

TOWN OF LINN, WISCONSIN
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2025



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**TOWN OF LINN, WISCONSIN
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YEAR ENDED DECEMBER 31, 2025**

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INDEPENDENT AUDITORS' REPORT

To the Town Board
Town of Linn, Wisconsin
Walworth County, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Linn, Wisconsin (the Town), as of and for the year ended December 31, 2025, 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2025, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of proportionate share of net pension liability/asset, schedule of contributions – Wisconsin Retirement System, and schedule of proportionate share of net OPEB liability, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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 general fund budgetary comparison schedules of revenue and expenditures 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 budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
April 13, 2026

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**TOWN OF LINN, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 9,479,543
Receivables:	
Taxes	5,315,273
Accounts	53,041
Leases	850,714
Special Charges	595,807
Special Assessments	1,560
Capital assets, Nondepreciable	369,255
Capital assets, Depreciable	15,926,586
Total Assets	<u>32,591,779</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	748,241
Deferred Outflows Related to OPEB	50,852
Total Deferred Outflows of Resources	<u>799,093</u>
LIABILITIES	
Accounts Payable	934,538
Accrued Liabilities	34,796
Short-term Note Payable	2,100,000
Unearned Revenue	12,790
Accrued Interest	12,997
Noncurrent Liabilities	
Due Within One Year	330,557
Due in More than One Year	1,141,086
Total Liabilities	<u>4,566,764</u>
DEFERRED INFLOWS OF RESOURCES	
Subsequent Year - Property Tax Levy	6,658,789
Subsequent Year - Special Charges Levy	595,807
Subsequent Year - Leases	811,394
Deferred Inflows Related to Pension	378,499
Deferred Inflows Related to OPEB	75,348
Total Deferred Inflows of Resources	<u>8,519,837</u>
NET POSITION	
Net Investment in Capital Assets	13,063,324
Restricted	138,414
Unrestricted	7,102,533
Total Net Position	<u>20,304,271</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 33,390,872</u></u>

See accompanying Notes to the Financial Statements.

**TOWN OF LINN, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 906,617	\$ 80,901	\$ 133,235	\$ -	\$ (692,481)
Public Safety	3,229,952	270,850	141,812	-	(2,817,290)
Public Works	1,455,086	5,005	461,960	-	(988,121)
Health and Sanitation	557,928	557,421	10,653	-	10,146
Leisure, Conservation and Development	347,050	210,097	-	-	(136,953)
Nondepartmental and Development	153,046	-	-	-	(153,046)
Interest and Fiscal Charges	42,205	-	-	-	(42,205)
Total	<u>\$ 6,691,884</u>	<u>\$ 1,124,274</u>	<u>\$ 747,660</u>	<u>\$ -</u>	<u>(4,819,950)</u>
General Revenues:					
Property Taxes Levied for General Purposes					6,333,072
Property Taxes Levied for Debt Service					229,912
Other Taxes					184,430
Franchise Taxes					21,004
Gain on Sale of Capital Assets					34,866
Investment Income					390,814
Miscellaneous					87,795
Total General Revenues					<u>7,281,893</u>
Change in Net Position					2,461,943
Net Position - Beginning					<u>17,842,328</u>
Net Position - Ending					<u>\$ 20,304,271</u>

See accompanying Notes to the Financial Statements.

TOWN OF LINN, WISCONSIN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Debt Service Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 9,479,543	\$ -	\$ 9,479,543
Receivables:			
Taxes	5,087,564	227,709	5,315,273
Accounts	53,041	-	53,041
Leases	850,714	-	850,714
Special Charges	595,807	-	595,807
Special Assessments	1,560	-	1,560
Total Assets	<u>\$ 16,068,229</u>	<u>\$ 227,709</u>	<u>\$ 16,295,938</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 934,538	\$ -	\$ 934,538
Accrued Liabilities	34,796	-	34,796
Accrued Interest Payable	8,385	-	8,385
Unearned Revenues	12,790	-	12,790
Short-term Note Payable	2,100,000	-	2,100,000
Total Liabilities	<u>3,090,509</u>	<u>-</u>	<u>3,090,509</u>
DEFERRED INFLOWS OF RESOURCES			
Subsequent Year - Property Tax Levy	6,431,080	227,709	6,658,789
Subsequent Year - Special Charges Levy	595,807	-	595,807
Subsequent Year - Leases	811,394	-	811,394
Subsequent Year - Special Assessments	1,560	-	1,560
Total Deferred Inflows of Resources	<u>7,839,841</u>	<u>227,709</u>	<u>8,067,550</u>
FUND BALANCES			
Restricted	138,414	-	138,414
Assigned	1,641,724	-	1,641,724
Unassigned	3,357,741	-	3,357,741
Total Fund Balances	<u>5,137,879</u>	<u>-</u>	<u>5,137,879</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,068,229</u>	<u>\$ 227,709</u>	<u>\$ 16,295,938</u>

See accompanying Notes to the Financial Statements.

**TOWN OF LINN, WISCONSIN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2025**

Total Fund Balances - Governmental Funds	\$ 5,137,879
Amounts reported for governmental activities in the statement of net position are different because:	
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements:	
Special assessments not yet due	1,560
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds:	16,295,841
Some deferred outflows and inflows of resources are not related to the current period and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pension benefits	748,241
Deferred outflows of resources related to OPEB	50,852
Deferred inflows of resources related to pension benefits	(378,499)
Deferred inflows of resources related to OPEB	(75,348)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Notes payable	(1,105,000)
Financed purchase	(27,517)
Compensated absences	(109,171)
Net pension (liability) asset	(128,005)
OPEB liability	(101,950)
Accrued interest on long-term obligations	(4,612)
Net Position of Governmental Funds	<u>\$ 20,304,271</u>

See accompanying Notes to the Financial Statements.

TOWN OF LINN, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	General Fund	Debt Service Fund	Total
REVENUES			
Taxes	\$ 6,517,502	\$ 229,912	\$ 6,747,414
Intergovernmental	747,660	-	747,660
Licenses and Permits	233,950	-	233,950
Fines, Forfeitures and Penalties	42,747	-	42,747
Charges for Services	869,362	-	869,362
Investment Income	390,814	-	390,814
Miscellaneous	87,795	-	87,795
Total Revenues	8,889,830	229,912	9,119,742
EXPENDITURES			
Current:			
General Government	758,531	-	758,531
Public Safety	2,956,465	-	2,956,465
Public Works	630,826	-	630,826
Health and Sanitation	557,928	-	557,928
Leisure, Conservation, and Development	322,994	-	322,994
Nondepartmental and General	153,046	-	153,046
Capital Outlay	2,605,821	-	2,605,821
Debt Service:			
Principal	26,782	215,000	241,782
Interest and Fiscal Charges	28,640	14,912	43,552
Total Expenditures	8,041,033	229,912	8,270,945
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	848,797	-	848,797
OTHER FINANCING SOURCES			
Sale of Town Property	34,866	-	34,866
NET CHANGE IN FUND BALANCES	883,663	-	883,663
Fund Balances - Beginning of Year	4,254,216	-	4,254,216
FUND BALANCES - END OF YEAR	<u>\$ 5,137,879</u>	<u>\$ -</u>	<u>\$ 5,137,879</u>

See accompanying Notes to the Financial Statements.

TOWN OF LINN, WISCONSIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net change in fund balances - governmental funds	\$ 883,663
Amounts reported for governmental activities in the statement of activities are different as a result of:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the statement of activities.	2,605,821
Certain capital outlay that is reported as an expense in the general fund governmental financial statements is capitalized in the statement of activities.	(36,411)
Depreciation that is reported in the statement of activities	(1,165,972)
Changes in the net pension and OPEB liabilities and related deferred outflows and inflows of resources are as follows:	
Net pension liability	(15,467)
Deferred outflows of resources - pension	(265,629)
Deferred inflows of resources - pension	229,549
Net other postemployment benefits (OPEB) liability	1,703
Deferred outflows of resources - OPEB	4,800
Deferred inflows of resources - OPEB	(13,311)
Principal paid on long-term debt	241,782
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Special assessments not yet due	(781)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Accrued interest on debt	1,347
Changes in compensated absences	(9,151)
Change in net position of governmental activities	<u><u>\$ 2,461,943</u></u>

See accompanying Notes to the Financial Statements.

**TOWN OF LINN, WISCONSIN
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2025**

	Original & Final Budget	Actual	Variance With Budget
REVENUES			
Taxes	\$ 6,467,466	\$ 6,517,502	\$ 50,036
Special Assessments	44,000	-	(44,000)
Intergovernmental	678,247	747,660	69,413
Licenses and Permits	156,250	233,950	77,700
Fines, Forfeitures and Penalties	30,000	42,747	12,747
Charges for Services	825,649	869,362	43,713
Investment Income	150,000	390,814	240,814
Miscellaneous	4,900	87,795	82,895
Total Revenues	<u>8,356,512</u>	<u>8,889,830</u>	<u>533,318</u>
EXPENDITURES			
Current:			
General Government	726,011	758,531	(32,520)
Public Safety	3,300,926	2,956,465	344,461
Public Works	672,415	630,826	41,589
Health and Sanitation	558,044	557,928	116
Leisure, Conservation, and Development	292,262	322,994	(30,732)
Nondepartmental and General	152,537	153,046	(509)
Capital Outlay	2,610,335	2,605,821	4,514
Debt Service:			
Principal	28,294	26,782	1,512
Interest and Fiscal Charges	88,913	28,640	60,273
Total Expenditures	<u>8,429,737</u>	<u>8,041,033</u>	<u>388,704</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(73,225)	848,797	922,022
OTHER FINANCING SOURCES			
Sale of Town Property	<u>7,000</u>	<u>34,866</u>	<u>27,866</u>
NET CHANGE IN FUND BALANCES	(66,225)	883,663	949,888
Fund Balances - Beginning of Year	<u>4,254,216</u>	<u>4,254,216</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 4,187,991</u></u>	<u><u>\$ 5,137,879</u></u>	<u><u>\$ 949,888</u></u>

See accompanying Notes to the Financial Statements.

**TOWN OF LINN, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025**

	Tax Collection Fund
ASSETS	
Cash and Cash Equivalents	\$ 5,054,345
Receivables:	
Taxes (net)	21,794,012
Total Assets	\$ 26,848,357
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
LIABILITIES	
Due to Other Governments	\$ 5,054,345
DEFERRED INFLOWS OF RESOURCES	
Subsequent Year - Property Tax Levy	21,794,012
NET POSITION	
Restricted	-
Total Net Position	-
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 26,848,357

See accompanying Notes to the Financial Statements.

TOWN OF LINN, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2025

	<u>Tax Collection Fund</u>
ADDITIONS	
Property Taxes Collected for Other Governments	<u>\$ 16,907,925</u>
DEDUCTIONS	
Property Taxes Distributed to Other Governments	<u>16,907,925</u>
Change in Net Position	-
Net Position - Beginning	<u>-</u>
Net Position - Ending	<u><u>\$ -</u></u>

See accompanying Notes to the Financial Statements.

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**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Town of Linn, Wisconsin (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. 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.

Reporting Entity

The financial reporting of the Town is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. The Town does not report any component units within their financial statements.

Government-wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds) as described below:

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the Town's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column.

The Town has the following major governmental funds:

General Fund – The General Fund is the operating fund of the Town. It is used to account for all financial resources of the Town except those accounted for in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Additionally, the Town has the following fiduciary fund:

Tax Collection Fund – The Custodial Tax Collection Fund accounts for assets controlled by the Town that are for the benefit of individuals, private organizations, and/or other governmental units.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Fiduciary custodial funds do not have a measurement focus, and are reported on the accrual basis of accounting.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, pension and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under noncancellable lease agreements are reported as other financing sources.

Under the terms of grant agreements, the Town may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

The Town adopted GASB Statement No. 102, *Certain Risk Disclosures*, in 2025. This Statement establishes disclosure requirements for certain concentrations and constraints that may make the Town vulnerable to the risk of substantial impact. The requirements of this Statement are limited to note disclosures and do not affect recognition or measurement in the financial statements. The Town adopted the requirements of this Statement effective January 1, 2025. The adoption of this Statement did not have an impact on the Town's financial statements.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows / Inflows of Resources, and Net Position / Fund Balance

1. Cash and Cash Equivalents

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalent balances for individual funds are pooled unless maintained in segregated accounts.

State statutes permit the Town to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States, and the local government investment pool fund.

2. Receivables

Property Taxes. Revenue for property taxes is recognized in the governmental funds in the year for which the taxes are levied. The Town considers property tax revenue to be available if it is collected during the current year. Property taxes levied in December 2025 are intended to finance the next calendar year expenditures.

In addition to property taxes for the Town, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred inflows of resources or due to other taxing units on the accompanying balance sheet. Taxes are levied in December on the assessed value as of the prior January 1. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property tax calendar – 2025 tax roll:

Lien date and levy date	December 2025
Tax bills mailed	December 2025
Payment in full, or	January 31, 2026
First installment due	January 31, 2026
Second installment due	July 31, 2026
Final Settlement with the County	August 2026
Tax deed – 2025 delinquent real estate taxes	October 2028

Accounts Receivable. The Town's accounts receivable have been evaluated for an allowance for uncollectible accounts. The Town has determined that no allowance is considered necessary at December 31, 2025.

3. Prepaid Items

Expendable supplies or noncapital items acquired for initial use in subsequent fiscal periods are recorded as prepaid items. Prepaid insurance or service contracts are not recorded unless their recognition as an expenditure would result in more than one year's cost being recorded. Prepaid supplies are valued at the lower of cost (first-in, first-out method) or net realizable value. The Town held no prepaid items at December 31, 2025.

4. Capital Assets

Capital assets are reported at actual cost or estimated historical costs based on an appraisal conducted by an independent third-party appraisal firm. Donated assets are reported at estimated acquisition value at the time received.

Assets not being depreciated include land. Capital assets are defined by the Town as assets with an initial cost of more than \$3,000 and an estimated useful life in excess of one year. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Years</u>
Buildings and Other Improvements	15 - 50
Machinery and Equipment	3 - 10
Infrastructure	15 - 30

TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Leases

The Town utilizes estimates and judgements to determine (1) the discount rate used to discount expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The Town uses the interest rate agreed upon with the lessee as the discount rate when applicable. If the interest rate is not provided, the Town uses its estimated incremental borrowing rate as the discount rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed receipts and purchase option price that is reasonably certain to be exercised. The Town accounts for lease and non-lease components separately when possible. In cases where the lease does not provide separate cost information for lease and non-lease components, the Town treats the components as a single lease unit if it is impractical to estimate cost information. The Town monitors changes in circumstances that would require re-measurement of the lease receivable.

As lessor, the Town recognizes a lease receivable and deferred inflows of resources based on the criteria dictated in GASB Statement No. 87 – *Leases*. The Town measures the lease receivable at the present value of payments expected to be received during the lease term. During the lease term, the lease receivable is reduced by the principal portion of lease payments received. Deferred inflows related to these leases are initially measured as the amount of the lease receivable adjusted for lease payments received at or before the lease commencement date. Lease revenue is recognized on a straight-line basis over the term of the lease.

6. Deferred Outflows of Resources

The Town reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. Deferred outflows of resources are reported in these financial statements related to pensions and other postemployment benefits.

7. Deferred Inflows of Resources

The Town reports increases in net position or fund balance that relate to future periods as deferred inflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The Town reports deferred inflows of resources related to property taxes and special charges levied for the subsequent year, deferred amounts related to leases, unavailable revenues, pensions and other postemployment benefits.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Unearned Revenues

Unearned revenues are reported in connection with resources that have been received but not yet earned.

9. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

The liability for compensated absences reported in the government-wide statement consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. The accumulated vacation and sick leave liability at December 31, 2025 are determined on the basis of current salary rates and include salary related payments.

10. Other Postemployment Benefits (OPEB) - Local Retiree Life Insurance Fund (LRLIF) Benefits

The fiduciary net position of the LRLIF has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

1. Net OPEB Liability,
2. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, and
3. OPEB Expense (Revenue).

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

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Pension Benefits – Wisconsin Retirement System

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:

1. Net Pension Liability / Asset,
2. Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and
3. 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.

12. Long-term Obligations

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types 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. In the government-wide financial statement, premiums are capitalized on the statement of net position and amortized over the life of the related debt.

13. Equity Classifications

Fund equity, representing the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources, is classified as follows in the Town's financial statements:

Government-Wide Statements. Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. 1) Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. 2) Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. 3) All other net position is displayed as unrestricted. 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 LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. 1) Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. 2) Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. 3) Committed fund balance represents constraints on spending that the government imposes upon itself by formal action by the Town Board prior to the close of the fiscal period. Committed fund balance is required to be established, modified, or rescinded by resolution of the Town Board prior to each year-end. 4) Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Assignments may take place after the end of the reporting period. 5) Unassigned fund balance is the residual classification for the Town's general fund and includes all spendable amounts not contained in the other classifications.

14. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS

The Town maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and cash equivalents.

The Town's cash and investments balances at December 31, 2025 were comprised of the following:

	Carrying Amount	Bank Balances
Cash and Cash Equivalents		
Local Bank Deposits	\$ 14,443,527	\$ 14,443,338
Local Government Investment Pool (LGIP)	90,361	90,361
	<u>\$ 14,533,888</u>	<u>\$ 14,533,699</u>

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

The Town's cash and cash equivalents balances at December 31, 2025 are presented in the financial statements as follows:

Per Government-wide Statement of Net Position	
Cash and Cash Equivalents	\$ 9,479,543
Per Fiduciary Statement Net Position	
Tax Custodial Fund	<u>5,054,345</u>
	<u>\$ 14,533,888</u>

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to the Town.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposit accounts and \$250,000 for time deposit accounts.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$1,000,000 in each financial institution and the Local Government Investment Pool above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2025, the future availability of resources to cover the losses cannot be projected. This coverage has been considered in computing custodial credit risk.

The Town does not have any deposits exposed to custodial credit risk as uninsured and uncollateralized. The Town maintains an agreement with its primary financial institution whereby deposits in excess of FDIC insured amounts are collateralized by the bank.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Town had deposits in the external Wisconsin Local Government Investment Pool, which is not rated.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town had deposits in the external Wisconsin Local Government Investment Pool, which had a weighted average maturity of 13 days at December 31, 2025. Funds are available for withdrawal from the Pool with 1 day notice.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. At December 31, 2025, the fair value of the Town's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

NOTE 3 RECEIVABLES

All of the receivables of the Town are expected to be collected within one year, excluding the long-term portion of the lease receivable.

Governmental funds report unavailable or unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Lease Receivable

A summary of the Town's lessor lease term and interest rate is as follows:

Cell tower lease: Annual installments totaling \$850,714 plus interest of 4%, due dates ranging from 2024-2044. The Town is using the estimated incremental borrowing rate as no interest rates are provided in the lease.

The lease provides for increases in future minimum annual rental payments based on defined increases under the agreement.

Total future minimum lease payments to be received under the lease agreement are as follows:

<u>Years</u>	<u>Lease Receivable</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 16,372	\$ 33,571
2027	18,649	32,869
2028	21,074	32,074
2029	23,656	31,179
2030	26,403	30,177
2031 & thereafter	744,560	239,288
Total	<u>\$ 850,714</u>	<u>\$ 399,158</u>

Total lease revenue and interest revenue recognized during the year ended December 31, 2025 was \$43,468 and \$34,184, respectively.

TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 4 CAPITAL ASSETS

Changes in the capital assets for the year ended December 31, 2025 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Nondepreciable				
Land	\$ 369,255	\$ -	\$ -	\$ 369,255
Subtotal	369,255	-	-	369,255
Capital Assets, Depreciable				
Buildings and Other Improvements	4,302,834	18,914	-	4,321,748
Machinery and Equipment	5,238,473	725,121	887,543	5,076,051
Infrastructure	18,205,415	1,825,375	-	20,030,790
Subtotal	27,746,722	2,569,410	887,543	29,428,589
Less Accumulated Depreciation:				
Buildings and Other Improvements	1,245,406	107,373	-	1,352,779
Machinery and Equipment	3,872,604	374,900	887,543	3,359,961
Infrastructure	8,105,564	683,699	-	8,789,263
Subtotal	13,223,574	1,165,972	887,543	13,502,003
Capital Assets, Depreciable, Net	14,523,148	1,403,438	-	15,926,586
Total Governmental Activities				
Capital Assets, Net	<u>\$ 14,892,403</u>	<u>\$ 1,403,438</u>	<u>\$ -</u>	<u>\$ 16,295,841</u>

Depreciation was charged to the following functions within the statement of activities:

Governmental Activities	
General Government	\$ 137,062
Public Safety	217,305
Public Works	798,065
Leisure, Conservation and Development	13,540
Total Depreciation	<u>\$ 1,165,972</u>

TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5 LONG-TERM OBLIGATIONS

Long-term obligations of the Town for the year ended December 31, 2025 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Notes Payable					
General Obligation Note from					
Direct Placements	\$ 1,320,000	\$ -	\$ 215,000	\$ 1,105,000	\$ 215,000
Financed Purchase	54,299	-	26,782	27,517	27,517
Subtotal	1,374,299	-	241,782	1,132,517	242,517
Other Liabilities					
Other Postemployment Benefits	103,653	-	1,703	101,950	-
Pension Benefits	112,538	15,467	-	128,005	-
Compensated Absences	100,020	97,191	88,040	109,171	88,040
Subtotal	316,211	112,658	89,743	339,126	88,040
Total Governmental Activities					
Long-Term Obligations	<u>\$ 1,690,510</u>	<u>\$ 112,658</u>	<u>\$ 331,525</u>	<u>\$ 1,471,643</u>	<u>\$ 330,557</u>

Long-term general obligation debt outstanding on December 31, 2025 is detailed as follows:

Governmental Activities General Obligation Debt	Date of Issue	Interest Rates	Date of Maturity	Original Indebtedness	Balance 12/31/2025
General Obligation Promissory Notes	04/19/12	0.75 - 1.45%	03/01/30	\$ 2,155,000	\$ 1,105,000

Annual principal and interest maturities of the outstanding long-term general obligation notes of \$1,105,000 on December 31, 2025 are as follows:

	Governmental Activities General Obligation Note	
<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 215,000	\$ 12,709
2027	220,000	10,315
2028	220,000	7,675
2029	225,000	4,781
2030	225,000	1,631
Total	<u>\$ 1,105,000</u>	<u>\$ 37,111</u>

The Town's full faith and credit back the outstanding long-term notes.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Short-term General Obligation Debt

The Town issues short-term debt annually to finance public works projects. The Town's full faith and credit back the note. The short-term debt outstanding at December 31, 2025 was comprised of one general obligation note. The Town issued a general obligation note on December 5, 2025 in the amount of \$2,100,000 at an interest rate of 5.75 percent. The principal and interest payment are scheduled to be made December 5, 2026 in their entirety. In addition to the term, as the Town intended, and paid the note in full on January 2, 2026, the debt has been included as a short-term obligation.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General Fund					
Short-term Notes Payable					
General Obligation Note from					
Direct Placements	\$ 2,856,000	\$ 2,100,000	\$ 2,856,000	\$ 2,100,000	\$ 2,100,000

Legal Debt Margin

Wisconsin state statutes restrict the Town's general obligation debt to 5% of the equalized value of all property in the Town. This amount is compared below with the outstanding debt on December 31, 2025:

	12/31/2025
5% Limit	\$ 190,588,480
Aggregate Indebtedness	3,205,000
Total Legal Debt Margin	<u>\$ 187,383,480</u>

Financed Purchase

The Town has entered into an agreement to finance the purchase of equipment on October 19, 2022, with an agreement end date of November 19, 2026. The Town is required to make annual principal and interest payments at an interest rate of 2.75%.

The future minimum obligations of payments under this agreement at December 31, 2025 is as follows:

	Governmental Activities Financed Purchase Liability	
Years	Principal	Interest
2026	\$ 27,517	\$ 767
Total	<u>\$ 27,517</u>	<u>\$ 767</u>

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 PENSION BENEFITS – WISCONSIN RETIREMENT SYSTEM (WRS)

General Information About the Plan

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 1,200 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 <https://etf.wi.gov/about-etf/reports-and-studies/financial-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 12/31/2016) 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 annual 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.

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.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 PENSION BENEFITS – WISCONSIN RETIREMENT SYSTEM (WRS) (CONTINUED)

General Information About the Plan (continued)

Post-Retirement 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:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	-	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

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 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 reporting period, the WRS recognized \$118,226 in contributions from the Town.

Contribution rates as of December 31, 2024 are:

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

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 PENSION BENEFITS – WISCONSIN RETIREMENT SYSTEM (WRS) (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions Information

At December 31, 2025, the Town reported a liability of \$128,005 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of December 31, 2024, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the Net Pension Liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the Town's proportion was 0.00779012%, which was an increase of 0.00022096% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Town recognized pension expense of \$169,795.

At December 31, 2025, the Town reported Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference Between Projected and Actual Experience	\$ 397,524	\$ 373,548
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	194,510	-
Changes in Assumptions	37,981	-
Changes in Proportion and Differences Between Employer and Contributions and Proportionate Share of Contributions	-	4,951
Employer Contributions Subsequent to the Measurement Date	118,226	-
	<u>\$ 748,241</u>	<u>\$ 378,499</u>

\$118,226 reported as deferred outflows of resources related to pension resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction to (addition to) the net pension liability (asset) in the year ended December 31, 2026.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 PENSION BENEFITS – WISCONSIN RETIREMENT SYSTEM (WRS) (CONTINUED)

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions Information (continued)

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension will be recognized in pension expense (revenue) as follows:

Year Ended December 31	Deferred Outflow/Inflow of Resources
2026	\$ 74,398
2027	263,764
2028	(66,141)
2029	(20,505)
	<u>\$ 251,516</u>

Actuarial assumptions. The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability/Asset:	December 31, 2024
Experience Study:	January 1, 2021-December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Actuarial Valuation Method:	Fair Value
Long-term Expected Rate of Return:	6.80%
Discount Rate:	6.80%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.10% - 5.70%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments:*	1.70%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. The rate disclosed is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 PENSION BENEFITS – WISCONSIN RETIREMENT SYSTEM (WRS) (CONTINUED)

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions Information (continued)

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns (1)
As of December 31, 2024

Core Fund Asset Class	Asset Allocation %	Long-term Expected Nominal Rate of Return %	Long-term Expected Real Rate of Return % (2)
Public Equity	38.0	7.0	4.3
Public Fixed Income	27.0	6.1	3.4
Inflation Sensitive	19.0	4.8	2.1
Real Estate	8.0	6.5	3.8
Private Equity/Debt	20.0	9.5	6.7
Leverage(3)	(12.0)	3.7	1.1
Total Core Fund	100.0	7.5	4.8
Variable Fund Asset			
U.S. Equities	70.0	6.5	3.8
International Equities	30.0	7.4	4.7
Total Variable Fund	100.0	6.9	4.2

(1) Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations

(2) New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%

(3) The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 6 PENSION BENEFITS – WISCONSIN RETIREMENT SYSTEM (WRS) (CONTINUED)

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions Information (continued)

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the Net Pension Liability (Asset) to changes in the discount rate. The following presents the Town's proportionate share of the Net Pension Liability (Asset) calculated using the discount rate of 6.80 percent, as well as what the Town's proportionate share of the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.80 percent) or 1-percentage point higher (7.80 percent) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
Town of Linn's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,200,850	\$ 128,005	\$ (634,221)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7 OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

General Information About the Other Postemployment Benefits

Plan description. The LRLIF is a multiple-employer, defined-benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2024 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of Member Contribution
25% Post Retirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2024 are as listed on the following page:

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7 OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

General Information About the Other Postemployment Benefits (continued)

Life Insurance Member Contribution Rates* For the Year Ended December 31, 2024		
Attained Age	Basic	Supplemental
Under 30	\$ 0.05	\$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2025 the Town reported a liability of \$101,950 for its proportionate share of the Net OPEB Liability. The Net OPEB Liability was measured as of December 31, 2024, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the Net OPEB Liability was based on the Town's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the Town's proportion was 0.02605900%, which was an increase of 0.00352900% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Town recognized OPEB expense of \$7,356.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7 OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

At December 31, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference Between Projected and Actual Experience	\$ -	\$ 10,607
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	1,401	-
Changes in Assumptions	25,015	57,181
Changes in Proportion and Differences Between Employer and Contributions and Proportionate Share of Contributions	24,436	7,560
	<u>\$ 50,852</u>	<u>\$ 75,348</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31</u>	<u>Deferred Outflow/Inflow of Resources</u>
2026	\$ (34)
2027	(4,031)
2028	(10,911)
2029	(8,411)
2030	75
Thereafter	(1,184)
	<u>\$ (24,496)</u>

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7 OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

Actuarial assumptions. The Total OPEB Liability in the January 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability/Asset:	December 31, 2024
Experience Study:	January 1, 2021-December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:*	4.08%
Long-term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.10% - 5.70%
Mortality:	2020 WRS Experience Mortality Table

**Based on the Bond Buyer GO Index 20-Bond Municipal Index*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total OPEB Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7 OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2024			
Asset Class	Index	Target Allocation %	Long-term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg US Intermed Credit	40.00	2.41
U.S. Mortgages	Bloomberg US MBS	60.00	2.71
Inflation			2.30
Long-term Expected Rate of Return			4.25

Single Discount rate. A single discount rate of 4.09% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2037.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 7 OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

Sensitivity of the Town's proportionate share of the Net OPEB Liability (Asset) to changes in the discount rate. The following presents the Town's proportionate share of the Net OPEB Liability (Asset) calculated using the discount rate of 4.09%, as well as what the Town's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	<u>1% Decrease to Discount Rate (3.09%)</u>	<u>Current Discount Rate (4.09%)</u>	<u>1% Increase to Discount Rate (5.09%)</u>
Town of Linn's Proportionate Share of the Net OPEB Liability (Asset)	\$ 136,270	\$ 101,950	\$ 75,503

NOTE 8 RISK MANAGEMENT

The Town has purchased commercial insurance policies for various risks of loss related to litigation, theft, damage, or destruction of assets, errors or omissions, injuries to employees, or acts of God. Payments of premiums for these policies are recorded as expenditures in the general fund of the Town. During the year ended December 31, 2023, the Town paid a settlement of \$165,000 related to a claim that was filed against the Town in 2021. The claim was related to the Town entering private property for the purpose of stabilizing a Town road and maintaining proper drainage flow. This settlement was recorded as an expenditure in the general fund of the Town for the year ended December 31, 2023. No other settlements that exceeded insurance coverage have been paid in the past three years.

NOTE 9 STEWARDSHIP AND COMPLIANCE

The Town reviews and adopts its annual budget by December or earlier of the preceding year. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the Town's general fund. The budgetary information included in the accompanying financial statements is comprised of the original approved budget, plus or minus approved revisions of budgeted revenues and expenditures.

The budget may be amended for supplemental appropriations periodically during the year. Budget changes required a two-thirds approval by the Town Board. The Town did not make amendments to its budget during the year ended December 31, 2025. The budget includes certain amounts that are intended to be carried over and spent in future years. The cumulative amounts of those carryover appropriations are included in assigned fund balances.

**TOWN OF LINN, WISCONSIN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 10 FUND BALANCE

The fund balance of the general fund is restricted at December 31, 2025 for the following purposes:

Fire 2%	\$ 129,720
Rescue Squad State Aid	8,694
Total Restricted Fund Balance	<u>\$ 138,414</u>

The fund balance of the general fund has been assigned at December 31, 2025 for the following purposes:

Bridge Construction	\$ 590,400
Highway Equipment Replacement	35,190
Buildings	13,176
Road Bonds	25,843
Police Vehicles and Equipment	25,249
Parks	17,708
Fire/EMS Equipment	519,029
Fire/EMS Building	109,230
Fire/EMS Staffing	144,736
Comprehensive Land	35,000
Utilities Carryover	1,000
Human Resources Consulting	10,000
Fire Boat Operations	1,694
Reassessment	42,000
Harbor	22,590
Radios	26,289
Clerk/Administration	22,590
Total Assigned Fund Balance	<u>\$ 1,641,724</u>

NOTE 11 COMMITMENTS AND CONTINGENCIES

The Town participates in several federal and state grant programs, which may be subject to program compliance audits and possible future adjustments to expenditures reported for federal and state reimbursement. The amount, if any, of expenditures that may be disallowed cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

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

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REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF LINN, WISCONSIN
DECEMBER 31, 2025**

Schedule of Proportionate Share of the Net Pension Liability / Asset – Last 10 Measurement Periods

Plan Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2015	0.00514796%	\$ 83,653	\$ 561,976	14.89%	98.20%
12/31/2016	0.00531763%	43,829	645,414	6.79%	99.12%
12/31/2017	0.00573322%	(170,226)	653,544	-26.05%	102.93%
12/31/2018	0.00613782%	218,364	683,070	31.97%	96.45%
12/31/2019	0.00644778%	(207,905)	762,248	-27.28%	102.96%
12/31/2020	0.00668520%	(417,573)	797,589	-52.35%	105.26%
12/31/2021	0.00708362%	(570,947)	867,388	-65.82%	106.02%
12/31/2022	0.00733615%	388,647	880,677	44.13%	95.72%
12/31/2023	0.00756916%	112,538	940,721	11.96%	98.85%
12/31/2024	0.00779012%	128,005	1,006,183	12.72%	98.79%

Schedule of Contributions – Wisconsin Retirement System– Last 10 Fiscal Years

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
12/31/2016	\$ 55,079	\$ 55,079	\$ -	\$ 645,414	8.53%
12/31/2017	64,202	64,202	-	653,544	9.82%
12/31/2018	64,481	64,481	-	683,070	9.44%
12/31/2019	70,458	70,458	-	762,248	9.24%
12/31/2020	79,477	79,477	-	797,589	9.96%
12/31/2021	86,684	86,684	-	867,388	9.99%
12/31/2022	88,399	88,399	-	880,677	10.04%
12/31/2023	103,764	103,764	-	940,721	11.03%
12/31/2024	118,330	118,330	-	1,006,183	11.76%
12/31/2025	118,226	118,226	-	1,091,985	10.83%

See accompanying notes to required supplementary information.

**TOWN OF LINN, WISCONSIN
DECEMBER 31, 2025**

Schedule of Proportionate Share of Net OPEB Liability– Last 10 Measurement Periods*

Plan Year Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll (Plan Year)	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/2017	0.02159600%	\$ 64,973	\$ 908,174	7.15%	44.81%
12/31/2018	0.02033800%	52,479	589,000	8.91%	48.69%
12/31/2019	0.01844000%	78,521	672,000	11.68%	37.58%
12/31/2020	0.02613800%	143,778	691,000	20.81%	31.36%
12/31/2021	0.02216900%	131,027	831,000	15.77%	29.57%
12/31/2022	0.02236700%	85,214	824,000	10.34%	38.81%
12/31/2023	0.02253000%	103,653	905,000	11.45%	33.90%
12/31/2024	0.02605900%	101,950	976,000	10.45%	37.20%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

See accompanying notes to required supplementary information.

TOWN OF LINN, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

NOTE 1 WISCONSIN RETIREMENT SYSTEM – PENSION BENEFITS

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

Changes of benefit terms: There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

TOWN OF LINN, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

NOTE 1 WISCONSIN RETIREMENT SYSTEM – PENSION BENEFITS (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.4%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.7%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.7%	1.9%	1.9%	1.9%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.
	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).
Mortality:					

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

TOWN OF LINN, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

NOTE 1 WISCONSIN RETIREMENT SYSTEM – PENSION BENEFITS (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.
Mortality:					

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

TOWN OF LINN, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS – LIFE INSURANCE

Changes in Benefit Terms and Assumptions related to LRLIF OPEB Liabilities (Assets)

Benefit Terms: There were no recent changes in benefit terms.

Assumptions: In addition to the rate changes detailed in the tables included in the notes to the financial statements, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

SUPPLEMENTARY INFORMATION

**TOWN OF LINN, WISCONSIN
GENERAL FUND
SCHEDULE OF REVENUES – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025**

REVENUES	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
Taxes:				
Town Taxes	\$ 6,321,466	\$ 6,321,466	\$ 6,333,072	\$ 11,606
Room Taxes	146,000	146,000	184,430	38,430
Total Taxes	6,467,466	6,467,466	6,517,502	50,036
Special Assessments	44,000	44,000	-	(44,000)
Intergovernmental:				
State Shared Revenue	111,974	111,974	117,011	5,037
State Transportation Aid	434,024	434,024	433,646	(378)
State Elections Aid	-	-	162	162
Boating Enforcement Aid	28,000	28,000	25,550	(2,450)
Fire Insurance Dues	70,000	70,000	90,339	20,339
EMS Transport Aid	6,500	6,500	21,334	14,834
Law Enforcement Aid	1,000	1,000	4,589	3,589
Exempt Computer Aid	88	88	88	-
Recycling Grant	10,600	10,600	10,653	53
DNR Aids	-	-	13	13
DNR In Lieu	-	-	68	68
Municipal Services Aid	1,600	1,600	1,432	(168)
American Rescue Plan Act Grant	-	-	28,314	28,314
Video Services Aid	14,461	14,461	14,461	-
Total Intergovernmental	678,247	678,247	747,660	69,413
Licenses and Permits:				
Business and Occupational	5,500	5,500	7,683	2,183
Dog Licenses	50	50	811	761
Building Permits/Zoning Fees	120,000	120,000	189,722	69,722
Fireworks and Other Permits	5,000	5,000	8,050	3,050
Golf Cart Registration	1,000	1,000	2,880	1,880
Cable TV Franchise Fees	21,500	21,500	21,004	(496)
Planning and Zoning Permits	3,200	3,200	3,800	600
Total Licenses and Permits	156,250	156,250	233,950	77,700
Fines and Forfeitures	30,000	30,000	42,747	12,747
Charges for Services:				
Recycling and Garbage Charges	538,644	538,644	544,221	5,577
Fuel Rebate - Garbage and Recycling	8,800	8,800	13,200	4,400
Boat Launching Fees	92,500	92,500	134,748	42,248
Boat Stall Rent	72,661	72,661	72,469	(192)
Clerk's and Legal Fees	1,500	1,500	45	(1,455)
Police Department Fees	3,000	3,000	9,442	6,442
Rescue Squad Fees	55,000	55,000	29,720	(25,280)
Highway Department Fees	2,100	2,100	5,005	2,905
Weeds and Nuisance Control	500	500	100	(400)
Town Hall Rent	-	-	300	300
Cell Tower Rent	48,844	48,844	58,012	9,168
Post Office Rent	2,100	2,100	2,100	-
Total Charges for Services	825,649	825,649	869,362	43,713
Investment Income:	150,000	150,000	390,814	240,814
Miscellaneous Revenues:				
All Other	4,900	4,900	87,795	82,895
Total Miscellaneous Revenues	4,900	4,900	87,795	82,895
Total Revenues	\$ 8,356,512	\$ 8,356,512	\$ 8,889,830	\$ 533,318

**TOWN OF LINN, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budget			Variance
	Original	Final	Actual	Final Budget - Positive (Negative)
EXPENDITURES				
General Government:				
Town Board Salaries	\$ 35,000	\$ 35,000	\$ 35,021	\$ (21)
Town Board Benefits	2,678	2,678	2,678	-
Town Board Other Expenditures	8,350	8,350	8,528	(178)
Ordinance Codification	4,500	4,500	3,740	760
Legal Counsel - General	34,000	34,000	45,483	(11,483)
Legal Counsel - Public Relations	6,000	6,000	17,581	(11,581)
Municipal Court - Prosecution/Legal	25,200	25,200	27,300	(2,100)
Municipal Court	26,411	26,411	21,826	4,585
Administrator/Treasurer	133,970	133,970	105,790	28,180
Clerk - Salaries	55,000	55,000	53,846	1,154
Clerk - Assistant	24,596	24,596	24,313	283
Clerk - Treasurer/Assistant/Admin/Benefits	52,728	52,728	55,076	(2,348)
Clerk - Treasurer Training	2,000	2,000	240	1,760
Clerk - Treasurer Other Expenditures	17,750	17,750	16,999	751
Elections	10,898	10,898	9,362	1,536
ITC	21,680	21,680	19,776	1,904
Auditing and Accounting	27,000	27,000	22,861	4,139
Property Assessment	34,580	34,580	36,729	(2,149)
Town Buildings and Grounds Expenditures	163,470	163,470	189,071	(25,601)
Contingency	40,200	40,200	62,311	(22,111)
Total General Government	726,011	726,011	758,531	(32,520)
Public Safety:				
Police Salaries	687,059	687,059	688,444	(1,385)
Police Benefits	245,663	245,663	271,748	(26,085)
Police Other Expenditures	89,669	89,669	112,626	(22,957)
Geneva Lake Law Enforcement Agency	75,000	75,000	75,000	-
Water Safety Patrol	14,535	14,535	14,535	-
Emergency Government - Siren Maintenance	5,000	5,000	1,111	3,889
Fire Salaries	-	-	3,541	(3,541)
Fire Benefits	1,000	1,000	880	120
Fire Other Expenditures	150,500	150,500	194,321	(43,821)
Emergency Medical Services	19,000	19,000	16,524	2,476
EMS Staffing	1,900,000	1,900,000	1,399,153	500,847
Building Inspector	96,000	96,000	145,779	(49,779)
Code Enforcement	17,500	17,500	32,803	(15,303)
Total Public Safety	3,300,926	3,300,926	2,956,465	344,461
Public Works:				
Highway Salaries	294,481	294,481	280,895	13,586
Highway Benefits	108,034	108,034	89,501	18,533
Highway Operational Maintenance	239,600	239,600	232,724	6,876
Highway Other Expenditures	17,800	17,800	16,456	1,344
Street Lighting	12,500	12,500	11,250	1,250
Total Public Works	672,415	672,415	630,826	41,589

**TOWN OF LINN, WISCONSIN
GENERAL FUND
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Health and Sanitation				
Yard Waste and Clean Sweep	3,200	3,200	3,084	116
Recycling Expenditures	202,488	202,488	202,488	-
Garbage Expenditures	352,356	352,356	352,356	-
Total Health and Sanitation	558,044	558,044	557,928	116
Leisure, Conservation and Development				
Piers Salaries	37,640	37,640	29,578	8,062
Piers Benefits	2,879	2,879	2,189	690
Piers Other Expenditures	89,093	89,093	105,070	(15,977)
Williams Bay Beach Charges	16,000	16,000	14,000	2,000
Parks	43,850	43,850	40,068	3,782
Geneva Lake Level Corp	4,800	4,800	4,800	-
Tourism Development	98,000	98,000	127,289	(29,289)
Total Leisure, Conservation and Development	292,262	292,262	322,994	(30,732)
Nondepartmental and General:				
Property and Liability Insurance	91,103	91,103	87,663	3,440
Health Insurance Copayments	32,350	32,350	30,958	1,392
Workers Compensation Insurance	29,084	29,084	28,708	376
Other	-	-	5,717	(5,717)
Total Nondepartmental and General	152,537	152,537	153,046	(509)
Capital Outlay:				
Administrative	5,000	5,000	5,234	(234)
Police and Fire	505,335	505,335	475,463	29,872
Water Safety Patrol	-	-	374	(374)
Row Acquisition	35,000	35,000	13,400	21,600
Fire and EMS Building Project	15,000	15,000	18,914	(3,914)
Highway Buildings and Equipment	200,000	200,000	258,944	(58,944)
Parks	20,000	20,000	20,000	-
Road and Bridge Construction	1,830,000	1,830,000	1,811,976	18,024
Boat Launches	-	-	1,516	(1,516)
Total Capital Outlay	2,610,335	2,610,335	2,605,821	4,514
Debt Service:				
Principal	28,294	28,294	26,782	1,512
Interest and Fiscal Charges	88,913	88,913	28,640	60,273
Total Debt Service	117,207	117,207	55,422	61,785
Total Expenditures	\$ 8,429,737	\$ 8,429,737	\$ 8,041,033	\$ 388,704

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