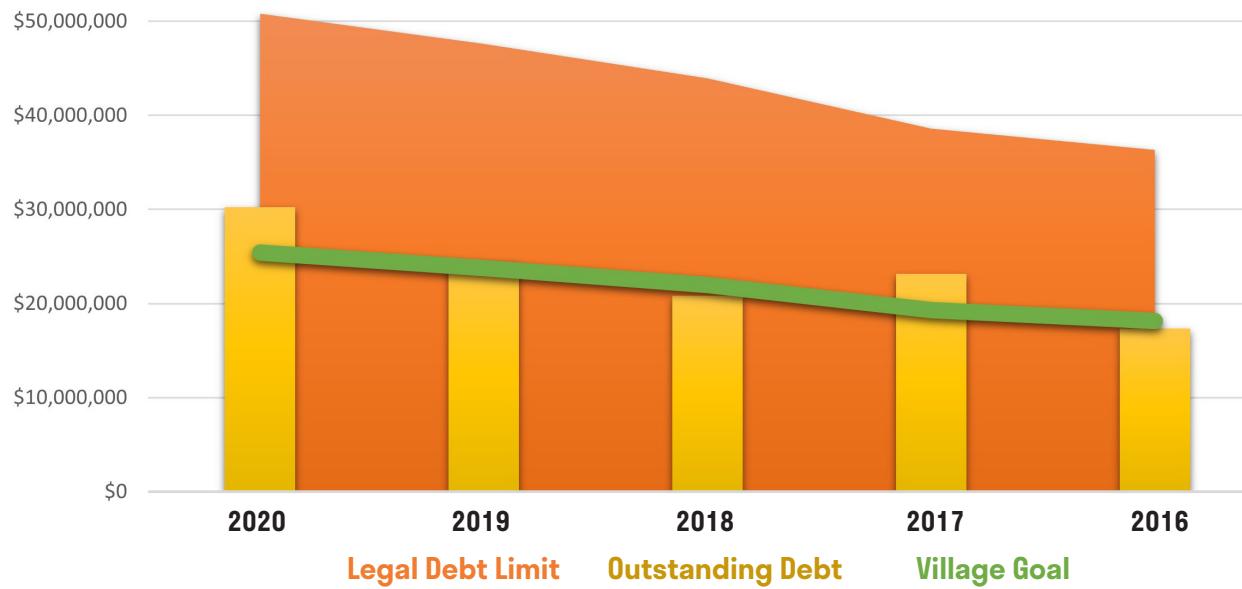
Factors that could lead to an upgrade: Substantial expansion of tax base, or moderation of the Village's debt burden

Factors that could lead to a downgrade: Declines in tax base, narrowing of cash reserves and/or increased debt burden.

MOODY'S RATING SCALE

Aaa	Lowest level of credit risk
Aa1	Very low credit risk
Aa2	
Aa3	
A1	Low credit risk
A2	
A3	
Baa1	Moderate credit risk
Baa2	
Baa3	
Ba1	Substantial credit risk
Ba2	
Ba3	
B1	High credit risk
B2	
B3	
Caa1	Very high credit risk
Caa2	
Caa3	

VILLAGE DEBT MARGIN



The state of Wisconsin limits the Village's general obligation debt. In addition, the Village has its own policy striving to be below 50% of the statutory limit. The Village's outstanding debt is less than the state limits but has hovered around our internal goal. In 2020, the Village borrowed for both the 2020 and 2021 Capital Improvement Plan Projects. No additional debt is planned to be issued in 2021.