

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022



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OUTAGAMIE COUNTY, WISCONSIN
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OUTAGAMIE COUNTY, WISCONSIN
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INDEPENDENT AUDITORS' REPORT

Town Board
Town of Buchanan
Outagamie County, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Buchanan, Outagamie County, Wisconsin (the Town), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2022, and the respective changes in modified cash basis financial position, and the budgetary comparison for the General Fund for year then ended in accordance with the modified cash basis of accounting described in Note 1.C.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1.C. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1.C., and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Town's basic financial statements. The schedule of general fund budgeted and actual revenues collected and schedule of general fund budgeted and actual expenditures paid are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of general fund budgeted and actual revenues collected and schedule of general fund budgeted and actual expenditures paid are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
March 20, 2023

BASIC FINANCIAL STATEMENTS

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
STATEMENT OF NET POSITION – MODIFIED CASH BASIS
DECEMBER 31, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
ASSETS			
Cash and Investments	\$ 3,610,389	\$ 747,203	\$ 4,357,592
Restricted Cash and Investments	1,574,210	-	1,574,210
Total Assets	<u>5,184,599</u>	<u>747,203</u>	<u>5,931,802</u>
LIABILITIES			
Accrued and Other Current Liabilities	5,013	-	5,013
Property Taxes and Special Charges Collected for Subsequent Year	1,375,860	166,952	1,542,812
Special Deposits	8,622	-	8,622
Unearned Revenues	692,559	-	692,559
Total Liabilities	<u>2,082,054</u>	<u>166,952</u>	<u>2,249,006</u>
NET POSITION			
Restricted			
Park Improvements	16,604	-	16,604
Fire Department	13,578	-	13,578
Debt Service	1,942	-	1,942
Capital Projects	1,084,528	-	1,084,528
Unrestricted	<u>1,985,893</u>	<u>580,251</u>	<u>2,566,144</u>
Total Net Position	<u><u>\$ 3,102,545</u></u>	<u><u>\$ 580,251</u></u>	<u><u>\$ 3,682,796</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 615,587	\$ 89,313	\$ 14,722	\$ -
Public Safety	574,571	38,686	34,403	-
Public Works	4,902,263	678,262	364,039	-
Culture and Recreation	8,135	-	750	4,800
Conservation and Development	21,879	10,795	-	-
Principal, Interest and Fiscal Charges on Long-Term Debt	765,240	-	-	-
Total Governmental Activities	<u>6,887,675</u>	<u>817,056</u>	<u>413,914</u>	<u>4,800</u>
BUSINESS-TYPE ACTIVITIES				
Stormwater Utility	510,547	358,878	-	-
Transportation Utility District	62,422	871,467	-	-
Total Business-Type Activities	<u>572,969</u>	<u>1,230,345</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,460,644</u>	<u>\$ 2,047,401</u>	<u>\$ 413,914</u>	<u>\$ 4,800</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Totals
GOVERNMENTAL ACTIVITIES			
General Government	\$ (511,552)	\$ -	\$ (511,552)
Public Safety	(501,482)	-	(501,482)
Public Works	(3,859,962)	-	(3,859,962)
Culture and Recreation	(2,585)	-	(2,585)
Conservation and Development	(11,084)	-	(11,084)
Principal, Interest and Fiscal Charges on Long-Term Debt	(765,240)	-	(765,240)
Total Governmental Activities	(5,651,905)	-	(5,651,905)
BUSINESS-TYPE ACTIVITIES			
Stormwater Utility	-	(151,669)	(151,669)
Transportation Utility District	-	809,045	809,045
Total Business-Type Activities	-	657,376	657,376
 Total	 (5,651,905)	 657,376	 (4,994,529)
General Revenues and Transfers:			
Taxes:			
Property Taxes	2,488,490	-	2,488,490
Other Taxes	130,612	-	130,612
Federal and State Grants and Other Contributions Not Restricted to Specific Functions			
Interest and Investment Earnings	32,099	-	32,099
Miscellaneous	55,340	-	55,340
Proceeds from Long-Term Debt	1,855,157	-	1,855,157
Transfers	1,238,947	(1,238,947)	-
Total General Revenues and Transfers	5,955,122	(1,238,947)	4,716,175
CHANGE IN NET POSITION	303,217	(581,571)	(278,354)
Net Position - Beginning of Year	2,799,328	1,161,822	3,961,150
NET POSITION - END OF YEAR	\$ 3,102,545	\$ 580,251	\$ 3,682,796

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS – MODIFIED CASH BASIS
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 3,610,389	\$ -	\$ -	\$ 3,610,389
Restricted Cash and Investments	30,182	273,512	1,270,516	1,574,210
Total Assets	<u>\$ 3,640,571</u>	<u>\$ 273,512</u>	<u>\$ 1,270,516</u>	<u>\$ 5,184,599</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accrued and Other Current Liabilities	\$ 5,013	\$ -	\$ -	\$ 5,013
Property Taxes and Special Charges				
Collected for Subsequent Year	918,302	271,570	185,988	1,375,860
Special Deposits	8,622	-	-	8,622
Unearned Revenues	692,559	-	-	692,559
Total Liabilities	1,624,496	271,570	185,988	2,082,054
FUND BALANCE				
Restricted	30,182	1,942	1,084,528	1,116,652
Committed	272,550	-	-	272,550
Unassigned	1,713,343	-	-	1,713,343
Total Fund Balance	2,016,075	1,942	1,084,528	3,102,545
Total Liabilities and Fund Balance	<u>\$ 3,640,571</u>	<u>\$ 273,512</u>	<u>\$ 1,270,516</u>	<u>\$ 5,184,599</u>
RECONCILIATION TO STATEMENT OF NET POSITION				
Total Fund Balance				<u>\$ 3,102,545</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position				<u>\$ 3,102,545</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – MODIFIED
CASH BASIS
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Totals
REVENUES				
Taxes	\$ 1,572,427	\$ 696,675	\$ 350,000	\$ 2,619,102
Special Assessments	-	-	270,316	270,316
Intergovernmental	567,641	-	-	567,641
Licenses and Permits	103,518	-	-	103,518
Fines and Forfeits	33,959	-	-	33,959
Public Charges for Services	481,428	-	-	481,428
Intergovernmental Charges for Services	1,739	-	-	1,739
Miscellaneous	18,304	-	781	19,085
Total Revenues	2,779,016	696,675	621,097	4,096,788
EXPENDITURES				
Current:				
General Government	591,192	-	-	591,192
Public Safety	548,584	-	-	548,584
Public Works	814,116	-	-	814,116
Culture and Recreation	8,135	-	-	8,135
Conservation and Development	21,879	-	-	21,879
Debt Service:				
Principal	-	585,000	-	585,000
Interest and Fiscal Charges	-	112,150	68,090	180,240
Capital Outlay	355,274	-	3,783,255	4,138,529
Total Expenditures	2,339,180	697,150	3,851,345	6,887,675
Excess (Deficiency) of Revenues Over (Under) Expenditures	439,836	(475)	(3,230,248)	(2,790,887)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	1,800,000	1,800,000
Premium on Debt Issued	-	-	55,157	55,157
Transfers In	-	-	1,418,690	1,418,690
Transfers Out	(179,743)	-	-	(179,743)
Total Other Financing Sources (Uses)	(179,743)	-	3,273,847	3,094,104
NET CHANGE IN FUND BALANCE	260,093	(475)	43,599	303,217
Fund Balance - Beginning of Year	1,755,982	2,417	1,040,929	2,799,328
FUND BALANCE - END OF YEAR	\$ 2,016,075	\$ 1,942	\$ 1,084,528	\$ 3,102,545
RECONCILIATION TO THE STATEMENT OF ACTIVITIES				
Net Change in Fund Balance				\$ 303,217
Change in Net Position of Governmental Activities as Reported in the Statement of Activities				\$ 303,217

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 1,555,473	\$ 1,555,473	\$ 1,572,427	\$ 16,954
Intergovernmental	512,001	512,001	567,641	55,640
Licenses and Permits	82,984	82,984	103,518	20,534
Fines and Forfeits	9,150	9,150	33,959	24,809
Public Charges for Services	409,970	409,970	481,428	71,458
Intergovernmental Charges for Services	1,885	1,885	1,739	(146)
Miscellaneous	24,520	24,520	18,304	(6,216)
Total Revenues	<u>2,595,983</u>	<u>2,595,983</u>	<u>2,779,016</u>	<u>183,033</u>
EXPENDITURES				
Current:				
General Government	546,599	546,599	591,192	(44,593)
Public Safety	636,401	636,401	548,584	87,817
Public Works	799,835	799,835	814,116	(14,281)
Culture and Recreation	10,000	10,000	8,135	1,865
Conservation and Development	25,148	25,148	21,879	3,269
Capital Outlay	754,000	754,000	355,274	398,726
Total Expenditures	<u>2,771,983</u>	<u>2,771,983</u>	<u>2,339,180</u>	<u>432,803</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,000)	(176,000)	439,836	615,836
OTHER FINANCING USES				
Transfers Out	(194,743)	(194,743)	(179,743)	15,000
NET CHANGE IN FUND BALANCE	(370,743)	(370,743)	260,093	630,836
Fund Balance - Beginning of Year	<u>1,755,982</u>	<u>1,755,982</u>	<u>1,755,982</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,385,239</u>	<u>\$ 1,385,239</u>	<u>\$ 2,016,075</u>	<u>\$ 630,836</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
 OUTAGAMIE COUNTY, WISCONSIN
 STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION – MODIFIED CASH BASIS
 PROPRIETARY FUNDS
 DECEMBER 31, 2022**

	Stormwater Utility District	Transportation Utility District	Totals
ASSETS			
Cash and Investments	\$ 717,423	\$ 29,780	\$ 747,203
LIABILITIES			
Special Charges Collected for Subsequent Year	166,952	-	166,952
NET POSITION			
Unrestricted	\$ 550,471	\$ 29,780	\$ 580,251

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Stormwater Utility District	Transportation Utility District	Totals
OPERATING REVENUES			
Charges for Services	\$ 358,878	\$ 871,467	\$ 1,230,345
OPERATING EXPENSES			
Operation and Maintenance	54,253	20,210	74,463
Administration and General	25,282	8,372	33,654
Capital outlay	431,012	33,840	464,852
Total Operating Expenses	<u>510,547</u>	<u>62,422</u>	<u>572,969</u>
OPERATING INCOME (LOSS)	(151,669)	809,045	657,376
Transfers Out	<u>(79,500)</u>	<u>(1,159,447)</u>	<u>(1,238,947)</u>
CHANGE IN NET POSITION	(231,169)	(350,402)	(581,571)
Net Position - Beginning of Year	<u>781,640</u>	<u>380,182</u>	<u>1,161,822</u>
NET POSITION - END OF YEAR	<u><u>\$ 550,471</u></u>	<u><u>\$ 29,780</u></u>	<u><u>\$ 580,251</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Stormwater Utility District	Transportation Utility District	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 390,520	\$ 450,685	\$ 841,205
Cash Paid for Employee Wages and Benefits	(15,775)	-	(15,775)
Cash Paid to Suppliers	(494,772)	(62,422)	(557,194)
Net Cash Provided (Used) by Operating Activities	(120,027)	388,263	268,236
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out	(79,500)	(1,159,447)	(1,238,947)
CHANGE IN CASH AND CASH EQUIVALENTS	(199,527)	(771,184)	(970,711)
Cash and Cash Equivalents - Beginning of Year	916,950	800,964	1,717,914
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 717,423</u>	<u>\$ 29,780</u>	<u>\$ 747,203</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (151,669)	\$ 809,045	\$ 657,376
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Specials Collected for Subsequent Year	31,642	(420,782)	(389,140)
Net Cash Provided (Used) by Operating Activities	<u>\$ (120,027)</u>	<u>\$ 388,263</u>	<u>\$ 268,236</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and Cash Equivalents in Current Assets	<u>\$ 717,423</u>	<u>\$ 29,780</u>	<u>\$ 747,203</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2022**

	<u>Custodial Fund</u>
ASSETS	
Cash and Investments	\$ 3,829,588
DEFERRED INFLOWS OF RESOURCES	
Due to Other Governments	<u>3,829,588</u>
NET POSITION	
Fiduciary Net Position - Restricted for Other Governments	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
 OUTAGAMIE COUNTY, WISCONSIN
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 YEAR ENDED DECEMBER 31, 2022**

	<u>Custodial Fund</u>
ADDITIONS	
Taxes and Special Charges Collected	\$ 7,422,450
DEDUCTIONS	
Payments to Other Taxing Districts	7,422,450
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	-
NET POSITION - END OF YEAR	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Buchanan, Outagamie County, Wisconsin (the Town), have been prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP).

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the Town are described below:

A. Reporting Entity

The Town is a municipal corporation governed by an elected five member board. In accordance with U.S. GAAP, the basic financial statements are required to include the Town and any separate component units that have a significant operational or financial relationship with the Town. The Town has not identified any component units that are required to be included in the basic financial statements in accordance with standards.

B. 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 Town. *Governmental activities*, which are primarily 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Governmental funds include the general, debt service and capital project funds. Proprietary funds include enterprise funds. The Town has no internal service funds. The major individual governmental fund and major individual proprietary funds are reported as separate columns in the fund financial statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The Town reports the following major governmental funds:

General Fund

This is the Town's primary operating fund. It accounts for all financial resources of the general government.

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds.

Capital Projects Fund

This fund accounts for financial resources accumulated for the acquisition or construction of major capital improvements not accounted for in another fund.

The Town reports the following major enterprise funds:

Stormwater Utility Fund

This fund accounts for the operations of the Town's stormwater utility. The Town established the stormwater utility in 2018, to develop, finance, construct, operate, maintain, manage and regulate stormwater and surface water facilities in the Town. The Town approved establishing special charges on the Town's tax roll to finance the operations.

Transportation Utility Fund

This fund accounts for the operations of the Town's transportation utility. The Town established the transportation utility in 2019 to finance transportation system maintenance and improvements in the Town. The Town exercised its authority to establish a transportation utility fee, which is assessed to developed properties in the Town to fund transportation expenses.

The Town also reports the following fiduciary fund:

Custodial Fund

The custodial fund accounts for property taxes and special charges collected on behalf of other governments.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The government-wide and governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified cash basis of accounting*. The modified cash basis recognizes assets, liabilities, net position/fund balance, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Under the modified cash basis of accounting, the Town recognizes revenues when received. As a result, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) are not recorded in the Town's basic financial statements. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues when received if all eligibility requirements imposed by the provider have been met. Property taxes and grants received in advance of being earned or meeting eligibility requirements are reported as liabilities. Debt proceeds are recognized as other financing sources and general revenue when received. Additionally, capital assets such as property, equipment, and infrastructure are not capitalized or reported in the government-wide financial statements.

Under the modified cash basis of accounting, the Town generally records expenditures when paid, except for certain payroll withholdings. As a result, certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the Town's basic financial statements. Additionally, long-term liabilities such as debt payable and compensated absences are not reported. Additional information on outstanding long-term debt is shown in Note 3.D.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 Town's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources, as they are needed.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions. Investments are stated at cost in accordance with the modified cash basis of accounting. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

2. Property Taxes and Special Charges Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Town properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the Town.

In addition to its levy, the Town also levies and collects taxes for the Kaukauna Area, Kimberly Area, and Wrightstown Community School Districts, Outagamie County, Fox Valley Technical College, and Darboy Joint Sanitary District No. 1. Property taxes and special charges collected on behalf of other taxing entities as of December 31, 2022 are reported as liabilities and paid in the subsequent year as part of the January tax settlement.

3. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

4. Long-Term Obligations

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Because the Town uses the modified cash basis of accounting, principal payments are reported as expenditures in the statement of activities and no liability is reported on the statement of net position.

5. Fund Equity

Governmental Fund Financial Statements

Fund balance of the Town's general fund is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as prepaid items or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the Town Board. These constraints can only be removed or changed by the Town Board using the same action that was used to create them.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)

5. Fund Equity (Continued)

Governmental Fund Financial Statements (Continued)

- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of Town management. The Town Board has not authorized an employee to assign fund balance.

- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The Town has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Government-Wide Financial Statements

Equity is classified as net position and displayed in two components:

- **Restricted Net Position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

- **Unrestricted Net Position.** Net position that is neither classified as restricted nor as net investment in capital assets.

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During November, the Town Board and officials prepare a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by Town Board action.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

2. Budgets are adopted on a modified cash basis of accounting for all the general funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general fund.
4. Expenditures may not exceed appropriations provided in budget accounts maintained for each functional area of the Town. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the Town Board.
5. Encumbrance accounting is not used by the Town to record commitments related to unperformed contracts for goods or services.

The Town did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2022.

B. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, Towns, towns, and counties. For the 2022 and 2023 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the Town's January 1 equalized value as a result of net new construction. The actual limit for the Town for the 2022 budget was 0.33%. The actual limit for the Town for the 2023 budget was 0.46%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the Town's cash and investments totaled \$9,761,390 on December 31, 2022 as summarized below:

Petty Cash and Cash on Hand	\$	200
Deposits with Financial Institutions		8,653,233
Investments:		
U.S. Treasuries		180,885
Negotiable Certificates of Deposit		926,319
Money Market		753
Total		<u><u>\$ 9,761,390</u></u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	4,357,592
Restricted Cash and Investments		1,574,210
Fiduciary Fund Statement of Net Position:		
Cash and Investments		3,829,588
Total		<u><u>\$ 9,761,390</u></u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Deposits and investments of the Town are subject to various risks. Presented below is a discussion of the Town's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The Town has a custodial credit risk policy to minimize custodial risk maintaining a list of public depositories, financial institutions and brokers/dealers authorized to provide deposit and investment services and all public depositories, financial institutions, and broker/dealers authorized to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

As of December 31, 2022, \$8,483,738 of the Town's deposits with financial institutions were in excess of federal and state depository insurance limits and were collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Town's name.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
U.S. Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -
Negotiable Certificates of Deposit	926,319	-	-	-	926,319
Totals	\$ 926,319	\$ -	\$ -	\$ -	\$ 926,319

Concentration of Credit Risk

The Town has a credit risk policy to minimize risk by limiting investments to the types of securities permitted under Wisconsin Statutes Chapter 66.0603, allowing only public depositories approved by resolution and diversifying the investment portfolio so that the impact of potential losses from any one type of security or any one individual issuer will be minimized.

At December 31, 2022, the Town had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Town investments.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town has a formal policy to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasuries	\$ 180,885	\$ 180,885	\$ -	\$ -	\$ -
Negotiable Certificates of Deposit	926,319	243,289	558,495	124,535	-
Totals	<u>\$ 1,107,204</u>	<u>\$ 424,174</u>	<u>\$ 558,495</u>	<u>\$ 124,535</u>	<u>\$ -</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Restricted Assets

Restricted assets on December 31, 2022 totaled \$1,582,170 and consisted of cash and investments held for the following purposes:

Fund	Amount	Purpose
General Fund		
Park Improvements	\$ 16,604	To account for park impact fees collected for park improvements
Fire Department	<u>13,578</u>	To account for fire department fundraisers and donations to be used fire department expenditures
Total General Fund	30,182	
Debt Service Fund		
Debt Repayments	273,512	To account for property taxes levied for future debt service payments
Capital Projects Fund		
Capital Outlay	<u>1,270,516</u>	To account for unused debt proceeds to be used for road projects
Total	<u>\$ 1,574,210</u>	

C. Interfund Transfers

Interfund transfers for the year ended December 31, 2022 were as follows:

Fund	Transfer In	Transfer Out
Governmental Funds		
General	\$ -	\$ 179,743
Capital Projects	1,418,690	-
Proprietary Funds		
Stormwater Utility District	-	79,500
Transportation Utility District	-	1,159,447
Totals	<u>\$ 1,418,690</u>	<u>\$ 1,418,690</u>
Governmental Activities	\$ 1,238,947	\$ -
Business-Type Activities	-	1,238,947
Totals	<u>\$ 1,238,947</u>	<u>\$ 1,238,947</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Transfers (Continued)

Interfund transfers were recorded for the following purposes:

Transfer from General Fund to Capital Projects Fund for Road Improvements	\$ 179,743
Transfer from Stormwater Utility District to Capital Projects for Stormwater Capital Outlay Expenditures	79,500
Transfer from Transportation Utility District to Capital Projects for Road Improvements	<u>1,159,447</u>
Total	<u><u>\$ 1,418,690</u></u>

D. Long-Term Obligations

The following is a summary of changes in long-term obligations of the Town for the year ended December 31, 2022:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Direct Borrowing - Notes	\$ 4,175,000	\$ 1,800,000	\$ 585,000	\$ 5,390,000	\$ 705,000
Debt Premium	186,638	55,157	43,599	198,196	-
Governmental Activities Long-Term Obligations	<u>\$ 4,361,638</u>	<u>\$ 1,855,157</u>	<u>\$ 628,599</u>	<u>\$ 5,588,196</u>	<u>\$ 705,000</u>

Total interest paid during the year on long-term debt totaled \$112,150.

General Obligation Debt

General obligation direct borrowings outstanding on December 31, 2022 is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
2020 GO Promissory Notes	06/01/20	03/01/30	2.0-3.0%	\$ 4,630,000	\$ 3,590,000
2023 GO Promissory Notes	06/01/22	03/01/32	3.0-4.0%	1,800,000	<u>1,800,000</u>
Total Outstanding General Obligation Debt					<u><u>\$ 5,390,000</u></u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual principal and interest maturities of the outstanding general obligation debt of \$5,390,000 on December 31, 2022 are detailed below:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>		
	<u>Direct Borrowings - General Obligation Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 705,000	\$ 174,500	\$ 879,500
2024	845,000	133,285	978,285
2025	820,000	106,435	926,435
2026	590,000	83,610	673,610
2027	605,000	63,935	668,935
2028-2032	<u>1,825,000</u>	<u>105,070</u>	<u>1,930,070</u>
Total	<u>\$ 5,390,000</u>	<u>\$ 666,835</u>	<u>\$ 6,056,835</u>

Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2022 was \$40,499,355 as follows:

Equalized Valuation of the Town	\$ 917,787,100
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per	
Section 67.03 of the Wisconsin Statutes	45,889,355
Outstanding General Obligation Debt Applicable	
to Debt Limitation	<u>5,390,000</u>
Legal Margin for New Debt	<u>\$ 40,499,355</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Fund Equity

Restricted Fund Balance and Net Position

In the fund financial statements and government-wide financial statements, portions of fund balance and net position are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2022, restricted fund balance and net position was as follows:

General Fund:	
Restricted for:	
Park Improvements	\$ 16,604
Fire Department	13,578
Total General Fund Restricted Fund Balance	<u>30,182</u>
Debt Service Fund:	1,942
Capital Projects Fund:	<u>1,084,528</u>
Total Restricted Fund Balance	<u><u>\$ 1,116,652</u></u>

Committed Fund Balance

In the fund financial statements, portions of general fund balance is committed by Town Board action. At December 31, 2022, fund balance was committed as follows:

General Fund:	
Committed for:	
Building improvements	\$ 35,679
Fire Apparatus	90,744
Trail Development	30,066
Hickory Park Trail	69,979
Office / Administration / Election	20,082
Fire Signs	12,000
Zoning / Ordinance	14,000
Total Committed Fund Balance	<u><u>\$ 272,550</u></u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Fund Equity (Continued)

Minimum General Fund Balance Policy

The Town Board has adopted a policy that fund balance in the amount of 30% of current annual general fund operating expenditures, excluding capital outlay and debt service be maintained to preserve working funds for cash flow purposes and to adequately prepare for unforeseen events which require ready access to funds. The minimum fund balance amount is calculated as follows:

2022 General Fund Operating Expenditures as Defined by Policy		\$	1,983,906
Minimum Fund Balance %			(x) 30%
Minimum Fund Balance Amount		\$	595,172

The Town's unassigned general fund balance of \$1,713,343 is above the minimum fund balance amount.

NOTE 4 OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The Town completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded this coverage in the past three years.

B. Contingencies

From time to time, the Town is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Town's financial position or results of operations.

SUPPLEMENTARY INFORMATION

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL REVENUES COLLECTED
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
TAXES				
General Property	\$ 1,444,005	\$ 1,444,005	\$ 1,441,815	\$ (2,190)
Land Taxes	268	268	217	(51)
Interest on Taxes	100	100	6	(94)
Other Taxes	111,100	111,100	130,389	19,289
Total Taxes	<u>1,555,473</u>	<u>1,555,473</u>	<u>1,572,427</u>	<u>16,954</u>
INTERGOVERNMENTAL				
Federal:				
Fire Department	-	-	61,159	61,159
State:				
State Shared Taxes	87,268	87,268	87,344	76
Fire Insurance Dues	32,950	32,950	34,403	1,453
Tax Exempt Computer Aid	3,398	3,398	3,398	-
Transportation	236,363	236,363	236,363	-
Forest Croplands	4,300	4,300	12	(4,288)
Other	17,722	17,722	17,286	(436)
Other Local Aids:				
Valley Transit	62,000	62,000	56,570	(5,430)
Recycling	68,000	68,000	71,106	3,106
Total Intergovernmental	<u>512,001</u>	<u>512,001</u>	<u>567,641</u>	<u>55,640</u>
LICENSES AND PERMITS				
Licenses:				
Business and Occupational	43,634	43,634	64,687	21,053
Dog	1,800	1,800	1,516	(284)
Permits:				
Building	28,900	28,900	29,820	920
Zoning and Permit Fees	7,100	7,100	7,495	395
Other Permits	1,550	1,550	-	(1,550)
Total Licenses and Permits	<u>82,984</u>	<u>82,984</u>	<u>103,518</u>	<u>20,534</u>
FINES AND FORFEITS				
Court Fines and Penalties	9,150	9,150	33,959	24,809
PUBLIC CHARGES FOR SERVICES				
General Government	3,600	3,600	67,778	64,178
Fire Protection Fees	1,300	1,300	904	(396)
Transportation	24,370	24,370	44,320	19,950
Sanitation and Utilities	371,700	371,700	363,626	(8,074)
Drainage	5,000	5,000	-	(5,000)
Park Impact Fees	4,000	4,000	4,800	800
Total Public Charges for Services	<u>409,970</u>	<u>409,970</u>	<u>481,428</u>	<u>71,458</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL REVENUES COLLECTED (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Crossing Guards	\$ 1,885	\$ 1,885	\$ 1,739	\$ (146)
MISCELLANEOUS				
Interest on Investments	23,020	23,020	15,594	(7,426)
Hall Rental	1,500	1,500	1,950	450
Sale of Other Property	-	-	10	10
Donations	-	-	750	750
Total Miscellaneous	<u>24,520</u>	<u>24,520</u>	<u>18,304</u>	<u>(6,216)</u>
Total Revenues	<u>\$ 2,595,983</u>	<u>\$ 2,595,983</u>	<u>\$ 2,779,016</u>	<u>\$ 183,033</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES PAID
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
GENERAL GOVERNMENT				
Legislative (Town Board)	\$ 35,526	\$ 35,526	\$ 35,074	\$ 452
Legal Fees	35,000	35,000	41,880	(6,880)
Administration:				
Town Administrator	128,117	128,117	93,086	35,031
Office Salaries and Benefits	133,670	133,670	140,526	(6,856)
Elections	24,259	24,259	16,612	7,647
Office Technology	18,580	18,580	19,433	(853)
Other General Administration	25,390	25,390	35,035	(9,645)
Accounting and Auditing	7,200	7,200	7,200	-
Assessment	48,500	48,500	49,051	(551)
General Buildings, Town Hall:				
Hall Supplies and Expenses	34,854	34,854	32,427	2,427
Maintenance Workers	28,153	28,153	28,820	(667)
Other General Government:				
Insurance	26,600	26,600	29,932	(3,332)
Other General Government	750	750	62,116	(61,366)
Total General Government	<u>546,599</u>	<u>546,599</u>	<u>591,192</u>	<u>(44,593)</u>
PUBLIC SAFETY				
Law Enforcement	380,833	380,833	363,141	17,692
Fire Protection	194,252	194,252	142,361	51,891
Emergency Medical Services	32,500	32,500	18,254	14,246
Emergency Management Services	3,800	3,800	640	3,160
Building Inspection	21,246	21,246	20,603	643
Other Public Safety	3,770	3,770	3,585	185
Total Public Safety	<u>636,401</u>	<u>636,401</u>	<u>548,584</u>	<u>87,817</u>
PUBLIC WORKS				
Highway and Street Maintenance	219,893	219,893	113,053	106,840
Road Related Facilities	73,536	73,536	88,070	(14,534)
Stormwater	1,210	1,210	-	1,210
Sanitation	435,500	435,500	543,295	(107,795)
Mass Transit	69,696	69,696	69,698	(2)
Total Public Works	<u>799,835</u>	<u>799,835</u>	<u>814,116</u>	<u>(14,281)</u>
CULTURE AND RECREATION				
Parks	9,000	9,000	8,135	865
Recreation Programs and Events	1,000	1,000	-	1,000
Total Culture and Recreation	<u>10,000</u>	<u>10,000</u>	<u>8,135</u>	<u>1,865</u>
CONSERVATION AND DEVELOPMENT				
Planning and Zoning	9,448	9,448	18,272	(8,824)
Economic Development	5,700	5,700	3,607	2,093
Stormwater, Erosion, and Drainage	10,000	10,000	-	10,000
Total Conservation and Development	<u>25,148</u>	<u>25,148</u>	<u>21,879</u>	<u>3,269</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES PAID (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
CAPITAL OUTLAY				
General Government	\$ 34,000	\$ 34,000	\$ 24,395	\$ 9,605
Fire Protection	106,000	106,000	25,987	80,013
Highway Equipment	464,000	464,000	304,892	159,108
Parks	150,000	150,000	-	150,000
Total Capital Outlay	<u>754,000</u>	<u>754,000</u>	<u>355,274</u>	<u>398,726</u>
 Total Expenditures	 <u>\$ 2,771,983</u>	 <u>\$ 2,771,983</u>	 <u>\$ 2,339,180</u>	 <u>\$ 432,803</u>

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Town Board
Town of Buchanan
Outagamie County, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Buchanan, Outagamie County, Wisconsin (the Town) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Buchanan's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
March 20, 2023

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2022**

Section I – Internal Control Over Financial Reporting

2022-001

Control Deficiencies

Preparation of Annual Financial Report

Material Weakness Over Financial Reporting

Repeat of Finding 2021-001

Condition

Current Town staff maintains accounting records which reflect the Town's financial transactions; however, preparing the Town's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The Town contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the Town's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the Town had implemented a comprehensive review procedure to ensure that the financial statements, including not disclosures, are complete and accurate.

Criteria or Specific Requirements

The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

Cause

Town management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect

The Town may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Recommendation

We recommend the Town continue reviewing the annual financial report. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Town's activities and operations. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the Town is necessary to obtain a complete and adequate understanding of the Town's annual financial report.

Views of Responsible Officials and Planned Corrective Action

The Town Clerk/Treasurer and Town Administrator will continue to review and approve the annual financial report prior to issuance. Management concurs with the finding.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Section I – Internal Control Over Financial Reporting (Continued)

2022-002

**Control Deficiencies
Adjustments to the Town’s Financial Records
Material Weakness Over Financial Reporting
Repeat of Finding 2021-002**

Condition

As part of our audit, we proposed adjusting journal entries that were material to the Town’s financial statements.

Criteria or Specific Requirements

Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

Cause

While Town staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.

Effect

Year-end financial records prepared by the Town may contain material misstatements.

Recommendation

We recommend the Town designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.

Views of Responsible Officials and Planned Corrective Action

The Town Administrator reviews and approves the material journal entries, along with the supporting documentation. Management concurs with the finding.



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