

VILLAGE OF LITTLE CHUTE, WI

POPULAR ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022



***Little
Chute***

EST. 1848



**EXPANDING
HORIZONS**

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**EXCEEDING
EXPECTATIONS**

LITTLE CHUTE AT A GLANCE

\$29M
2022 Adopted
Village Budget

UNEMPLOYMENT RATE

	Outagamie County	State of Wisconsin
2022	1.9	3.2
2021	3.0	3.8
2020	5.5	6.3

PER CAPITA INCOME

	Outagamie County	State of Wisconsin
2022	Not Available	61,210
2021	58,622	59,626
2020	55,492	55,941

4,334 ACRES



Located in the
Heart of the Valley
Region of Wisconsin



12,213 RESIDENTS

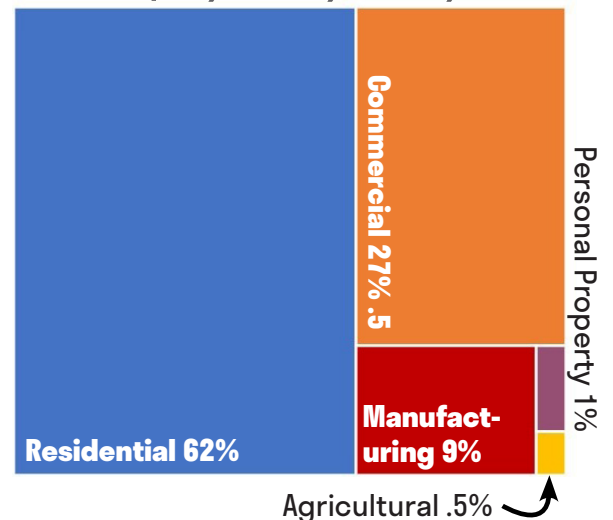
TOP 10 EMPLOYERS

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

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.
Fox River Investment Group (Country Villa)
Peter Pickle Properties
Little Chute Warehouse LLC
Silverleaf LLC

EQUALIZED LAND VALUE
\$1,217,830,100



INTRODUCTION

We are pleased to present the Village of Little Chute's popular annual financial report (PAFR) for the fiscal year ended December 31, 2022. 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/6894/FINAL-Annual-Comprehensive-Financial-Report-2022 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 12,213 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 12.31.2022)

John Elrick

James Hietpas

**Bill
Peerenboom**

**Don
Van Deurzen**

**Brian
Van Lankveldt**

**Larry
Van Lankvelt**

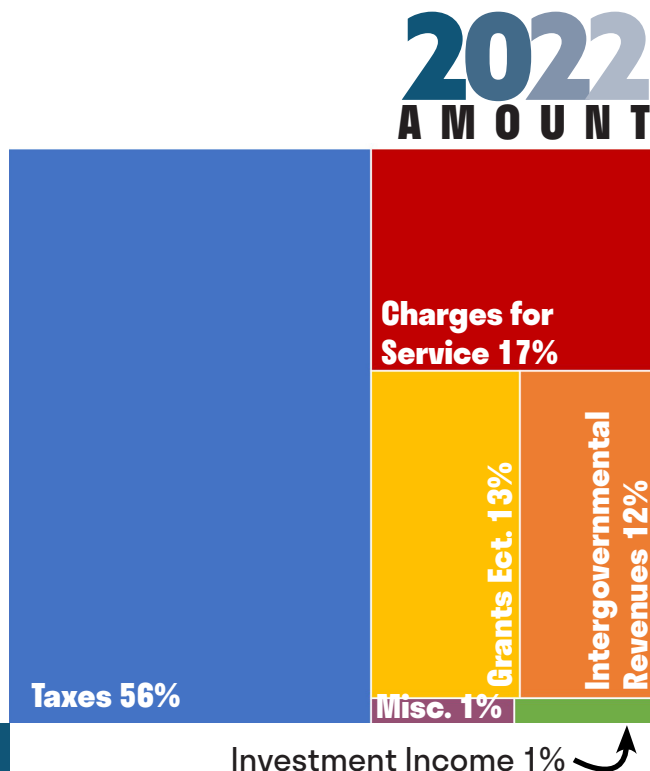
NOTE: The analysis on the following pages uses the Government-wide statement of activities using the economic resources measurement focus and the accrual basis of accounting unless noted otherwise.

REVENUES

WHERE DOES OUR MONEY COME FROM?

The largest source of revenue for Village of Little Chute comes from taxes, which make up about 55.8% of the governmental activities revenues for the Village. Property taxes make up the largest portion of the tax revenue.

	2022 AMOUNT	2021 AMOUNT	2020 AMOUNT
GOVERNMENTAL ACTIVITIES			
Taxes	\$9,026,489	\$8,952,740	\$8,059,288
Intergovernmental Revenues	\$2,011,501	\$1,748,832	\$3,243,682
Grants, Contributions & Transfers	\$1,990,702	\$2,283,976	\$2,737,812
Charges for Services	\$2,813,753	\$2,806,336	\$1,283,927
Miscellaneous	\$129,767	\$445,524	\$385,819
Investment Income	\$186,211	\$119,011	\$235,380
TOTAL	\$16,158,423	\$16,356,419	\$15,945,908



The Village received a \$250,000 Wisconsin Economic Development Community Investment Grant to incentivize the construction of the Cobblestone Hotel and Suites Main Street. Higher Federal Reserve interest rates have improved interest earnings; however, inflation resulted in a decrease in value of bonds held for investment (unrealized loss) that hampered our investment income recovery.

NOTE: Tax Increment collected and returned to developers per terms of agreements shown gross verses netted for this presentation.

REVENUES CONTINUED

Our sewer, water, and stormwater utility charges make up about 89.7% of the Business-Type revenues for the Village. The water and stormwater utilities have a net operating income from operations while all three utilities increased their net position funding improvements to the system.

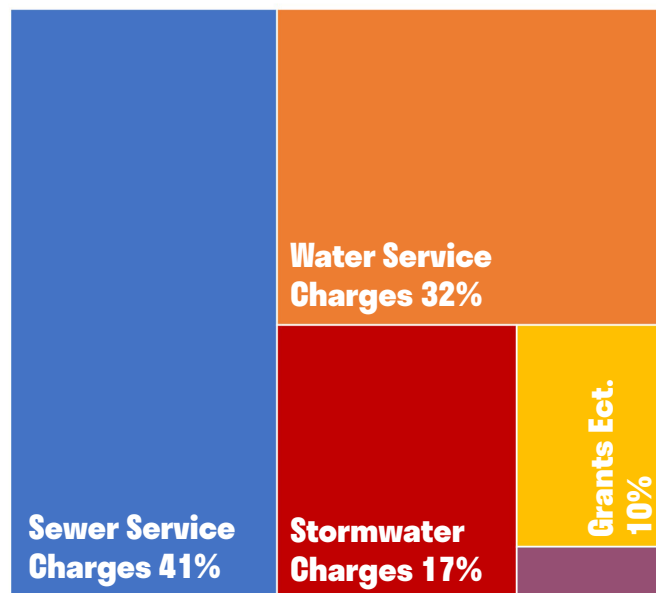
BUSINESS-TYPE (UTILITY) ACTIVITIES	2022 AMOUNT	2021 AMOUNT	2020 AMOUNT
Sewer Service Charges	\$3,137,447	\$3,517,942	\$2,865,938
Water Service Charges	\$2,410,326	\$2,338,805	\$2,289,3527
Stormwater Charges	\$1,311,703	\$1,219,284	\$1,171,123
Grants, Contributions & Transfers	\$634,018	\$2,649,875	\$1,016,008
Investment Income	\$151,504	\$125,402	\$237,743
Miscellaneous	\$2,518	\$0	\$82,671
TOTAL	\$7,647,516	\$9,851,308	\$7,662,835

An allowance of \$262,523 for uncollectible accounts was established in 2022 for Sewer industrial revenue related to deduct meter functionality. We continue to gather data working towards a resolution. The level of contributed capital fluctuates from year to year based on projects in our 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.

2022
AMOUNT



Investment Income 1%

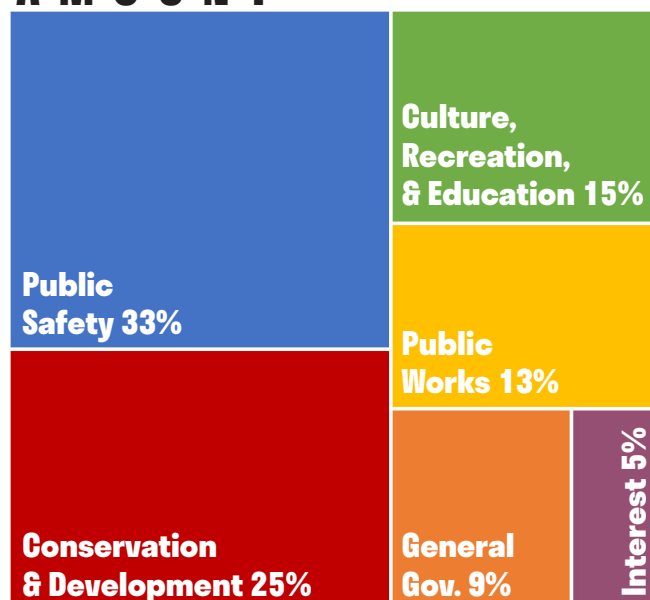
EXPENSES

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. Conservation and Development includes payments to developers from tax increment collected for projects that have increased our tax and employment base. Construction projects in our TID Districts also enhance infrastructure to support the projects. 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 collection of garbage/recyclables accounting for 10-15% on average of total expenditures.

GOVERNMENTAL ACTIVITIES EXPENSES	2022 AMOUNT	2021 AMOUNT	2020 AMOUNT
Public Safety	\$4,277,060	\$4,262,483	\$3,651,316
Culture, Recreation, & Education	\$1,890,308	\$2,089,071	\$2,811,960
Public Works	\$1,641,991	\$1,845,998	\$1,772,645
General Government	\$1,188,549	\$1,277,697	\$1,540,110
Conservation & Development	\$3,273,197	\$7,151,215	\$853,679
Interest	\$579,077	\$515,096	\$697,050
TOTAL	\$12,850,182	\$17,141,560	\$11,326,760

2022 AMOUNT



Fire Public Safety upgrade of personal protective gear was completed in 2022. The Youth Football program contributed \$25,000 to the Little Chute High School Turf Football Field as their portion of the project. Public Works did not have to purchase salt in 2022 due to the supply on hand. Conservation and Development included investments in pedestrian path infrastructure, main street crosswalk enhancements and, turn lane additions, Cherryvale Avenue concrete pavement and Quiet Zone improvements.

NOTE: Tax Increment collected and returned to developers per terms of agreements shown gross verses netted for this presentation.

EXPENSES CONTINUED

BUSINESS-TYPE (UTILITY) ACTIVITIES EXPENSES	2022 AMOUNT	2021 AMOUNT	2020 AMOUNT
Sewer Operation	\$3,370,042	\$3,309,314	\$2,858,860
Water Operation	\$2,040,381	\$2,119,680	\$1,805,837
Stormwater Operation	\$1,342,828	\$1,326,972	\$1,118,382
TOTAL	\$6,753,251	\$6,755,966	\$5,783,079

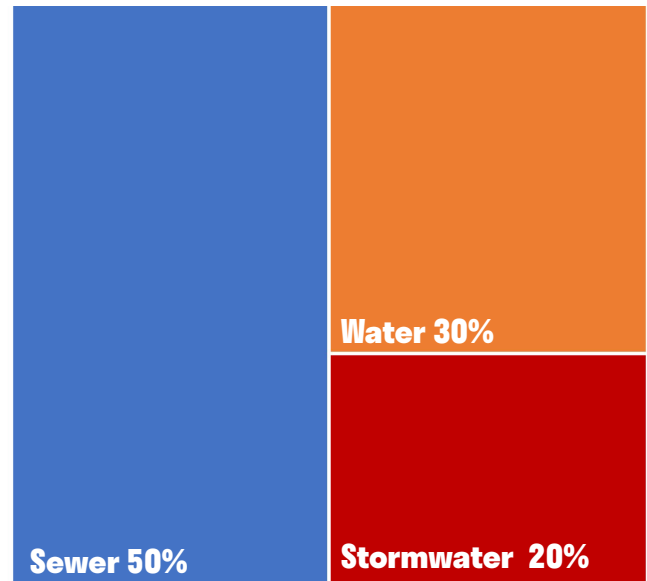
RATES

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 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

2022 AMOUNT



Sewer treatment expenses have increased due to increased volumes entering the sewer system. The Village is also concentrating efforts to reduce the impact of inflow and infiltration issues (treating excess clear water from groundwater and stormwater sources through various defects or connections) using our new sewer camera to detect areas of concern. The Water Utility continues investing to upgrade meter technology to cellular meter reading functionality. The Village drains into two separate watersheds: Apple Creek and Fox River. Significant planning and design continue for both drainage basins ensuring compliance with regulatory agencies providing a flood protection system for our residents.

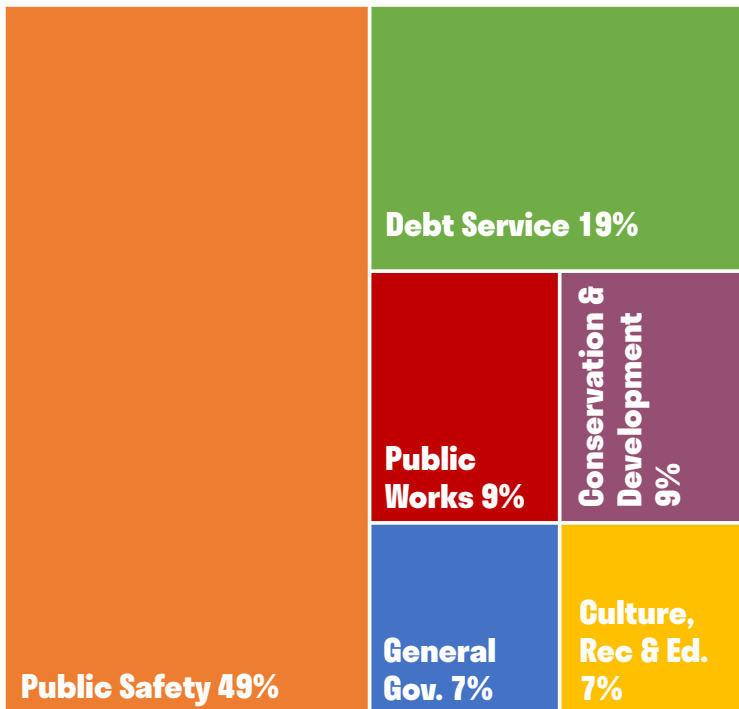
YOUR TAX BILL

WHERE DOES IT GO?



VILLAGE BREAKDOWN

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

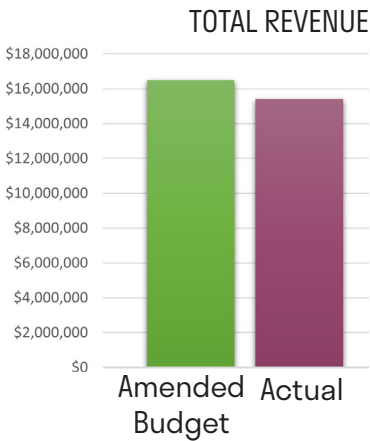
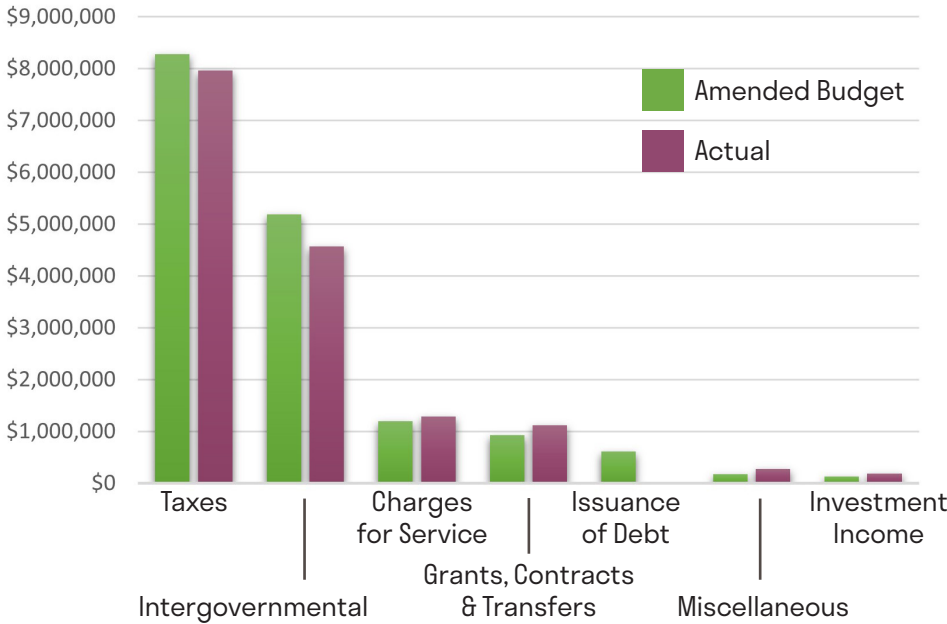


NOTE: This is a breakdown of tax dollars only and does not include all revenues as detailed on Page 4.

BUDGET PERFORMANCE

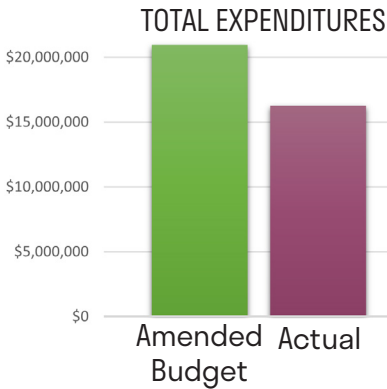
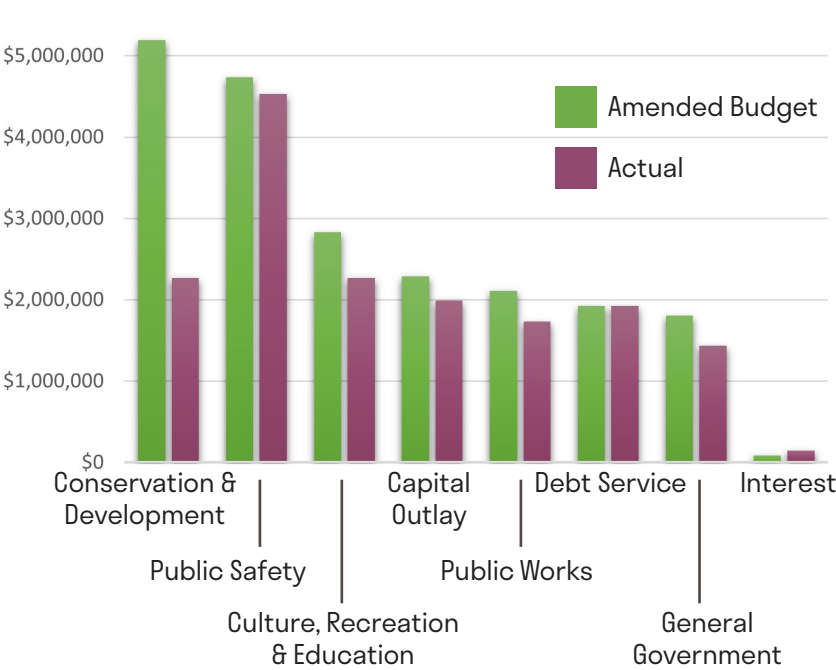
HOW DID WE DO THIS YEAR?

REVENUE



Revenues were less than budget as American Rescue Plan Act State and Local Fiscal Recovery Funds (SLFRF) were not spent prior to year-end (\$634,780). The Village did not issue debt in 2022 instead opting to use positive fund variance from fiscal year 2021 that was proactively set aside for debt reduction.

EXPENDITURES

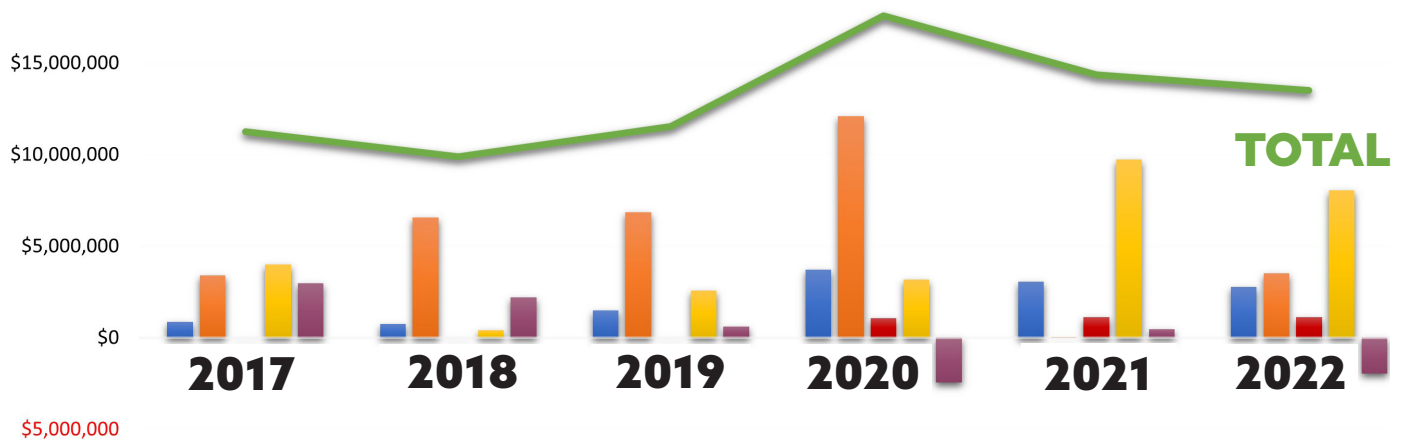


Actual expenses came in less than the amended budget by \$4,678,557; however, \$3,465,563 of this variance represents projects that were budgeted but not completed and will carryover into 2023. The Village Board acted to set aside \$600,000 of the positive variance to reduce long-term debt.

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 financially improving in financial health and stability.

FUND BALANCE CATEGORIES

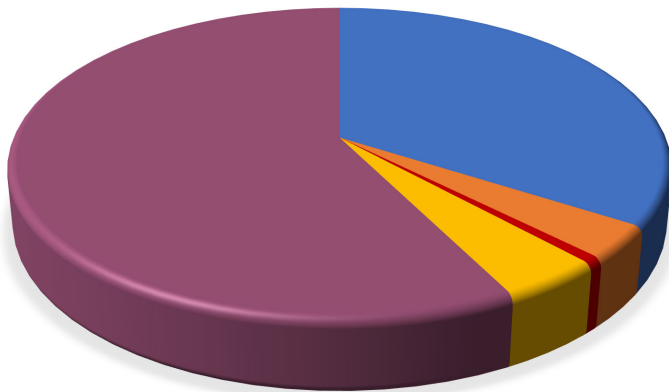
- NONSPENDABLE:** funds include amounts that cannot be spent because they are not in spendable form (advances due from other funds, prepaid items or debt proceeds issued to finance capital projects), or are legally required to remain intact
- RESTRICTED:** funds that are restricted to a specific purpose by external parties or laws or regulations, constitutional provisions or legislation (for projects approved by the Joint Review Board in our TIDs)
- COMMITTED:** funds that are committed for a specific purpose by formal action of the highest level of decision-making authority, usually the Village Board (25% of the subsequent year's general fund expenditures)
- ASSIGNED:** funds that are intended to be used for specific purposes (Special Revenue Funds or for carryover to complete projects started but not complete)
- UNASSIGNED:** funds available for any purpose (the unassigned fund balance for governmental funds decreased \$2,417,689 because \$2,244,653 of project costs for the Village's Tax Incremental Districts are being recovered over time as development occurs)

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?

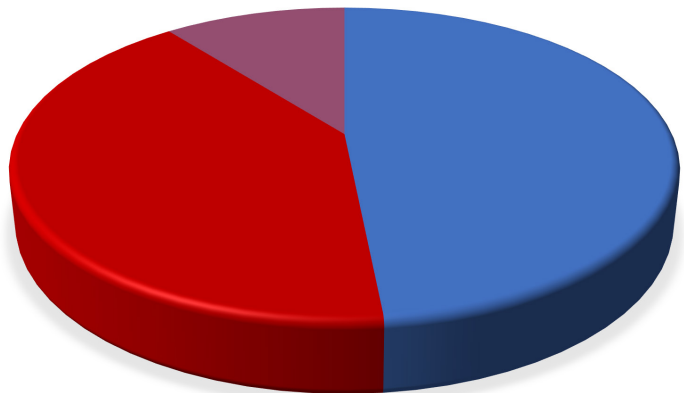
DEBT - DECEMBER 2022



General Obligation Debt		Amount
General		\$8,099,139
Storm Water Utility		\$825,000
Sewer Utility		\$160,000
Water Utility		\$1,038,167
Tax Incremental Districts 4, 5, 6, 7 & 8		\$13,694,698
TOTAL		\$23,817,004

REVENUE BOND DEBT

Revenue Bond Debt	Amount
Storm Utility	\$1,516,623
Water Utility	\$1,283,261
Tax Incremental District 5	\$332,000
TOTAL	\$3,131,884



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.

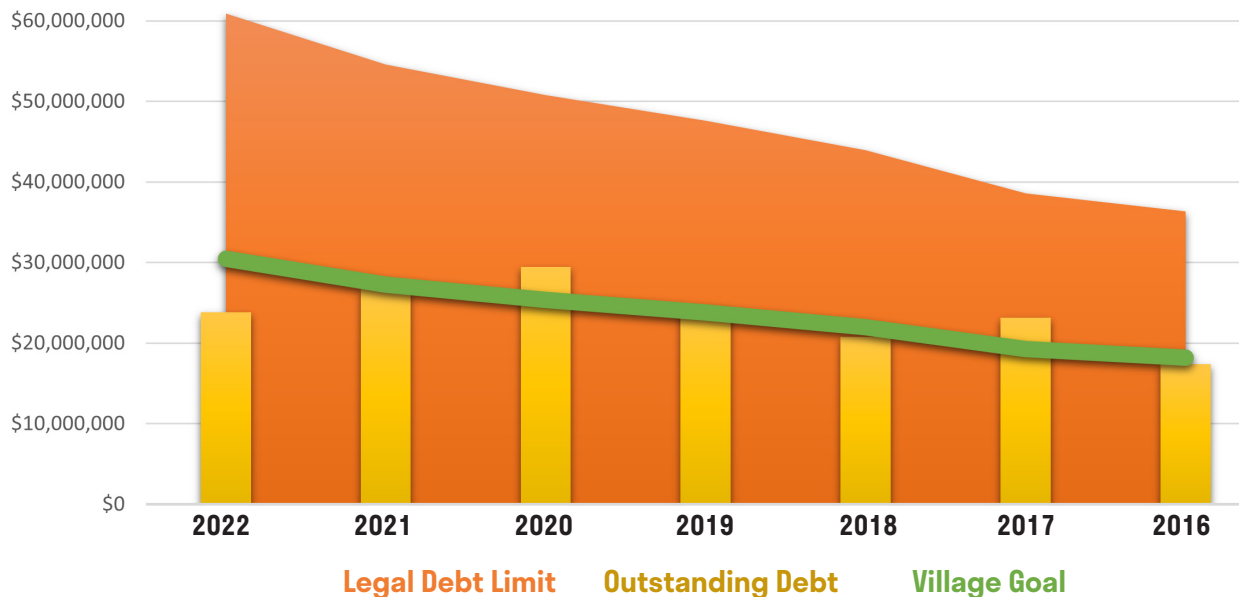
Factors that could lead to an upgrade: Substantial expansion of tax base, or moderation of the Village's debt burden.

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 2021 and 2020 Capital Improvement Plan Projects. No additional debt was issued in 2022 or 2021.

AWARDS AND RECOGNITION

FINANCE AWARD

The Village of Little Chute first created the PAFR for the fiscal year ended December 31, 2020. This will be the third edition of the report. The Village of Little Chute's PAFR has won the Government Finance Officers Association of the United States and Canada (GFOA) award for the fiscal years ended in December 31, 2020 and 2021. The award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of State and Local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Village of Little Chute
Wisconsin**

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Merrill

Executive Director/CEO

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial reporting requirements, and we are submitting it to GFOA to determine its eligibility for another award.