

VILLAGE OF LITTLE CHUTE, WI

**POPULAR ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2021**



**Little
Chute**
EST. 1848



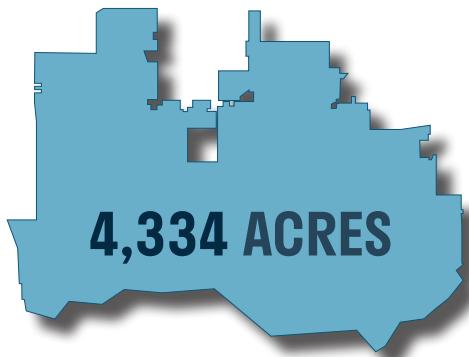
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HORIZONS**

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**EXCEEDING
EXPECTATIONS**

LITTLE CHUTE AT A GLANCE



\$28M
2021 Adopted
Village Budget



Located in the Heart of the
Valley Region of Wisconsin



12,525 RESIDENTS

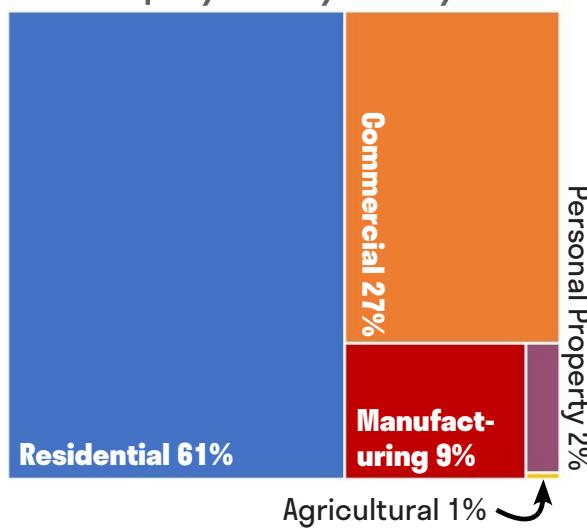
TOP 10 EMPLOYERS

Jack's Frozen Pizza (Nestle)
Trilliant Food & Nutrition
Little Chute School District
Building Service Group
Bel Brands USA
Fox Valley Tool and Die
Village of Little Chute
Heartland Label Printers
Piggly Wiggly
Agropur (Simon's Cheese)

TOP 10 TAXPAYERS

Lexington Owned Properties
Hickory Dr. Holdings (Nestle Warehouse)
Jacks Frozen Pizza (Nestle)
Trilliant Nutrition, LLC
Premier Little Chute LLC
Crystal Print, Inc.
Peter Pickle Properties
Little Chute Warehouse LLC
Fox River Investment Group (Country Villa)
EGALC LLC (Elm Grove Apartments)

EQUALIZED LAND VALUE
\$1,091,901,000



INTRODUCTION

We are pleased to present the Village of Little Chute's popular annual financial report (PAFR) for the fiscal year ended December 31, 2021. 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 (ACFR). 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 Or simply scan the QR Code below with a smart phone.

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 12,525 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

Scan to view Annual Financial Report



VILLAGE PRESIDENT

**Michael
Vanden Berg**

VILLAGE BOARD (as of 12.31.2021)

John Elrick

James Hietpas

**Bill
Peerenboom**

**Don
Van Deurzen**

**Brian
Van Lankveldt**

**Larry
Van Lankveldt**

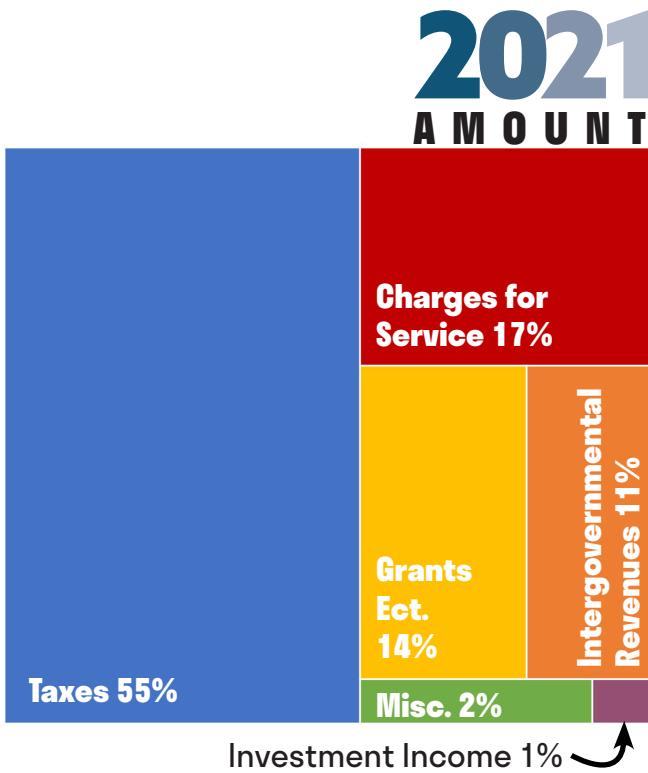
NOTE: The analysis on the following pages uses the Government-wide statement of activities using the economic resources measurement focus and the accrual basis of accounting unless noted otherwise.

REVENUES

WHERE DOES OUR MONEY COME FROM?

The largest source of revenue for Village of Little Chute comes from taxes, which make up about 54.7% of the governmental activities revenues for the Village. Property taxes make up the largest portion of the tax revenue.

GOVERNMENTAL ACTIVITIES	2021 AMOUNT	2020 AMOUNT	2019 AMOUNT
Taxes	\$8,952,740	\$8,059,288	\$7,443,211
Intergovernmental Revenues	\$1,748,832	\$3,243,682	\$2,796,025
Grants, Contributions and Transfers	\$2,283,976	\$2,737,812	\$1,395,211
Charges for Services	\$2,806,336	\$1,283,927	\$995,206
Miscellaneous	\$445,524	\$385,819	\$251,343
Investment Income	\$119,011	\$235,380	\$209,054
TOTAL	\$16,356,419	\$15,945,908	\$13,090,050



Tax revenue increase is largely attributable to growth in our Tax Increment Districts along with responsible growth in the general tax levy. Intergovernmental and grant revenues were higher in 2020 and 2019 reflecting the Federal and State grants obtained for the Nelson Crossing Pedestrian Bridge joint project with the City of Kaukauna. Charges for services increased as several residents used government stimulus funds to pay off special assessments along with sanitation fee rates that increased in 2020. Investment income has declined due to market reactions from the COVID-19 pandemic.

REVENUES CONTINUED

Our sewer, water, and stormwater utility charges make up about 71.8% of the Business-Type revenues for the Village. All three utilities have a net operating income from operations and overall increased their net position funding improvements to the system.

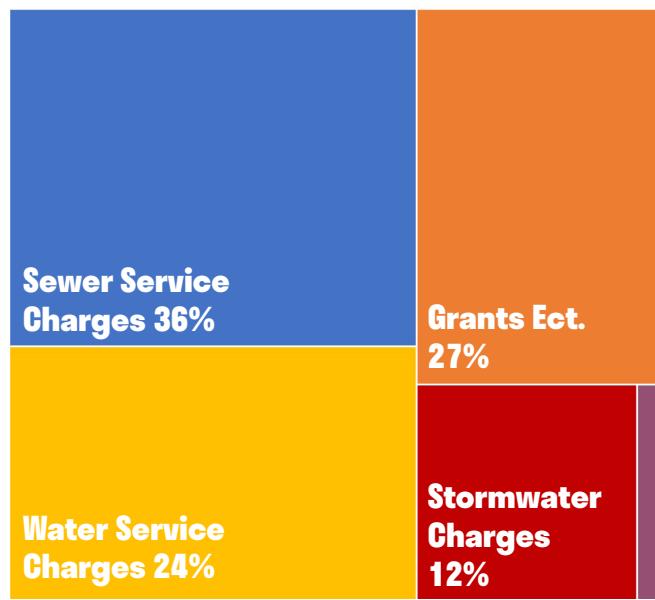
BUSINESS-TYPE (UTILITY) ACTIVITIES	2021 AMOUNT	2020 AMOUNT	2019 AMOUNT
Sewer Service Charges	\$3,517,942	\$2,865,938	\$3,357,107
Water Service Charges	\$2,338,805	\$2,289,352	\$2,228,887
Stormwater Charges	\$1,219,284	\$1,171,123	\$1,103,023
Grants, Contributions & Transfers	\$2,649,875	\$1,016,008	\$2,434,519
Investment Income	\$125,402	\$237,743	\$219,452
Miscellaneous	\$0	\$82,671	\$35,199
TOTAL	\$9,851,308	\$7,662,835	\$9,378,187

Sewer revenue has fluctuated as a result of meter discrepancy conflicts with the Outagamie County Landfill offset by increases in our industrial revenue with the addition of GLK Foods. The level of contributed capital fluctuates from year to year based on construction projects in our developing Tax Incremental Districts.

Tax Incremental District (TID):

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.

**2021
AMOUNT**



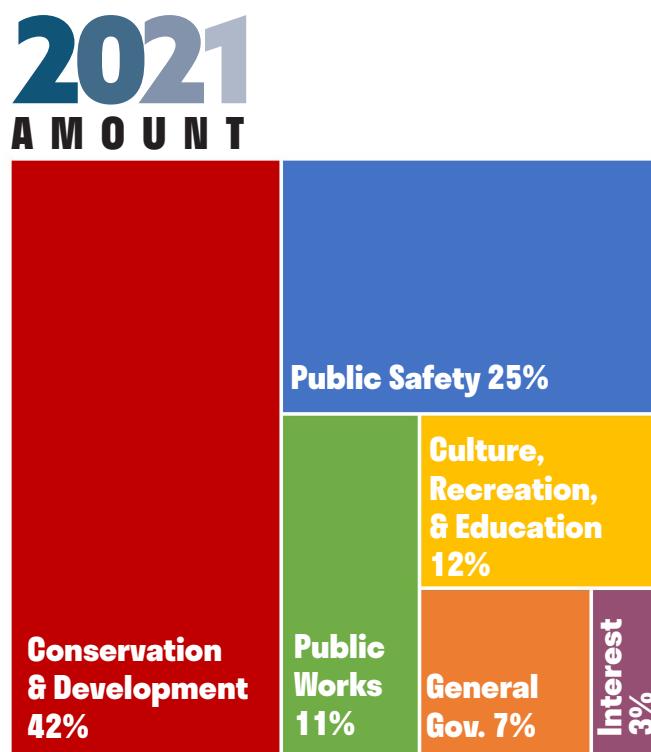
Investment Income 1%

EXPENSES

WHERE DOES OUR MONEY GO?

Public Safety protects and enhances the quality of life for our citizens and community typically representing 25-30% of governmental expenses. This year, Conservation & Development was our highest category of expenditure, due to several construction projects going on within our TID Districts, (Ebben Storm, Evergreen Drive Phase II, Hartzheim Drive and Downtown Storm) and development incentive payments. Culture, Recreation & Education includes the Public Library offering a welcoming space and diverse materials while the Parks, Recreation & Forestry Department provides an array of leisure time activities in well maintained public spaces attributing 15 to 20% of expenditures. Public works proactive customer-service approach maintains safe roads plus garbage/recyclables are collected accounting for 10-15% on average of total expenditures.

GOVERNMENTAL ACTIVITIES EXPENSES	2021 AMOUNT	2020 AMOUNT	2019 AMOUNT
Public Safety	\$4,262,483	\$3,651,316	\$4,242,429
Culture, Recreation, & Education	\$2,089,071	\$2,811,960	\$1,869,454
Public Works	\$1,845,998	\$1,772,645	\$657,892
General Government	\$1,277,697	\$1,540,110	\$1,236,552
Conservation & Development	\$7,151,215	\$853,679	\$4,981,177
Interest	\$515,096	\$697,050	\$606,478
TOTAL	\$17,141,560	\$11,326,760	\$13,593,982



Public safety expense was lower in 2020 mainly due to impacts of COVID-19 pandemic as had fewer capital expenditures and less funds expended for training due to social distancing requirements. Culture, Recreation and Education increased in 2020 in anticipation of the demerger of library system with Kimberly as Little Chute invested funds for the remodel of our Library facility. Larger development projects in our Tax Incremental Districts in 2019 drove increases in Conservation and Development.

EXPENSES CONTINUED

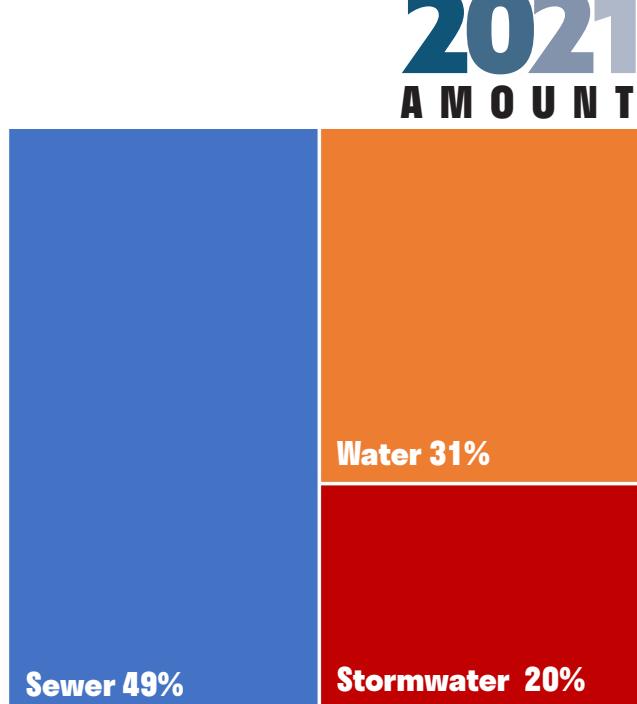
BUSINESS-TYPE (UTILITY) ACTIVITIES EXPENSES	2021 AMOUNT	2020 AMOUNT	2019 AMOUNT
Sewer Operation	\$3,309,314	\$2,858,860	\$2,548,505
Water Operation	\$2,119,680	\$1,805,837	\$1,721,020
Stormwater Operation	\$1,326,972	\$1,118,382	\$1,247,919
TOTAL	\$6,755,966	\$5,783,079	\$5,517,444

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 INCREASE INFORMATION

Sewer	No increase to rates since 7.1.2001
Water	Last increase of 3% occurred on 9.29.2015
Stormwater	No increase to rates since 1.1.2017



Sewer treatment expenses have increased due to the addition of new industrial customers that have higher strength components along with the impact of Heart of the Valley Metropolitan Sewerage District implementing new meter technology that improved the accuracy of metered flow into the treatment plant. The Village is also concentrating efforts to reduce the impact of inflow and infiltration issues (treating excess clear water from groundwater and stormwater sources that exist from various defects or connections).

YOUR TAX BILL

WHERE DOES IT GO?



PUBLIC SCHOOLS 40%

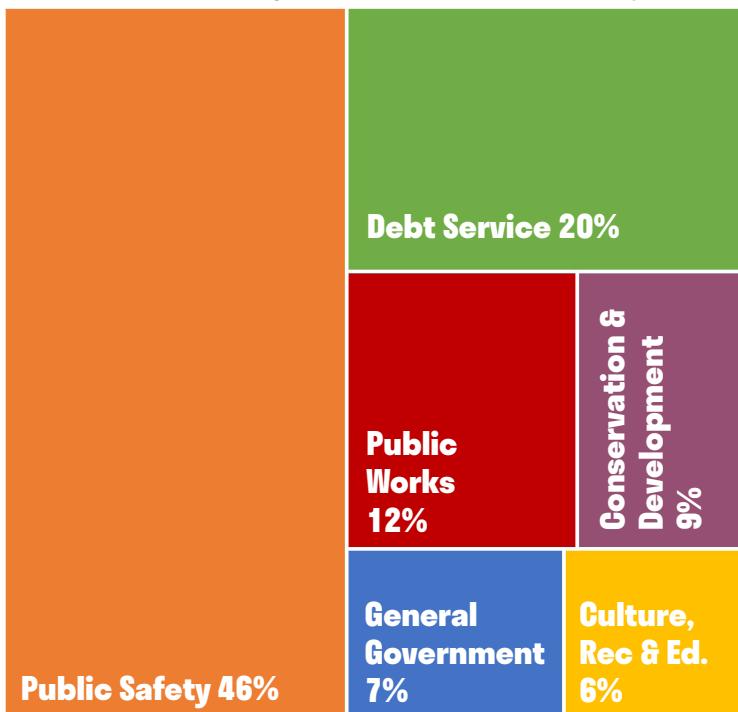


VILLAGE 35%

COUNTY 20%
TECHNICAL COLLEGE 5%

VILLAGE BREAKDOWN

How does the Village spend it's 35 cents of your tax dollar?

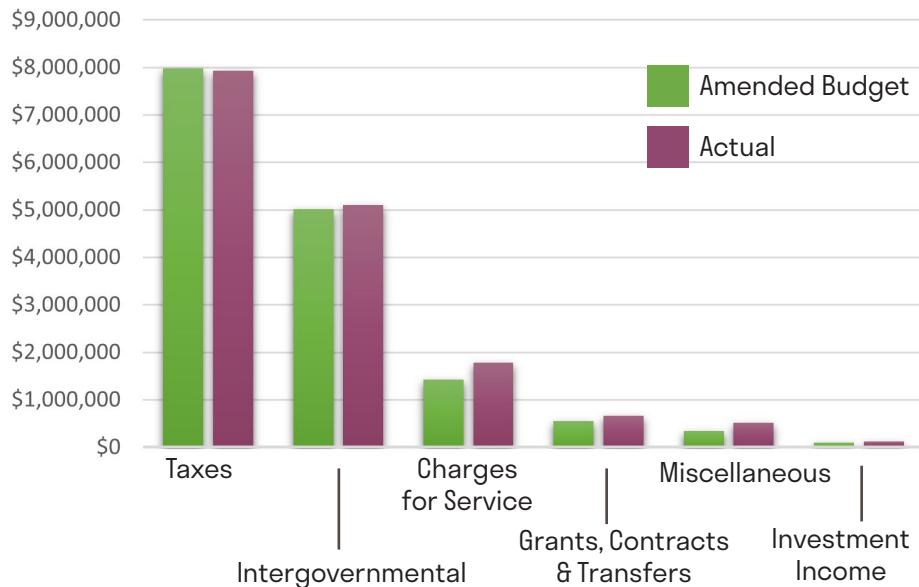


NOTE: This is a breakdown of tax dollars only and does not include all revenues as detailed on Page 4.

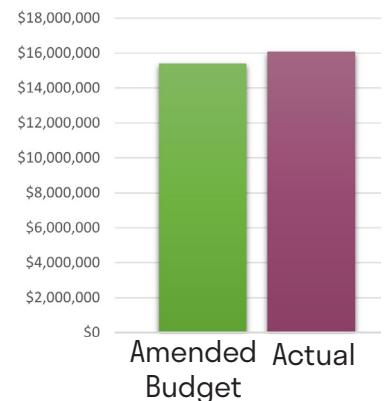
BUDGET PERFORMANCE

HOW DID WE DO THIS YEAR?

REVENUE

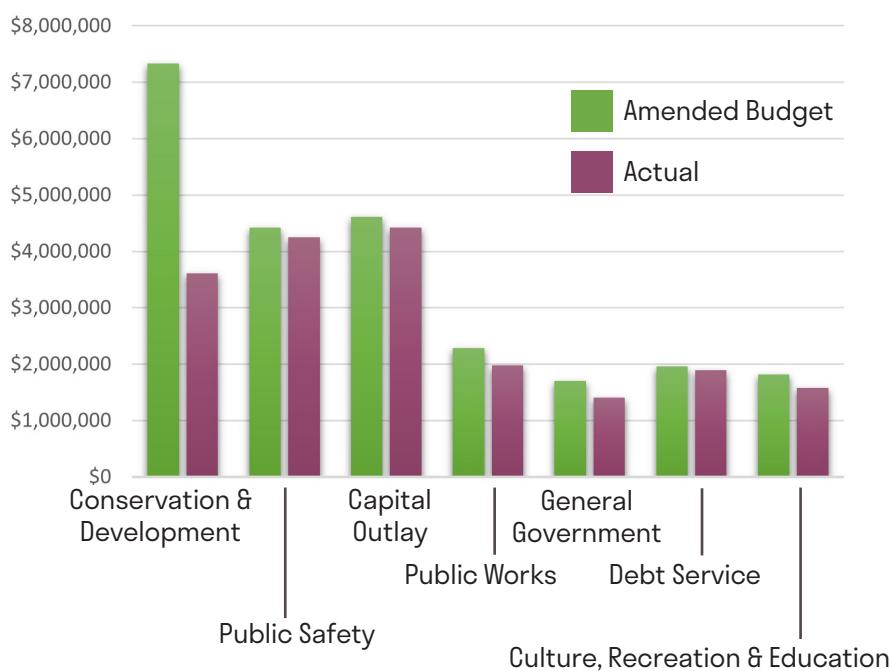


TOTAL REVENUE

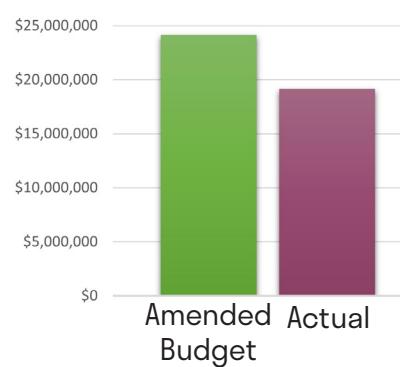


Actual revenues exceeded the amended budget. Continued strong development in the village resulted in favorable building permit revenues. Recreation program revenues increased greater than conservative budget projections due to quicker social recovery from the COVID-19 pandemic than expected. Sale of Village Property in Tax Incremental District 6 for Agropur new plant construction accounted for the Miscellaneous revenue variance.

EXPENDITURES



TOTAL EXPENDITURES

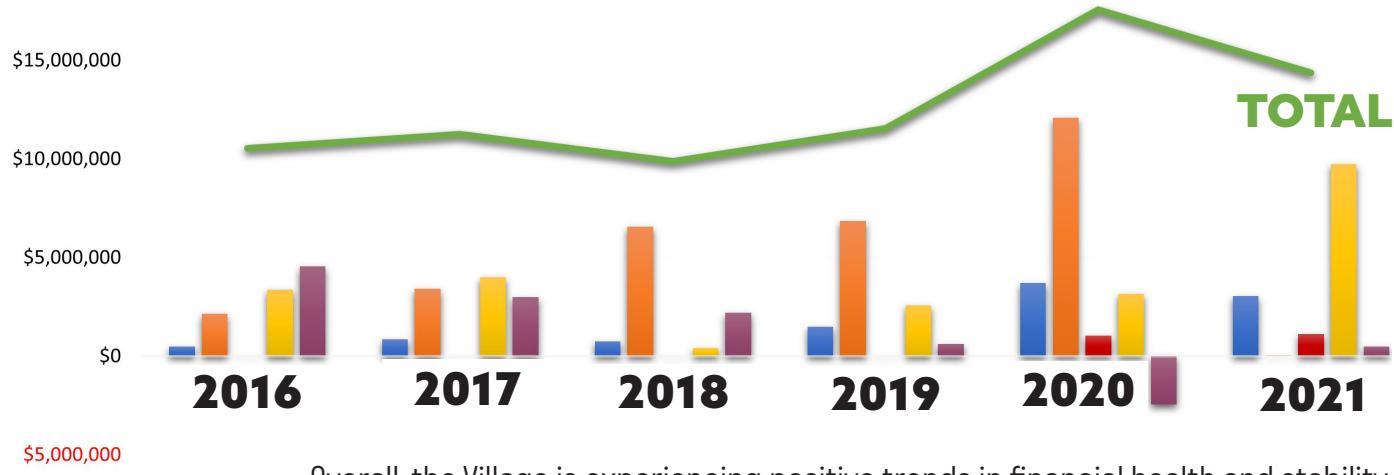


Actual expenses came in less than the amended budget by \$4,979,993; however, \$2,861,377 of this variance represents Conservation and Development projects that were budgeted but not completed and will carryover into 2021. The Village Board acted to utilize \$800,000 of the positive variance to reduce long-term debt.

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.



Overall, the Village is experiencing positive trends in financial health and stability.

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 Nelson Crossing Pedestrian Bridge is completed so grant funds are expended).

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.

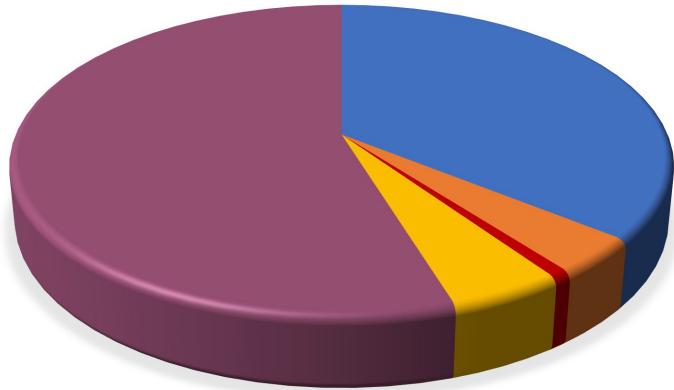
UNASSIGNED: funds available for any purpose (The unassigned fund balance for governmental funds increased \$2,924,738 because project costs for the Village's Tax Incremental Districts are recovered over time as development occurs generating tax increments to offset expenses.)

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?

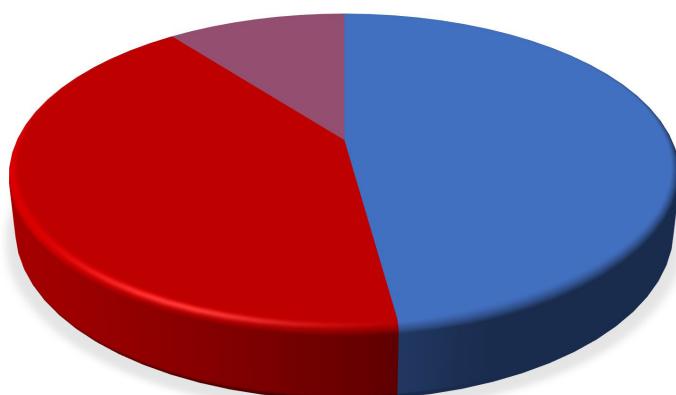
DEBT - DECEMBER 2021



General Obligation Debt	Amount
General	\$9,552,516
Storm Water Utility	\$1,023,132
Sewer Utility	\$207,684
Water Utility	\$1,300,134
Tax Incremental Districts 4, 5, 6, 7 & 8	\$14,637,538
TOTAL	\$26,721,004

REVENUE BOND DEBT

Revenue Bond Debt	Amount
Storm Utility	\$1,620,377
Water Utility	\$1,414,243
Tax Incremental District 5	\$352,000
TOTAL	\$3,386,620



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.

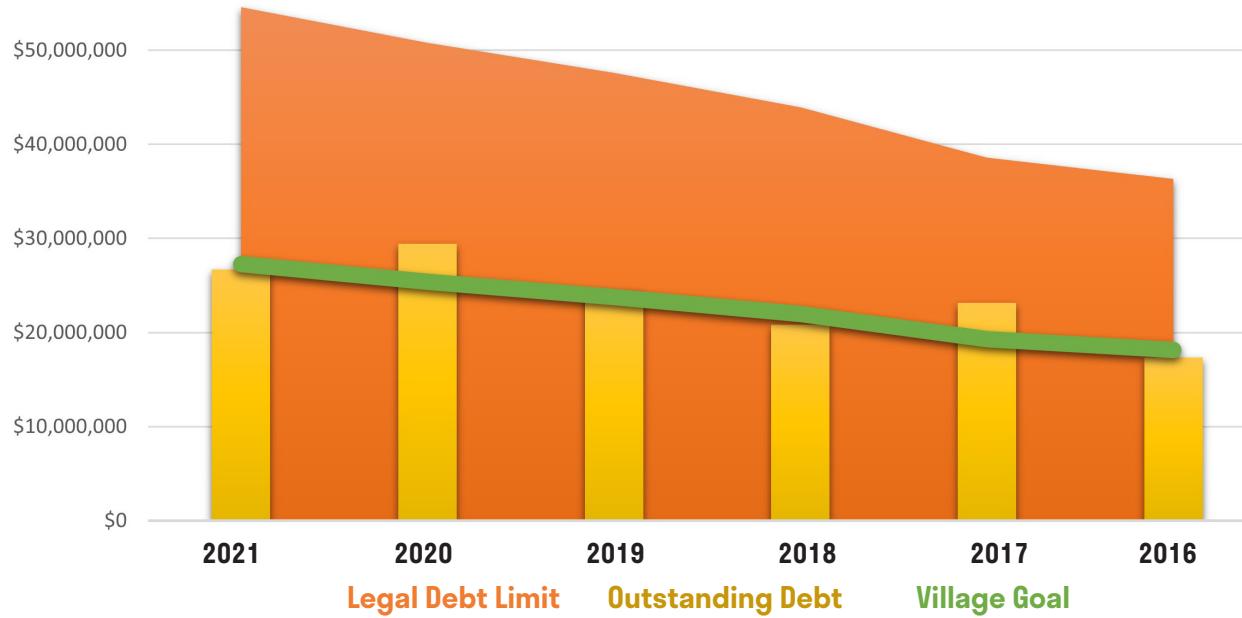
Factors that could lead to an upgrade:
Substantial expansion of tax base, or moderation of the Village's debt burden

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 was issued in 2021.