

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION – MODIFIED CASH BASIS	5
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS	6
FUND FINANCIAL STATEMENTS	
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE – GENERAL FUND – MODIFIED CASH BASIS	8
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND – MODIFIED CASH BASIS	9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND – MODIFIED CASH BASIS	10
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION – MODIFIED CASH BASIS – PROPRIETARY FUNDS	11
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – MODIFIED CASH BASIS – PROPRIETARY FUNDS	12
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	13
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND	14
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND	15
NOTES TO BASIC FINANCIAL STATEMENTS	16
SUPPLEMENTARY INFORMATION	
GENERAL FUND	
SCHEDULE OF BUDGETED AND ACTUAL REVENUES COLLECTED	34
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES PAID	36

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024**

**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 <i>GOVERNMENT AUDITING STANDARDS</i>	39
SCHEDULE OF FINDINGS AND RESPONSES	41



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, 2024, 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, 2024, and the respective changes in modified cash basis financial position, and, where applicable, cash flows 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 February 12, 2025, 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 the Town's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
February 12, 2025

BASIC FINANCIAL STATEMENTS

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
STATEMENT OF NET POSITION – MODIFIED CASH BASIS
DECEMBER 31, 2024**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 7,147,702	\$ 1,393,051	\$ 8,540,753
Restricted Cash and Investments	11,380	-	11,380
Total Assets	<u>7,159,082</u>	<u>1,393,051</u>	<u>8,552,133</u>
LIABILITIES			
Accrued and Other Current Liabilities	2,980	-	2,980
Property Taxes and Special Charges Collected for Subsequent Year	1,321,082	158,744	1,479,826
Special Deposits	49,488	-	49,488
Total Liabilities	<u>1,373,550</u>	<u>158,744</u>	<u>1,532,294</u>
NET POSITION			
Restricted			
Park Improvements	250	-	250
Fire Department	11,130	-	11,130
Debt Service	68,495	-	68,495
Unrestricted	<u>5,705,657</u>	<u>1,234,307</u>	<u>6,939,964</u>
Total Net Position	<u>\$ 5,785,532</u>	<u>\$ 1,234,307</u>	<u>\$ 7,019,839</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 571,021	\$ 93,382	\$ 14,722	\$ -
Public Safety	782,674	28,037	43,664	-
Public Works	3,676,368	841,162	464,654	76,147
Culture and Recreation	21,080	-	-	3,464
Conservation and Development	14,369	15,583	-	-
Principal, Interest and Fiscal Charges on Long-Term Debt	976,482	-	-	-
Total Governmental Activities	<u>6,041,994</u>	<u>978,164</u>	<u>523,040</u>	<u>79,611</u>
BUSINESS-TYPE ACTIVITIES				
Stormwater Utility	<u>176,338</u>	<u>451,341</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,218,332</u>	<u>\$ 1,429,505</u>	<u>\$ 523,040</u>	<u>\$ 79,611</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, 2024**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Totals
GOVERNMENTAL ACTIVITIES			
General Government	\$ (462,917)	\$ -	\$ (462,917)
Public Safety	(710,973)	-	(710,973)
Public Works	(2,294,405)	-	(2,294,405)
Culture and Recreation	(17,616)	-	(17,616)
Conservation and Development	1,214	-	1,214
Principal, Interest and Fiscal Charges on Long-Term Debt	(976,482)	-	(976,482)
Total Governmental Activities	(4,461,179)	-	(4,461,179)
BUSINESS-TYPE ACTIVITIES			
Stormwater Utility	-	275,003	275,003
Total	(4,461,179)	275,003	(4,186,176)
General Revenues and Transfers:			
Taxes:			
Property Taxes	2,792,681	-	2,792,681
Other Taxes	128,157	-	128,157
Federal and State Grants and Other Contributions Not Restricted to Specific Functions			
	936,840	178,381	1,115,221
Interest and Investment Earnings	396,386	-	396,386
Miscellaneous	86,942	-	86,942
Proceeds from Long-Term Debt	1,850,000	-	1,850,000
Transfers	150,000	(150,000)	-
Total General Revenues and Transfers	6,341,006	28,381	6,369,387
CHANGE IN NET POSITION	1,879,827	303,384	2,183,211
Net Position - Beginning of Year	3,905,705	930,923	4,836,628
NET POSITION - END OF YEAR	<u>\$ 5,785,532</u>	<u>\$ 1,234,307</u>	<u>\$ 7,019,839</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
BALANCE SHEET – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 4,264,778	\$ 482,423	\$ 2,400,501	\$ 7,147,702
Restricted Cash and Investments	11,380	-	-	11,380
Total Assets	<u>\$ 4,276,158</u>	<u>\$ 482,423</u>	<u>\$ 2,400,501</u>	<u>\$ 7,159,082</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accrued and Other Current Liabilities	\$ 2,980	\$ -	\$ -	\$ 2,980
Property Taxes and Special Charges Collected for Subsequent Year	775,840	413,928	131,314	1,321,082
Special Deposits	49,488	-	-	49,488
Total Liabilities	<u>828,308</u>	<u>413,928</u>	<u>131,314</u>	<u>1,373,550</u>
FUND BALANCE				
Restricted	11,380	68,495	-	79,875
Committed	1,297,688	-	2,269,187	3,566,875
Unassigned	2,138,782	-	-	2,138,782
Total Fund Balance	<u>3,447,850</u>	<u>68,495</u>	<u>2,269,187</u>	<u>5,785,532</u>
Total Liabilities and Fund Balance	<u>\$ 4,276,158</u>	<u>\$ 482,423</u>	<u>\$ 2,400,501</u>	<u>\$ 7,159,082</u>
RECONCILIATION TO STATEMENT OF NET POSITION				
Total Fund Balance				<u>\$ 5,785,532</u>
Net Position of Governmental Activities as Reported on the Statement of Net Position				<u>\$ 5,785,532</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, 2024**

	General	Debt Service	Capital Projects	Totals
REVENUES				
Taxes	\$ 1,592,553	\$ 978,285	\$ 350,000	\$ 2,920,838
Special Assessments	-	-	335,129	335,129
Intergovernmental	783,300	-	675,545	1,458,845
Licenses and Permits	97,014	-	-	97,014
Fines and Forfeits	14,089	-	-	14,089
Public Charges for Services	375,985	-	-	375,985
Intergovernmental Charges for Services	61,931	-	170,262	232,193
Miscellaneous	395,628	-	92,100	487,728
Total Revenues	3,320,500	978,285	1,623,036	5,921,821
EXPENDITURES				
Current:				
General Government	520,422	-	-	520,422
Public Safety	681,096	-	-	681,096
Public Works	802,251	-	-	802,251
Culture and Recreation	7,404	-	-	7,404
Conservation and Development	14,369	-	-	14,369
Debt Service:				
Principal	-	845,000	-	845,000
Interest and Fiscal Charges	-	151,273	65,700	216,973
Capital Outlay	177,615	-	2,862,355	3,039,970
Total Expenditures	2,203,157	996,273	2,928,055	6,127,485
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,117,343	(17,988)	(1,305,019)	(205,664)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	1,850,000	1,850,000
Premium on Debt Issued	-	85,491	-	85,491
Transfers In	-	-	706,087	706,087
Transfers Out	(556,087)	-	-	(556,087)
Total Other Financing Sources (Uses)	(556,087)	85,491	2,556,087	2,085,491
NET CHANGE IN FUND BALANCE	561,256	67,503	1,251,068	1,879,827
Fund Balance - Beginning of Year	2,886,594	992	1,018,119	3,905,705
FUND BALANCE - END OF YEAR	\$ 3,447,850	\$ 68,495	\$ 2,269,187	\$ 5,785,532
RECONCILIATION TO THE STATEMENT OF ACTIVITIES				
Net Change in Fund Balance				\$ 1,879,827
Change in Net Position of Governmental Activities as Reported in the Statement of Activities				\$ 1,879,827

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, 2024**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 1,817,533	\$ 1,817,533	\$ 1,592,553	\$ (224,980)
Intergovernmental	780,196	780,196	783,300	3,104
Licenses and Permits	63,050	63,050	97,014	33,964
Fines and Forfeits	6,100	6,100	14,089	7,989
Public Charges for Services	377,268	377,268	375,985	(1,283)
Intergovernmental Charges for Services	1,800	1,800	61,931	60,131
Miscellaneous	101,500	101,500	395,628	294,128
Total Revenues	<u>3,147,447</u>	<u>3,147,447</u>	<u>3,320,500</u>	<u>173,053</u>
EXPENDITURES				
Current:				
General Government	601,974	601,974	520,422	81,552
Public Safety	736,805	736,805	681,096	55,709
Public Works	937,473	937,473	802,251	135,222
Culture and Recreation	9,000	9,000	7,404	1,596
Conservation and Development	22,968	22,968	14,369	8,599
Capital Outlay	111,300	111,300	177,615	(66,315)
Total Expenditures	<u>2,419,520</u>	<u>2,419,520</u>	<u>2,203,157</u>	<u>216,363</u>
Excess of Revenues Over Expenditures	727,927	727,927	1,117,343	389,416
OTHER FINANCING USES				
Transfers Out	<u>(727,927)</u>	<u>(727,927)</u>	<u>(556,087)</u>	<u>171,840</u>
NET CHANGE IN FUND BALANCE	-	-	561,256	561,256
Fund Balance - Beginning of Year	<u>2,886,594</u>	<u>2,886,594</u>	<u>2,886,594</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,886,594</u></u>	<u><u>\$ 2,886,594</u></u>	<u><u>\$ 3,447,850</u></u>	<u><u>\$ 561,256</u></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, 2024

	Stormwater Utility District
ASSETS	
Cash and Investments	\$ 1,393,051
LIABILITIES	
Special Charges Collected for Subsequent Year	158,744
NET POSITION	
Unrestricted	\$ 1,234,307

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, 2024**

	Stormwater Utility District
OPERATING REVENUES	
Charges for Services	\$ 443,076
Other	8,265
Total Operating Revenues	451,341
OPERATING EXPENSES	
Operation and Maintenance	107,526
Administration and General	64,045
Capital outlay	4,767
Total Operating Expenses	176,338
OPERATING INCOME	275,003
NONOPERATING REVENUES	
Nonoperating Grants	178,381
INCOME BEFORE TRANSFERS	453,384
Transfers Out	(150,000)
CHANGE IN NET POSITION	303,384
Net Position - Beginning of Year	930,923
NET POSITION - END OF YEAR	\$ 1,234,307

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, 2024**

	Stormwater Utility District
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 449,696
Cash Paid to Suppliers	(176,338)
Net Cash Provided by Operating Activities	273,358
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers Out	(150,000)
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Intergovernmental Revenues	178,381
 CHANGE IN CASH AND INVESTMENTS	301,739
Cash and Investments - Beginning of Year	1,091,312
 CASH AND INVESTMENTS - END OF YEAR	\$ 1,393,051
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 275,003
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Change In Operating Assets and Liabilities:	
Specials Collected for Subsequent Year	(1,645)
Net Cash Provided by Operating Activities	\$ 273,358

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, 2024**

	<u>Custodial Fund</u>
ASSETS	
Cash and Investments	\$ 3,933,571
LIABILITIES	
Due to Other Governments	3,933,571
NET POSITION	
Fiduciary Net Position - Restricted Held 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, 2024**

	<u>Custodial Fund</u>
ADDITIONS	
Taxes and Special Charges Collected	\$ 9,877,109
DEDUCTIONS	
Payments to Other Taxing Districts	9,877,109
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, 2024**

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 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, 2024**

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, 2024**

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 *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, 2024**

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, 2024 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, 2024**

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, 2024**

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, 2024**

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, 2024.

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 2024 budget was 0.30%. The actual limit for the Town for the 2025 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, 2024**

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 \$12,485,704 on December 31, 2024 as summarized below:

Petty Cash and Cash on Hand	\$	200
Deposits with Financial Institutions		11,268,568
Investments:		
U.S. Treasury Notes		199,711
Municipal Bonds		117,385
Negotiable Certificates of Deposit		894,511
Money Market Mutual Funds		5,329
Total		<u>\$ 12,485,704</u>

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	8,540,753
Restricted Cash and Investments		11,380
Fiduciary Fund Statement of Net Position:		
Cash and Investments		3,933,571
Total		<u>\$ 12,485,704</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 \$1,000,000 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, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

As of December 31, 2024, \$9,971,441 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	\$ 894,511	\$ -	\$ -	\$ -	\$ 894,511
Money Market Mutual Funds	5,329	-	-	-	5,329
U.S. Treasury Notes	199,711	-	199,711	-	-
Municipal Bonds	117,385	-	-	117,385	-
Totals	<u>\$ 1,216,936</u>	<u>\$ -</u>	<u>\$ 199,711</u>	<u>\$ 117,385</u>	<u>\$ 899,840</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, 2024, 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>
High Point, N.C. Municipal Bond	Municipal Bond	\$ 117,385	10%
U.S. Treasury Notes	Treasury Note	199,711	16%
First FNDTN Bank, Irvine, CA	Negotiable Certificate of Deposit	243,766	20%
Wells Fargo Bank, Sioux Falls, ND	Negotiable Certificate of Deposit	149,887	12%
CME FCU, Columbus, OH	Negotiable Certificate of Deposit	177,966	15%
Connexus Credit Union	Negotiable Certificate of Deposit	127,882	11%
Nova UA Fed CR UN, Clifton, NJ	Negotiable Certificate of Deposit	195,010	16%

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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	\$ 894,511	\$ 500,858	\$ 149,887	\$ 243,766	\$ -
Money Market Mutual Funds	5,329	5,329	-	-	-
U.S. Treasury Notes	199,711	-	-	199,711	-
Municipal Bond	117,385	-	117,385	-	-
Totals	<u>\$ 1,216,936</u>	<u>\$ 506,187</u>	<u>\$ 267,272</u>	<u>\$ 443,477</u>	<u>\$ -</u>

B. Restricted Assets

Restricted assets on December 31, 2024 totaled \$11,380 and consisted of cash and investments held for the following purposes:

Fund	Amount
General Fund	
Park Improvements	\$ 250
Fire Department	11,130
Total General Fund	<u>\$ 11,380</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Transfers

Interfund transfers for the year ended December 31, 2024 were as follows:

Fund	Transfer In	Transfer Out
Governmental Funds		
General	\$ -	\$ 556,087
Capital Projects	706,087	-
Proprietary Funds		
Stormwater Utility District	-	150,000
Totals	<u>\$ 706,087</u>	<u>\$ 706,087</u>
Governmental Activities	\$ 150,000	\$ -
Business-Type Activities	-	150,000
Totals	<u>\$ 150,000</u>	<u>\$ 150,000</u>

Interfund transfers were recorded for the following purposes:

Transfer from Stormwater Utility District to Capital Projects for Stormwater Capital Outlay Expenditures	\$ 150,000
Transfer from General Fund to Capital Projects Fund for Capital Outlay Expenditures	556,087
Total	<u>\$ 706,087</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, 2024:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Direct Borrowing - Notes	\$ 4,685,000	\$ 1,850,000	\$ 845,000	\$ 5,690,000	\$ 965,000
Debt Premium	142,823	85,491	43,256	185,058	56,926
Governmental Activities Long-Term Obligations	<u>\$ 4,827,823</u>	<u>\$ 1,935,491</u>	<u>\$ 888,256</u>	<u>\$ 5,875,058</u>	<u>\$ 1,021,926</u>

Total interest paid during the year on long-term debt totaled \$134,236.

General Obligation Debt

General obligation direct borrowings outstanding on December 31, 2024 is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/24
2020 GO Promissory Notes	06/01/20	03/01/30	2.0-3.0%	\$ 4,630,000	\$ 2,330,000
2022 GO Promissory Notes	06/01/22	03/01/32	3.0-4.0%	1,800,000	1,510,000
2024 GO Promissory Notes	04/09/24	03/01/34	2.8-3.2%	1,850,000	1,850,000
Total Outstanding General Obligation Debt					<u>\$ 5,690,000</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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 \$5,690,000 on December 31, 2024 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>
2025	\$ 965,000	\$ 206,724	\$ 1,171,724
2026	1,090,000	141,810	\$ 1,231,810
2027	735,000	109,535	\$ 844,535
2028	670,000	85,310	\$ 755,310
2029	605,000	64,260	\$ 669,260
2030-2034	1,625,000	113,400	\$ 1,738,400
Total	<u>\$ 5,690,000</u>	<u>\$ 721,039</u>	<u>\$ 6,411,039</u>

Legal Margin for New Debt

The Town's legal margin for creation of additional general obligation debt on December 31, 2024 was \$49,893,420 as follows:

Equalized Valuation of the Town	\$ 1,111,668,400
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	55,583,420
Outstanding General Obligation Debt Applicable to Debt Limitation	<u>5,690,000</u>
Legal Margin for New Debt	<u>\$ 49,893,420</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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

WRS Pension 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.

Vesting

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.

Benefits Provided

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
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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>
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%
2023	1.6%	-21.0%

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, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Pension Plan (Continued)

3. Contributions (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, 2024, the WRS recognized \$19,778 in contributions from the Town.

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

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, 2024, restricted fund balance and net position was as follows:

<u>Fund</u>	<u>Amount</u>
General Fund	
Park Improvements	\$ 250
Fire Department	11,130
Total General Fund	<u>\$ 11,380</u>

Committed Fund Balance

In the fund financial statements, portions of general fund balance is committed by Town Board action. At December 31, 2024, fund balance was committed as follows:

General Fund:	
Committed for:	
Building improvements	\$ 205,679
Fire Reserve Fund	620,744
Trail Development	30,066
Hickory Park Trail	69,979
Parks and Recreation	266,799
Feldkamp Road Carryover	73,385
Office/Administration/Election Fund	31,036
Total General Fund Committed Fund Balance	<u>1,297,688</u>
Capital Improvements Fund:	
Committed for:	
Capital Improvements	<u>2,269,187</u>
Total Committed Fund Balance	<u>\$ 3,566,875</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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:

2024 General Fund Operating Expenditures as Defined by Policy	\$ 2,032,104
Minimum Fund Balance %	(x) 30%
Minimum Fund Balance Amount	<u>\$ 609,631</u>

The Town's unassigned general fund balance of \$2,132,220 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, 2024**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
TAXES				
General Property	\$ 1,635,535	\$ 1,635,535	\$ 1,464,396	\$ (171,139)
Land Taxes	200	200	201	1
Interest on Taxes	100	100	378	278
Other Taxes	181,698	181,698	127,578	(54,120)
Total Taxes	<u>1,817,533</u>	<u>1,817,533</u>	<u>1,592,553</u>	<u>(224,980)</u>
INTERGOVERNMENTAL				
State:				
State Shared Taxes	252,703	252,703	240,175	(12,528)
Fire Insurance Dues	34,000	34,000	42,629	8,629
Tax Exempt Computer Aid	3,398	3,398	3,398	-
Transportation	312,590	312,590	312,590	-
Forest Croplands	15	15	15	-
Personal Property Aid	15,268	15,268	15,268	-
Video Services Aid	14,722	14,722	14,722	-
Other	2,000	2,000	2,439	439
Other Local Aids:				
Valley Transit	68,500	68,500	67,563	(937)
Recycling	77,000	77,000	84,501	7,501
Total Intergovernmental	<u>780,196</u>	<u>780,196</u>	<u>783,300</u>	<u>3,104</u>
LICENSES AND PERMITS				
Licenses:				
Business and Occupational	39,900	39,900	59,076	19,176
Dog	1,500	1,500	1,411	(89)
Permits:				
Building	20,000	20,000	30,152	10,152
Zoning and Permit Fees	1,650	1,650	6,375	4,725
Total Licenses and Permits	<u>63,050</u>	<u>63,050</u>	<u>97,014</u>	<u>33,964</u>
FINES AND FORFEITS				
Court Fines and Penalties	6,100	6,100	14,089	7,989
PUBLIC CHARGES FOR SERVICES				
General Government	1,500	1,500	2,825	1,325
Fire Protection Fees	590	590	1,726	1,136
Transportation	29,500	29,500	16,069	(13,431)
Sanitation and Utilities	342,678	342,678	351,901	9,223
Park Impact Fees	3,000	3,000	3,464	464
Total Public Charges for Services	<u>377,268</u>	<u>377,268</u>	<u>375,985</u>	<u>(1,283)</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL REVENUES COLLECTED (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Other Services	\$ -	\$ -	\$ 60,000	\$ 60,000
Crossing Guards	1,800	1,800	1,931	131
Total Intergovernmental Charges for Services	1,800	1,800	61,931	60,131
MISCELLANEOUS				
Interest on Investments	100,000	100,000	387,597	287,597
Hall Rental	1,500	1,500	1,575	75
Sale of Other Property	-	-	5,421	5,421
Donations	-	-	1,035	1,035
Total Miscellaneous	101,500	101,500	395,628	294,128
 Total Revenues	 <u>\$ 3,147,447</u>	 <u>\$ 3,147,447</u>	 <u>\$ 3,320,500</u>	 <u>\$ 173,053</u>

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES PAID
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
GENERAL GOVERNMENT				
Legislative (Town Board)	\$ 36,202	\$ 36,202	\$ 35,322	\$ 880
Legal Fees	35,000	35,000	17,402	17,598
Administration:				
Town Administrator	118,369	118,369	116,527	1,842
Office Salaries and Benefits	145,063	145,063	131,831	13,232
Elections	22,456	22,456	19,248	3,208
Office Technology	26,350	26,350	23,938	2,412
Other General Administration	22,370	22,370	19,963	2,407
Accounting and Auditing	12,880	12,880	11,584	1,296
Assessment	48,500	48,500	49,037	(537)
Administrative Assistant	16,748	16,748	151	16,597
General Buildings, Town Hall:				
Hall Supplies and Expenses	48,916	48,916	30,534	18,382
Maintenance Workers	38,120	38,120	30,408	7,712
Other General Government:				
Insurance	30,000	30,000	34,477	(4,477)
Other General Government	1,000	1,000	-	1,000
Total General Government	<u>601,974</u>	<u>601,974</u>	<u>520,422</u>	<u>81,552</u>
PUBLIC SAFETY				
Law Enforcement	471,323	471,323	450,162	21,161
Fire Protection	199,997	199,997	185,785	14,212
Emergency Medical Services	33,500	33,500	20,041	13,459
Emergency Management Services	3,800	3,800	2,768	1,032
Building Inspection	24,417	24,417	18,874	5,543
Other Public Safety	<u>3,768</u>	<u>3,768</u>	<u>3,466</u>	<u>302</u>
Total Public Safety	736,805	736,805	681,096	55,709
PUBLIC WORKS				
Highway and Street Maintenance	335,000	335,000	186,666	148,334
Road Related Facilities	80,973	80,973	62,753	18,220
Sanitation	437,500	437,500	462,022	(24,522)
Mass Transit	<u>84,000</u>	<u>84,000</u>	<u>90,810</u>	<u>(6,810)</u>
Total Public Works	937,473	937,473	802,251	135,222
CULTURE AND RECREATION				
Parks	9,000	9,000	7,404	1,596
CONSERVATION AND DEVELOPMENT				
Planning and Zoning	17,268	17,268	10,347	6,921
Economic Development	<u>5,700</u>	<u>5,700</u>	<u>4,022</u>	<u>1,678</u>
Total Conservation and Development	22,968	22,968	14,369	8,599

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES PAID (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
CAPITAL OUTLAY				
General Government	\$ 66,300	\$ 66,300	\$ 50,599	\$ 15,701
Fire Protection	-	-	101,578	(101,578)
Highway Equipment	12,000	12,000	11,762	238
Highway Construction	5,000	5,000	-	5,000
Parks	28,000	28,000	13,676	14,324
Total Capital Outlay	<u>111,300</u>	<u>111,300</u>	<u>177,615</u>	<u>(66,315)</u>
 Total Expenditures	<u>\$ 2,419,520</u>	<u>\$ 2,419,520</u>	<u>\$ 2,203,157</u>	<u>\$ 216,363</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, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 12, 2025.

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 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

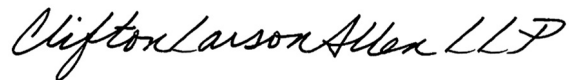
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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
February 12, 2025

**TOWN OF BUCHANAN
OUTAGAMIE COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2024**

Section I – Internal Control Over Financial Reporting

2024-001

**Preparation of Annual Financial Report
Material Weakness in Internal Control Over Financial Reporting
Repeat of Finding 2023-001**

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 the modified cash basis of accounting 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, 2024**

Section I – Internal Control Over Financial Reporting (Continued)

2024-002

**Adjustments to the Town's Financial Records
Material Weakness in Internal Control Over Financial Reporting
Repeat of Finding 2023-002**

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. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.