

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



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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, 2023, 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, 2023, and the respective changes in modified cash basis financial position, and, where applicable, cashflows thereof, and the budgetary comparison for the General Fund for the 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 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.C.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2024, 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  
April 1, 2024

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
DECEMBER 31, 2023**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 5,761,681	\$ 1,091,312	\$ 6,852,993
Restricted Cash and Investments	33,744	-	33,744
Total Assets	<u>5,795,425</u>	<u>1,091,312</u>	<u>6,886,737</u>
<b>LIABILITIES</b>			
Accrued and Other Current Liabilities	7,917	-	7,917
Property Taxes and Special Charges Collected for Subsequent Year	1,196,658	160,389	1,357,047
Special Deposits	9,600	-	9,600
Unearned Revenues	675,545	-	675,545
Total Liabilities	<u>1,889,720</u>	<u>160,389</u>	<u>2,050,109</u>
<b>NET POSITION</b>			
Restricted			
Park Improvements	19,672	-	19,672
Fire Department	14,072	-	14,072
Debt Service	992	-	992
Unrestricted	<u>3,870,969</u>	<u>930,923</u>	<u>4,801,892</u>
Total Net Position	<u>\$ 3,905,705</u>	<u>\$ 930,923</u>	<u>\$ 4,836,628</u>

See accompanying Notes to Basic Financial Statements.



**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
General Government	\$ 575,492	\$ 99,763	\$ 14,722	\$ -
Public Safety	698,025	29,379	38,685	-
Public Works	2,361,064	1,487,555	417,348	-
Culture and Recreation	46,176	-	-	3,068
Conservation and Development	18,583	3,275	-	-
Principal, Interest and Fiscal Charges on Long-Term Debt	880,450	-	-	-
Total Governmental Activities	<u>4,579,790</u>	<u>1,619,972</u>	<u>470,755</u>	<u>3,068</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Stormwater Utility	<u>211,337</u>	<u>441,789</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,791,127</u>	<u>\$ 2,061,761</u>	<u>\$ 470,755</u>	<u>\$ 3,068</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, 2023**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Totals
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ (461,007)	\$ -	\$ (461,007)
Public Safety	(629,961)	-	(629,961)
Public Works	(456,161)	-	(456,161)
Culture and Recreation	(43,108)	-	(43,108)
Conservation and Development	(15,308)	-	(15,308)
Principal, Interest and Fiscal Charges on Long-Term Debt	(880,450)	-	(880,450)
Total Governmental Activities	<u>(2,485,995)</u>	<u>-</u>	<u>(2,485,995)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Stormwater Utility	<u>-</u>	<u>230,452</u>	<u>230,452</u>
Total	(2,485,995)	230,452	(2,255,543)
General Revenues and Transfers:			
Taxes:			
Property Taxes	2,650,423	-	2,650,423
Other Taxes	150,772	-	150,772
Federal and State Grants and Other Contributions Not Restricted to Specific Functions	110,232	200,000	310,232
Interest and Investment Earnings	203,521	-	203,521
Miscellaneous	94,427	-	94,427
Transfers	<u>79,780</u>	<u>(79,780)</u>	<u>-</u>
Total General Revenues and Transfers	<u>3,289,155</u>	<u>120,220</u>	<u>3,409,375</u>
<b>CHANGE IN NET POSITION</b>	803,160	350,672	1,153,832
Net Position - Beginning of Year	<u>3,102,545</u>	<u>580,251</u>	<u>3,682,796</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 3,905,705</u>	<u>\$ 930,923</u>	<u>\$ 4,836,628</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
BALANCE SHEET – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 4,230,582	\$ 347,021	\$ 1,184,078	\$ 5,761,681
Restricted Cash and Investments	33,744	-	-	33,744
Total Assets	<u>\$ 4,264,326</u>	<u>\$ 347,021</u>	<u>\$ 1,184,078</u>	<u>\$ 5,795,425</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accrued and Other Current Liabilities	\$ 7,917	\$ -	\$ -	\$ 7,917
Property Taxes and Special Charges Collected for Subsequent Year	684,670	346,029	165,959	1,196,658
Special Deposits	9,600	-	-	9,600
Unearned Revenues	675,545	-	-	675,545
Total Liabilities	1,377,732	346,029	165,959	1,889,720
<b>FUND BALANCE</b>				
Restricted	33,744	992	-	34,736
Committed	275,850	-	1,018,119	1,293,969
Unassigned	2,577,000	-	-	2,577,000
Total Fund Balance	2,886,594	992	1,018,119	3,905,705
Total Liabilities and Fund Balance	<u>\$ 4,264,326</u>	<u>\$ 347,021</u>	<u>\$ 1,184,078</u>	<u>\$ 5,795,425</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION</b>				
Total Fund Balance				<u>\$ 3,905,705</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position				<u>\$ 3,905,705</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 – GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Capital Projects	Totals
<b>REVENUES</b>				
Taxes	\$ 1,614,462	\$ 836,733	\$ 350,000	\$ 2,801,195
Special Assessments	-	-	413,273	413,273
Intergovernmental	580,493	-	-	580,493
Licenses and Permits	83,512	-	-	83,512
Fines and Forfeits	8,889	-	-	8,889
Public Charges for Services	515,223	-	-	515,223
Intergovernmental Charges for Services	61,846	-	513,211	575,057
Miscellaneous	211,227	-	114,301	325,528
Total Revenues	3,075,652	836,733	1,390,785	5,303,170
<b>EXPENDITURES</b>				
Current:				
General Government	559,045	-	-	559,045
Public Safety	698,025	-	-	698,025
Public Works	868,314	-	-	868,314
Culture and Recreation	5,897	-	-	5,897
Conservation and Development	8,583	-	-	8,583
Debt Service:				
Principal	-	705,000	-	705,000
Interest and Fiscal Charges	-	175,450	-	175,450
Capital Outlay	95,049	-	1,464,427	1,559,476
Total Expenditures	2,234,913	880,450	1,464,427	4,579,790
Excess (Deficiency) of Revenues Over (Under) Expenditures	840,739	(43,717)	(73,642)	723,380
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	29,780	42,767	50,000	122,547
Transfers Out	-	-	(42,767)	(42,767)
Total Other Financing Sources (Uses)	29,780	42,767	7,233	79,780
<b>NET CHANGE IN FUND BALANCE</b>	870,519	(950)	(66,409)	803,160
Fund Balance - Beginning of Year	2,016,075	1,942	1,084,528	3,102,545
<b>FUND BALANCE - END OF YEAR</b>	\$ 2,886,594	\$ 992	\$ 1,018,119	\$ 3,905,705
<b>RECONCILIATION TO THE STATEMENT OF ACTIVITIES</b>				
Net Change in Fund Balance				\$ 803,160
Change in Net Position of Governmental Activities as Reported in the Statement of Activities				\$ 803,160

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 – MODIFIED CASH BASIS – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,583,478	\$ 1,583,478	\$ 1,614,462	\$ 30,984
Intergovernmental	547,505	547,505	580,493	32,988
Licenses and Permits	70,800	70,800	83,512	12,712
Fines and Forfeits	6,150	6,150	8,889	2,739
Public Charges for Services	441,410	441,410	515,223	73,813
Intergovernmental Charges for Services	1,800	1,800	61,846	60,046
Miscellaneous	29,120	29,120	211,227	182,107
Total Revenues	<u>2,680,263</u>	<u>2,680,263</u>	<u>3,075,652</u>	<u>395,389</u>
<b>EXPENDITURES</b>				
Current:				
General Government	559,936	559,936	559,045	891
Public Safety	685,236	685,236	698,025	(12,789)
Public Works	855,505	855,505	868,314	(12,809)
Culture and Recreation	10,000	10,000	5,897	4,103
Conservation and Development	28,398	28,398	8,583	19,815
Capital Outlay	193,000	193,000	95,049	97,951
Total Expenditures	<u>2,332,075</u>	<u>2,332,075</u>	<u>2,234,913</u>	<u>97,162</u>
Excess of Revenues Over Expenditures	348,188	348,188	840,739	492,551
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	29,780	29,780
Transfers Out	(349,180)	(349,180)	-	349,180
Total Other Financing Sources (Uses)	<u>(349,180)</u>	<u>(349,180)</u>	<u>29,780</u>	<u>378,960</u>
<b>NET CHANGE IN FUND BALANCE</b>	(992)	(992)	870,519	871,511
Fund Balance - Beginning of Year	<u>2,016,075</u>	<u>2,016,075</u>	<u>2,016,075</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,015,083</u>	<u>\$ 2,015,083</u>	<u>\$ 2,886,594</u>	<u>\$ 871,511</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, 2023**

	Stormwater Utility District	Nonmajor Transportation Utility District	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 1,091,312	\$ -	\$ 1,091,312
<b>LIABILITIES</b>			
Special Charges Collected for Subsequent Year	160,389	-	160,389
<b>NET POSITION</b>			
Unrestricted	\$ 930,923	\$ -	\$ 930,923

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, 2023**

	Stormwater Utility District	Nonmajor Transportation Utility District	Totals
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 441,789	\$ -	\$ 441,789
<b>OPERATING EXPENSES</b>			
Operation and Maintenance	126,191	-	126,191
Administration and General	60,093	-	60,093
Capital outlay	25,053	-	25,053
Total Operating Expenses	<u>211,337</u>	<u>-</u>	<u>211,337</u>
<b>OPERATING INCOME</b>	230,452	-	230,452
<b>NONOPERATING REVENUES</b>			
Nonoperating Grants	<u>200,000</u>	<u>-</u>	<u>200,000</u>
<b>INCOME BEFORE TRANSFERS</b>	430,452	-	430,452
Transfers Out	<u>(50,000)</u>	<u>(29,780)</u>	<u>(79,780)</u>
<b>CHANGE IN NET POSITION</b>	380,452	(29,780)	350,672
Net Position - Beginning of Year	<u>550,471</u>	<u>29,780</u>	<u>580,251</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 930,923</u>	<u>\$ -</u>	<u>\$ 930,923</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS -  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	Stormwater Utility District	Nonmajor Transportation Utility District	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 435,226	\$ -	\$ 435,226
Cash Paid for Employee Wages and Benefits	(15,775)	-	(15,775)
Cash Paid to Suppliers	(195,562)	-	(195,562)
Net Cash Provided by Operating Activities	<u>223,889</u>	-	<u>223,889</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers Out	<u>(50,000)</u>	<u>(29,780)</u>	<u>(79,780)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Intergovernmental Revenues	<u>200,000</u>	-	<u>200,000</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	373,889	(29,780)	344,109
Cash and Cash Equivalents - Beginning of Year	<u>717,423</u>	<u>29,780</u>	<u>747,203</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,091,312</u>	<u>\$ -</u>	<u>\$ 1,091,312</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income	\$ 230,452	\$ -	\$ 230,452
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Change In Operating Assets and Liabilities:			
Specials Collected for Subsequent Year	(6,563)	-	(6,563)
Net Cash Provided by Operating Activities	<u>\$ 223,889</u>	<u>\$ -</u>	<u>\$ 223,889</u>

See accompanying Notes to Basic Financial Statements.



**TOWN OF BUCHANAN  
 OUTAGAMIE COUNTY, WISCONSIN  
 STATEMENT OF FIDUCIARY NET POSITION – MODIFIED CASH BASIS -  
 FIDUCIARY FUND  
 DECEMBER 31, 2023**

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 3,498,499
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Due to Other Governments	3,498,499
<b>NET POSITION</b>	
Fiduciary Net Position - Restricted for Other Governments	\$ -

*See accompanying Notes to Basic Financial Statements.*

**TOWN OF BUCHANAN  
 OUTAGAMIE COUNTY, WISCONSIN  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – MODIFIED CASH BASIS -  
 FIDUCIARY FUND  
 YEAR ENDED DECEMBER 31, 2023**

	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Taxes and Special Charges Collected	\$ 9,177,949
<b>DEDUCTIONS</b>	
Payments to Other Taxing Districts	9,177,949
<b>CHANGE IN NET POSITION</b>	-
Net Position - Beginning of Year	-
<b>NET POSITION - END OF YEAR</b>	\$ -

*See accompanying Notes to Basic Financial Statements.*

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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 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. 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 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, 2023**

**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 fund:

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.

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, 2023**

**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.

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, 2023**

**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, 2023**

**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. Pensions**

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**6. 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, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**6. 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, 2023**

**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, 2023.

**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 2023 and 2024 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 2023 budget was 0.46%. The actual limit for the Town for the 2024 budget was 0.30%. 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, 2023**

**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 \$10,385,236 on December 31, 2023 as summarized below:

Petty Cash and Cash on Hand	\$	200
Deposits with Financial Institutions		9,225,573
Investments:		
Negotiable Certificates of Deposit		1,151,359
Money Market Mutual Funds		8,104
Total		<u><u>\$ 10,385,236</u></u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	6,852,993
Restricted Cash and Investments		33,744
Fiduciary Fund Statement of Net Position:		
Cash and Investments		3,498,499
Total		<u><u>\$ 10,385,236</u></u>

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Custodial Credit Risk (Continued)

As of December 31, 2023, \$8,437,821 of the Town's deposits with financial institutions were in excess of federal and state depository insurance limits. The entire balance was collateralized with securities held by the pledging financial institution or its trust department or agent.

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.

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Negotiable Certificates of Deposit	\$ 1,151,359	\$ -	\$ -	\$ -	\$ 1,151,359
Money Market Mutual Funds	8,104	-	-	-	8,104
Totals	<u>\$ 1,159,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,159,463</u>

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, 2023, the Town had the following 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.

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percent of Total Investments</u>
Morgan Stanley Private Bank	Negotiable Certificate of Deposit	\$ 94,376	8%
First Technology Fed Cr Un	Negotiable Certificate of Deposit	84,984	7%
American Express Bank	Negotiable Certificate of Deposit	183,222	16%
Salie Mae Salt Lake City UT CTF DP	Negotiable Certificate of Deposit	112,679	10%
Austin Telco Federal Credit Union	Negotiable Certificate of Deposit	174,752	15%
CME FCU Columbus OH SH CTF	Negotiable Certificate of Deposit	178,862	15%
Connexus Credit Union	Negotiable Certificate of Deposit	125,149	11%
Nova UA Fed CR UN Clifton NJ CTF	Negotiable Certificate of Deposit	197,336	17%

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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
Negotiable Certificates of Deposit	\$ 1,151,359	\$ 650,012	\$ 501,347	\$ -	\$ -
Money Market Mutual Funds	8,104	8,104	-	-	-
Totals	<u>\$ 1,159,463</u>	<u>\$ 658,116</u>	<u>\$ 501,347</u>	<u>\$ -</u>	<u>\$ -</u>

**B. Restricted Assets**

Restricted assets on December 31, 2023 totaled \$33,744 and consisted of cash and investments held for the following purposes:

Fund	Amount	Purpose
General Fund		
Park Improvements	\$ 19,672	To account for park impact fees collected for park improvements
Fire Department	<u>14,072</u>	To account for fire department fundraisers and donations to be used fire department expenditures
Total General Fund	<u>\$ 33,744</u>	

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Interfund Transfers**

Interfund transfers for the year ended December 31, 2023 were as follows:

Fund	Transfer In	Transfer Out
Governmental Funds		
General	\$ 29,780	\$ -
Capital Projects	50,000	-
Proprietary Funds		
Stormwater Utility District	-	50,000
Transportation Utility District	-	29,780
Totals	<u>\$ 79,780</u>	<u>\$ 79,780</u>
Governmental Activities	\$ 79,780	\$ -
Business-Type Activities	-	79,780
Totals	<u>\$ 79,780</u>	<u>\$ 79,780</u>

Interfund transfers were recorded for the following purposes:

Transfer from Stormwater Utility District to Capital Projects for Stormwater Capital Outlay Expenditures	\$ 50,000
Transfer from Transportation Utility District to General Fund for fund closure	29,780
Total	<u>\$ 79,780</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, 2023:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Direct Borrowing - Notes	\$ 5,390,000	\$ -	\$ 705,000	\$ 4,685,000	\$ 845,000
Debt Premium	198,196	-	55,373	142,823	43,256
Governmental Activities Long-Term Obligations	<u>\$ 5,588,196</u>	<u>\$ -</u>	<u>\$ 760,373</u>	<u>\$ 4,827,823</u>	<u>\$ 888,256</u>

Total interest paid during the year on long-term debt totaled \$175,450.

**General Obligation Debt**

General obligation direct borrowings outstanding on December 31, 2023 is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/23
2020 GO Promissory Notes	06/01/20	03/01/30	2.0-3.0%	\$ 4,630,000	\$ 2,965,000
2023 GO Promissory Notes	06/01/22	03/01/32	3.0-4.0%	1,800,000	1,720,000
Total Outstanding General Obligation Debt					<u>\$ 4,685,000</u>

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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 \$4,685,000 on December 31, 2023 are detailed below:

<u>Year Ended December 31,</u>	Governmental Activities		
	Direct Borrowings - General Obligation Notes		
	Principal	Interest	Total
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	535,000	45,010	580,010
2029-2032	1,290,000	60,060	1,350,060
Total	\$ 4,685,000	\$ 492,335	\$ 5,177,335

Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2023 was \$46,391,420 as follows:

Equalized Valuation of the Town	\$ 1,021,528,400
Statutory Limitation Percentage	(x) 5%
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	51,076,420
Outstanding General Obligation Debt Applicable to Debt Limitation	4,685,000
Legal Margin for New Debt	\$ 46,391,420

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan**

As disclosed in Note 1.C., the Town financial statements are reported on the modified cash basis of accounting. As a result, the following disclosure related to the Town's participation in the Wisconsin Retirement System is for informational purposes only and the related net pension asset/liability, deferred outflows and deferred inflows are disclosed but not reported on the face of the financial statements.

**1. Plan Description**

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/reports-and-studies/financia-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.



**TOWN OF BUCHANAN  
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NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

**1. Plan Description (Continued)**

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**2. Postretirement Adjustments**

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	2.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%

**3. Contributions**

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Pension Plan (Continued)**

remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the year ending December 31, 2023, the WRS recognized \$15,977 in contributions from the Town.

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

**F. 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, 2023, restricted fund balance and net position was as follows:

General Fund:	
Restricted for:	
Park Improvements	\$ 19,672
Fire Department	<u>14,072</u>
Total General Fund Restricted Fund Balance	33,744
Debt Service Fund:	
Restricted for:	
Debt Service	<u>992</u>
Total Restricted Fund Balance	<u>\$ 34,736</u>

Committed Fund Balance

In the fund financial statements, portions of general fund balance is committed by Town Board action. At December 31, 2023, fund balance was committed as follows:

General Fund:	
Committed for:	
Building improvements	\$ 45,679
Fire Apparatus	105,744
Trail Development	30,066
Hickory Park Trail	69,979
Office / Administration / Election	<u>24,382</u>
Total General Fund Committed Fund Balance	275,850
Capital Improvements Fund:	
Committed for:	
Capital Improvements	<u>1,018,119</u>
Total Committed Fund Balance	<u>\$ 1,293,969</u>

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**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:

2023 General Fund Operating Expenditures as Defined by Policy	\$ 2,139,864
Minimum Fund Balance %	<u>(x) 30%</u>
Minimum Fund Balance Amount	<u><u>\$ 641,959</u></u>

The Town's unassigned general fund balance of \$2,577,000 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, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>TAXES</b>				
General Property	\$ 1,466,178	\$ 1,466,178	\$ 1,463,690	\$ (2,488)
Land Taxes	200	200	214	14
Interest on Taxes	100	100	222	122
Other Taxes	117,000	117,000	150,336	33,336
Total Taxes	<u>1,583,478</u>	<u>1,583,478</u>	<u>1,614,462</u>	<u>30,984</u>
<b>INTERGOVERNMENTAL</b>				
Federal:				
Fire Department	-	-	17,014	17,014
State:				
State Shared Taxes	72,000	72,000	71,898	(102)
Fire Insurance Dues	34,000	34,000	38,191	4,191
Tax Exempt Computer Aid	3,398	3,398	3,398	-
Transportation	271,817	271,817	271,818	1
Forest Croplands	4,300	4,300	15	(4,285)
Personal Property Aid	15,268	15,268	15,268	-
Video Services Aid	14,722	14,722	14,722	-
Other	2,000	2,000	2,639	639
Other Local Aids:				
Valley Transit	62,000	62,000	60,597	(1,403)
Recycling	68,000	68,000	84,933	16,933
Total Intergovernmental	<u>547,505</u>	<u>547,505</u>	<u>580,493</u>	<u>32,988</u>
<b>LICENSES AND PERMITS</b>				
Licenses:				
Business and Occupational	32,450	32,450	54,191	21,741
Dog	1,800	1,800	1,970	170
Permits:				
Building	28,900	28,900	23,326	(5,574)
Zoning and Permit Fees	6,100	6,100	1,475	(4,625)
Other Permits	1,550	1,550	2,550	1,000
Total Licenses and Permits	<u>70,800</u>	<u>70,800</u>	<u>83,512</u>	<u>12,712</u>
<b>FINES AND FORFEITS</b>				
Court Fines and Penalties	6,150	6,150	8,889	2,739
<b>PUBLIC CHARGES FOR SERVICES</b>				
General Government	3,600	3,600	32,834	29,234
Fire Protection Fees	1,300	1,300	387	(913)
Transportation	29,370	29,370	67,131	37,761
Sanitation and Utilities	398,140	398,140	411,803	13,663
Drainage	5,000	5,000	-	(5,000)
Park Impact Fees	4,000	4,000	3,068	(932)
Total Public Charges for Services	<u>441,410</u>	<u>441,410</u>	<u>515,223</u>	<u>73,813</u>

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
GENERAL FUND  
SCHEDULE OF BUDGETED AND ACTUAL REVENUES COLLECTED (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>				
Other Services	\$ -	\$ -	\$ 60,000	\$ 60,000
Crossing Guards	1,800	1,800	1,846	46
Total Intergovernmental Charges for Services	1,800	1,800	61,846	60,046
<b>MISCELLANEOUS</b>				
Interest on Investments	27,020	27,020	207,883	180,863
Hall Rental	1,500	1,500	2,850	1,350
Sale of Other Property	100	100	-	(100)
Donations	500	500	494	(6)
Total Miscellaneous	29,120	29,120	211,227	182,107
 Total Revenues	 <u>\$ 2,680,263</u>	 <u>\$ 2,680,263</u>	 <u>\$ 3,075,652</u>	 <u>\$ 395,389</u>

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
GENERAL FUND  
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES PAID  
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>GENERAL GOVERNMENT</b>				
Legislative (Town Board)	\$ 35,566	\$ 35,566	\$ 35,652	\$ (86)
Legal Fees	35,000	35,000	19,740	15,260
Administration:				
Town Administrator	100,615	100,615	57,479	43,136
Office Salaries and Benefits	132,607	132,607	131,325	1,282
Elections	21,500	21,500	9,021	12,479
Office Technology	22,080	22,080	22,824	(744)
Other General Administration	25,440	25,440	97,657	(72,217)
Accounting and Auditing	7,200	7,200	13,808	(6,608)
Assessment	48,500	48,500	49,044	(544)
Administrative Assistant	18,203	18,203	4,196	14,007
General Buildings, Town Hall:				
Hall Supplies and Expenses	40,452	40,452	32,594	7,858
Maintenance Workers	45,423	45,423	41,337	4,086
Other General Government:				
Insurance	26,600	26,600	27,233	(633)
Other General Government	750	750	17,135	(16,385)
Total General Government	<u>559,936</u>	<u>559,936</u>	<u>559,045</u>	<u>891</u>
<b>PUBLIC SAFETY</b>				
Law Enforcement	426,873	426,873	492,637	(65,764)
Fire Protection	197,047	197,047	160,738	36,309
Emergency Medical Services	32,500	32,500	16,572	15,928
Emergency Management Services	3,800	3,800	2,315	1,485
Building Inspection	21,246	21,246	21,877	(631)
Other Public Safety	3,770	3,770	3,886	(116)
Total Public Safety	<u>685,236</u>	<u>685,236</u>	<u>698,025</u>	<u>(12,789)</u>
<b>PUBLIC WORKS</b>				
Highway and Street Maintenance	276,500	276,500	282,503	(6,003)
Road Related Facilities	94,779	94,779	69,410	25,369
Stormwater	1,210	1,210	-	1,210
Sanitation	413,320	413,320	435,219	(21,899)
Mass Transit	69,696	69,696	81,182	(11,486)
Total Public Works	<u>855,505</u>	<u>855,505</u>	<u>868,314</u>	<u>(12,809)</u>
<b>CULTURE AND RECREATION</b>				
Parks	9,000	9,000	5,897	3,103
Recreation Programs and Events	1,000	1,000	-	1,000
Total Culture and Recreation	<u>10,000</u>	<u>10,000</u>	<u>5,897</u>	<u>4,103</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Planning and Zoning	14,698	14,698	4,856	9,842
Economic Development	3,700	3,700	3,727	(27)
Stormwater, Erosion, and Drainage	10,000	10,000	-	10,000
Total Conservation and Development	<u>28,398</u>	<u>28,398</u>	<u>8,583</u>	<u>19,815</u>

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
GENERAL FUND  
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES PAID (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>CAPITAL OUTLAY</b>				
General Government	\$ 51,000	\$ 51,000	\$ 26,447	\$ 24,553
Fire Protection	67,000	67,000	11,029	55,971
Highway Equipment	20,000	20,000	28,040	(8,040)
Parks	10,000	10,000	29,250	(19,250)
Total Capital Outlay	<u>193,000</u>	<u>193,000</u>	<u>95,049</u>	<u>97,951</u>
 Total Expenditures	 <u>\$ 2,332,075</u>	 <u>\$ 2,332,075</u>	 <u>\$ 2,234,913</u>	 <u>\$ 97,162</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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 1, 2024.

***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 2023-001 and 2023-002 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 no 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  
April 1, 2024

**TOWN OF BUCHANAN  
OUTAGAMIE COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2023**

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***Section I – Internal Control Over Financial Reporting***

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**2023-001**

**Preparation of Annual Financial Report  
Material Weakness in Internal Control Over Financial Reporting  
Repeat of Finding 2022-001**

**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 net 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.

**Management's Response**

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, 2023**

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***Section I – Internal Control Over Financial Reporting (Continued)***

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**2023-002**

**Adjustments to the Town's Financial Records  
Material Weakness in Internal Control Over Financial Reporting  
Repeat of Finding 2022-002**

**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.

**Management's Response**

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



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.