

## **Town of Linn**

Linn, Wisconsin

### **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2020

# TOWN OF LYNN

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# TOWN OF LYNN

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## INDEPENDENT AUDITORS' REPORT

To the Town Board  
Town of Linn  
Zenda, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Linn, Wisconsin, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town of Linn's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town of Linn's preparation and fair presentation of the financial statements 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 of Linn's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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 of Linn, Wisconsin, as of December 31, 2020 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require 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 opinions 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 of Linn's basic financial statements. The Supplementary Information as listed in the table of contents is presented for purposes of additional analysis and is 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 auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly US, LLP*

Madison, Wisconsin  
May 6, 2021

# TOWN OF LINN

## STATEMENT OF NET POSITION As of December 31, 2020

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 3,993,042
Receivables	
Taxes	4,278,866
Special assessments	15,673
Accounts	21,093
Prepaid items	47,784
Restricted Assets	
Net pension asset	207,905
Capital Assets	
Land	369,255
Other capital assets, net of depreciation	<u>11,257,986</u>
Total Assets	<u>20,191,604</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related amounts	492,331
OPEB related amounts	<u>30,909</u>
Total Deferred Outflows of Resources	<u>523,240</u>
<b>LIABILITIES</b>	
Accounts payable	236,389
Accrued liabilities	75,951
Short-term debt	1,275,000
Noncurrent Liabilities	
Due within one year	213,296
Due in more than one year	1,987,121
Net OPEB liability	<u>78,521</u>
Total Liabilities	<u>3,866,278</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unearned revenues	4,273,707
Pension related amounts	626,141
OPEB related amounts	<u>27,841</u>
Total Deferred Inflows of Resources	<u>4,927,689</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,472,241
Restricted for:	
Fire	46,288
Pension	207,905
Unrestricted	<u>2,194,443</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 11,920,877</u></b>

See accompanying notes to financial statements.

# TOWN OF LINN

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2020

<u>Functions/Programs</u>	Expenses	Program Revenues			Net Expenses (Revenues) and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities					
General government	\$ 703,710	\$ 16,530	\$ -	\$ -	\$ (687,180)
Public safety	1,452,463	147,300	148,903	-	(1,156,260)
Public works	2,019,635	465,216	253,755	-	(1,300,664)
Leisure, conservation and development	136,828	141,769	-	-	4,941
Interest and fiscal charges	98,699	-	-	-	(98,699)
	<u>\$ 4,411,335</u>	<u>\$ 770,815</u>	<u>\$ 402,658</u>	<u>\$ -</u>	<u>(3,237,862)</u>
General Revenues					
Taxes					
					3,522,752
Property taxes, levied for general purposes					248,699
Property taxes, levied for debt service					70,254
Other taxes					42,438
Intergovernmental revenues not restricted to specific programs					18,419
Investment income					108,654
Miscellaneous					<u>4,011,216</u>
Total General Revenues					
					<b>773,354</b>
<b>Change in Net Position</b>					
					<u>11,147,523</u>
NET POSITION - Beginning of Year					
					<u>11,920,877</u>
<b>NET POSITION - END OF YEAR</b>					

See accompanying notes to financial statements.

**TOWN OF LINN**

BALANCE SHEET  
GOVERNMENTAL FUND  
As of December 31, 2020

	General Fund	General Debt Service	Totals
<b>ASSETS</b>			
Cash and investments	\$ 2,718,042	\$ 1,275,000	\$ 3,993,042
Receivables			
Taxes	4,029,777	249,089	4,278,866
Special assessments	15,673	-	15,673
Accounts	21,093	-	21,093
Prepaid items	47,784	-	47,784
<b>TOTAL ASSETS</b>	<b>\$ 6,832,369</b>	<b>\$ 1,524,089</b>	<b>\$ 8,356,458</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>			
Liabilities			
Accounts payable	\$ 236,389	\$ -	\$ 236,389
Accrued liabilities	75,951	-	75,951
Short-term debt	-	1,275,000	1,275,000
Total Liabilities	312,340	1,275,000	1,587,340
Deferred Inflows of Resources			
Unearned revenue	4,024,618	249,089	4,273,707
Unavailable revenue	15,673	-	15,673
Total Deferred Inflows of Resources	4,040,291	249,089	4,289,380
Fund Balance			
Nonspendable	47,784	-	47,784
Restricted	46,288	-	46,288
Assigned	1,007,896	-	1,007,896
Unassigned	1,377,770	-	1,377,770
Total Fund Balance	2,479,738	-	2,479,738
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 6,832,369</b>	<b>\$ 1,524,089</b>	<b>\$ 8,356,458</b>

See accompanying notes to financial statements.



## TOWN OF LINN

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2020

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Total Fund Balances - Governmental Funds	\$ 2,479,738
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note III.D.	11,627,241
Some receivables that are not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note III.B.	15,673
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	207,905
The net OPEB liability does not relate to current financial resources and is not reported in the governmental funds.	(78,521)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	492,331
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	30,909
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(626,141)
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.	(27,841)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note III.F.	
Bonds and notes payable	(2,155,000)
Compensated absences	(45,417)
	<u>                    </u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 11,920,877</u></u></b>

See accompanying notes to financial statements.

## TOWN OF LINN

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND

For the Year Ended December 31, 2020

	General	General Debt Service	Totals
<b>REVENUES</b>			
Taxes	\$ 3,591,079	\$ 248,699	\$ 3,839,778
Special assessments	10,818	-	10,818
Intergovernmental	414,147	-	414,147
Licenses and permits	144,336	-	144,336
Fines, forfeitures and penalties	37,344	-	37,344
Public charges for services	650,889	-	650,889
Investment income	18,419	-	18,419
Miscellaneous	71,325	-	71,325
Total Revenues	4,938,357	248,699	5,187,056
<b>EXPENDITURES</b>			
Current			
General government	551,535	-	551,535
Public safety	1,320,521	-	1,320,521
Public works	1,118,767	-	1,118,767
Leisure, conservation and development	141,603	-	141,603
Capital Outlay	1,618,991	-	1,618,991
Debt Service			
Principal	-	2,000,000	2,000,000
Interest and fiscal charges	-	98,699	98,699
Total Expenditures	4,751,417	2,098,699	6,850,116
Excess (deficiency) of revenues over expenditures	186,940	(1,850,000)	(1,663,060)
<b>OTHER FINANCING SOURCES</b>			
Long-term debt issued	305,000	1,850,000	2,155,000
Sale of assets	7,286	-	7,286
Total Other Financing Sources	312,286	1,850,000	2,162,286
<b>Net Change in Fund Balance</b>	499,226	-	499,226
FUND BALANCE - Beginning of Year	1,980,512	-	1,980,512
<b>FUND BALANCE - END OF YEAR</b>	\$ 2,479,738	\$ -	\$ 2,479,738

See accompanying notes to financial statements.

## TOWN OF LINN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2020

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Net change in fund balance - total governmental fund	\$ 499,226
Amounts reported for governmental activities in the statement of activities are different because:	
The governmental fund reports capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.	1,618,991
Some items reported as capital outlay were not capitalized	(456,813)
Depreciation is reported in the government-wide statements.	(714,238)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
	(9,653)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Debt issued	(2,155,000)
Principal repaid	2,000,000
Some expenses 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.	
Net pension asset/liability	426,269
Net OPEB liability	(26,042)
Deferred outflows of resources related to pensions	(444,780)
Deferred outflows of resources related to OPEB	24,257
Deferred inflows of resources related to pensions	10,559
Deferred inflows of resources related to OPEB	(616)
Compensated absences	<u>1,194</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 773,354</u></b>

See accompanying notes to financial statements.

**TOWN OF LINN**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
As of December 31, 2020

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	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 3,754,437
Taxes receivable	<u>19,251,282</u>
Total Assets	<u>23,005,719</u>
 <b>LIABILITIES</b>	
Due to other taxing units	<u>23,005,719</u>
Total Liabilities	<u>23,005,719</u>
 <b>NET POSITION</b>	<u>-</u>
 <b>TOTAL NET POSITION</b>	<u>\$ -</u>

See accompanying notes to financial statements.

# TOWN OF LINN

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### FIDUCIARY FUND

For the Year Ended December 31, 2020

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	Custodial Funds
<b>ADDITIONS</b>	
Fines collected for other governments	\$ 17,832
Property taxes collected for other governments	<u>14,333,249</u>
Total Additions	<u>14,351,081</u>
<b>DEDUCTIONS</b>	
Remittance of fines	17,832
Property taxes distributed to other governments	<u>14,333,249</u>
Total Deductions	<u>14,351,081</u>
<b>Net Change in Net Position</b>	-
NET POSITION - Beginning of Year	<u>-</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

# TOWN OF LINN

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# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the Town of Linn, Wisconsin (Town) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### ***A. REPORTING ENTITY***

This report includes all of the funds of the Town. The reporting entity for the Town consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Town has not identified any organizations that meet this criteria.

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

##### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

##### ***Fund Financial Statements***

Financial statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the Town believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

General Fund - accounts for the Town's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

In addition, the Town reports the following fund type:

Custodial Fund - used to account for and report assets controlled by the Town and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

Tax Collection Fund  
Municipal Court



# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION*

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Town is entitled the resources and the amounts are available. Amounts owed to the Town which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles 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 disclosure 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.

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY***

##### ***1. Deposits and Investments***

Investment of Town funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The Town has not adopted an investment policy.

No policy exists for the following risks:

Credit risk  
Custodial credit risk

The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

**TOWN OF LINN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

***1. Deposits and Investments (cont.)***

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. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2020, the fair value of the Town 's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

***2. Receivables***

Property taxes are levied in December on the assessed value as of the prior January 1. 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 receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2020 tax roll:

Lien date and levy date	December 2020
Tax bills mailed	December 2020
Payment in full, or	January 31, 2021
First installment due	January 31, 2021
Second installment due	July 31, 2021
Personal property taxes in full	January 31, 2021
Tax sale - 2020 delinquent real estate taxes	October 2023

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

***3. Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***4. Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

##### ***5. Capital Assets***

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$3,000 for general capital assets and infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	15-50 Years
Land Improvements	30 Years
Roads	15-30 Years
Vehicles	3-10 Years
Office equipment	7-10 Years
Computer equipment	6 Years

###### ***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

##### ***6. Deferred Outflows of Resources***

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***7. Compensated Absences***

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2020, are determined on the basis of current salary rates and include salary related payments.

##### ***8. Long-Term Obligations***

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts is reported as an other financing source and payments of principal and interest are reported as expenditures.

##### ***9. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

##### ***10. Equity Classifications***

###### ***Government-Wide Statements***

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***10. Equity Classifications (cont.)***

###### ***Fund Statements***

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the Town Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Town Board that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Fund balance may be assigned through the following; 1) Town board or management identification 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted or committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

See Note III. G. for further information.

##### ***11. Pension***

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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.

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)*

##### **12. Postemployment Benefits Other Than Pensions (OPEB)**

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

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### NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### **A. BUDGETARY INFORMATION**

A budget has been adopted for the general fund. A budget has not been formally adopted for debt service fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

#### **B. LIMITATIONS ON THE TOWN'S TAX LEVY**

Wisconsin law limits the Town's future tax levies. Generally the Town is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Town's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The Town is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE III - DETAILED NOTES ON ALL FUNDS

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#### A. DEPOSITS AND INVESTMENTS

The Town's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risks</u>
Deposits	\$ 7,670,420	\$ 7,689,098	Custodial credit risk
LGIP	<u>77,059</u>	<u>76,883</u>	Credit
Total Deposits and Investments	<u>\$ 7,747,479</u>	<u>\$ 7,765,981</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 3,993,042		
Per statement of net position - fiduciary fund			
Cash and investments	<u>3,754,437</u>		
Total Deposits and Investments	<u>\$ 7,747,479</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The Town maintains collateral agreements with its banks. At December 31, 2020, the banks had pledged various government securities in the amount of \$7,585,738 to secure the Town's deposits.

#### ***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.

The Town does not have any deposits exposed to custodial credit risk.



# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### A. DEPOSITS AND INVESTMENTS (cont.)

##### **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Town held investments in the following external pool which is not rated:

Wisconsin Local Government Investment Pool

See Note I.D.1. for further information on deposit and investment policies.

#### B. RECEIVABLES

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. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 4,273,707	\$ -
Special assessments not yet due	<u>-</u>	<u>15,673</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 4,273,707</u>	<u>\$ 15,673</u>

#### C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

##### **Net Pension Asset**

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Restricted assets at December 31, 2020 were \$207,905.

## TOWN OF LINN

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

#### **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

#### **D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 369,255	\$ -	\$ -	\$ 369,255
Total Capital Assets Not Being Depreciated	369,255	-	-	369,255
Capital assets being depreciated				
Buildings	2,367,957	-	-	2,367,957
Improvements other than buildings	391,570	71,331	-	462,901
Machinery and equipment	4,457,123	188,194	80,000	4,565,317
Infrastructure	13,927,403	902,653	331,529	14,498,527
Total Capital Assets Being Depreciated	21,144,053	1,162,178	411,529	21,894,702
Total Capital Assets	21,513,308	1,162,178	411,529	22,263,957
Less: Accumulated depreciation for				
Buildings	(715,027)	(61,830)	-	(776,857)
Improvements other than buildings	(86,383)	(9,841)	-	(96,224)
Machinery and equipment	(2,936,976)	(270,187)	80,000	(3,127,163)
Infrastructure	(6,595,621)	(372,380)	331,529	(6,636,472)
Total Accumulated Depreciation	(10,334,007)	(714,238)	411,529	(10,636,716)
Net Capital Assets Being Depreciated	10,810,046	447,940	-	11,257,986
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 11,179,301	\$ 447,940	\$ -	\$ 11,627,241

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 32,824
Public safety	226,733
Public works, which includes the depreciation of infrastructure	448,456
Culture, education and recreation	6,225
Total Governmental Activities Depreciation Expense	\$ 714,238

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### ***E. SHORT-TERM DEBT ACTIVITY***

The Town issues short-term debt in order to fund infrastructure projects.

Short-term debt activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
G.O. Promissory Note	\$ -	\$ 1,250,000	\$ 1,250,000	\$ -
G.O. Promissory Note	-	1,275,000	-	1,275,000
Totals	\$ -	\$ 2,525,000	\$ 1,250,000	\$ 1,275,000

#### ***F. LONG-TERM OBLIGATIONS***

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 2,000,000	\$ 2,155,000	\$ 2,000,000	\$ 2,155,000	\$ 205,000
Sub-totals	2,000,000	2,155,000	2,000,000	2,155,000	205,000
Other Liabilities					
Vested compensated absences	46,611	45,417	46,611	45,417	8,296
Total Governmental Activities Long-Term Liabilities	\$ 2,046,611	\$ 2,200,417	\$ 2,046,611	\$ 2,200,417	\$ 213,296

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Town may not exceed 5% of the equalized value of taxable property within the Town's jurisdiction. The debt limit as of December 31, 2020, was \$105,459,795. Total general obligation debt outstanding at year end was \$3,430,000.

**TOWN OF LINN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the Town. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

**Governmental Activities**

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
General obligation notes	6/30/20	09/01/30	.75-1.45%	\$ 2,155,000	<u>\$ 2,155,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 2,155,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2021	\$ 205,000	\$ 26,111
2022	210,000	20,608
2023	210,000	18,875
2024	210,000	16,985
2025	215,000	14,913
2026-2030	<u>1,105,000</u>	<u>37,111</u>
Totals	<u>\$ 2,155,000</u>	<u>\$ 134,603</u>

**Current Refunding**

On June 30, 2020, the Town issued \$2,155,000 in general obligation bonds with an average coupon rate of 1.19% to refund \$1,788,490 of outstanding bonds with an average coupon rate of 4.00%. The net proceeds along with existing funds of the Town were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$2,408,574 from 2020 through 2029. The cash flow requirements on the refunding bonds are \$2,211,965 from 2020 through 2030. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$202,680.

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### ***G. NET POSITION/FUND BALANCES***

Net position reported on the government wide statement of net position at December 31, 2020, includes the following:

#### ***Governmental Activities***

Net Investment in Capital Assets	
Land	\$ 369,255
Other capital assets, net of accumulated depreciation	11,257,986
Less: Capital-related debt, net of unspent proceeds	<u>(2,155,000)</u>
Total Net Investment in Capital Assets	<u>\$ 9,472,241</u>

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### G. NET POSITION/FUND BALANCES (cont.)

##### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

	<u>General Fund</u>
<b>Fund Balances</b>	
<b>Nonspendable:</b>	
Prepaid items	\$ 47,784
Sub-total	<u>47,784</u>
<b>Restricted for:</b>	
Fire 2%	<u>46,288</u>
Sub-total	<u>46,288</u>
<b>Assigned to:</b>	
Building fund	23,537
Property acquisition	75,500
Road and bridge construction	246,133
Police communications	16,644
Police Vehicles	24,202
Parks	11,000
Fire/EMS equipment	134,031
Fire/EMS operating	71,628
Highway equipment	339,527
Comprehensive land	35,000
Utilities carryover	1,000
HR consulting	10,000
Fire boat operations	1,694
Reassessment	<u>18,000</u>
Sub-total	<u>1,007,896</u>
<b>Unassigned:</b>	<u>1,377,770</u>
<b>Total Fund Balances</b>	<u>\$ 2,479,738</u>

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE IV - OTHER INFORMATION

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#### **A. EMPLOYEES' RETIREMENT SYSTEM**

**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, and expected to work at least 1,200 hours a year (880 hours 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 Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**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 occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. 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 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

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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
2010	(1.3)%	22.0%
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	10.0

**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 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.



## TOWN OF LINN

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

#### **NOTE IV - OTHER INFORMATION (cont.)**

##### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

During the reporting period, the WRS recognized \$70,458 in contributions from the Town.

Contribution rates for the plan year reported as of December 31, 2020 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

##### ***Pension Liability (asset), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2020, the Town reported an liability (asset) of \$(207,905) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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 (asset) was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Town's proportion was 0.00644778%, which was an increase of 0.00030996% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Town recognized pension expense of \$85,743.

At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 394,652	\$ 197,497
Changes in assumptions	16,201	-
Net differences between projected and actual earnings on pension plan investments	-	425,034
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,302	3,610
Employer contributions subsequent to the measurement date	79,176	-
Totals	\$ 492,331	\$ 626,141

## TOWN OF LINN

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

#### NOTE IV - OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$79,176 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2021	\$ (63,548)
2022	(47,567)
2023	7,065
2024	(108,936)

**Actuarial assumptions.** The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

## TOWN OF LINN

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

#### NOTE IV - OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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 arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	49%	8.0%	5.1%
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
 <u>Variable Fund Asset Class</u>			
U.S Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

**TOWN OF LINN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Single discount rate.** A single discount rate of 7.00 percent was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent and a long term bond rate of 2.75 percent. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's 20-year Municipal GO AA Index as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00 percent expected rate of return implies that a dividend of approximately 1.9 percent 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Town's proportionate share of the net pension liability (asset)	\$535,394	\$(207,905)	\$(763,608)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2020, the Town reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

**B. RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **C. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

#### **D. OTHER POSTEMPLOYMENT BENEFITS**

##### **Local Retiree Life Insurance Fund (LRLIF)**

**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 employees.

ETF issues a standalone Comprehensive Annual Financial Report, which can be found at <http://etf.wi.gov/publications/cafr.htm>.

**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.** The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees 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.

**TOWN OF LINN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**NOTE IV - OTHER INFORMATION (cont.)**

***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

Employers are required to pay the following contribution based on employee 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 employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2020 are:

<b>Coverage Type</b>	<b>Employer Contribution</b>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the plan year are as listed below:

**Life Insurance Employee Contribution Rates For the Plan Year**

<b>Attained Age</b>	<b>Basic</b>
Under 30	\$0.05
30-34	0.06
34-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$333 in contributions from the employer.

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE IV - OTHER INFORMATION (cont.)

#### *D. OTHER POSTEMPLOYMENT BENEFITS (cont.)*

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

At December 31, 2020, the Town reported a liability of \$78,521 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. 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, 2019, the Town's proportion was 0.01844000%, which was an decrease of (0.00189800)% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the Town recognized OPEB expense of \$2,401.

At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,517
Net differences between projected and actual earnings on OPEB plan investments	1,481	-
Changes in assumptions	28,967	8,637
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	15,687
Employer contributions subsequent to the measurement date	461	-
Total	\$ 30,909	\$ 27,841

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE IV - OTHER INFORMATION (cont.)

#### *D. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

\$461 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2021	\$ 5
2022	5
2023	(155)
2024	(319)
2025	56
Thereafter	3,015

**Actuarial assumptions.** The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table



# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE IV - OTHER INFORMATION (cont.)

#### *D. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 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.

#### **Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2019**

Asset Class	Index	Target Allocation %	Long-Term Expected Geometric Real Rate of Return %
U.S. Credit Bonds	Barclays Credit	45	2.12
U.S. Long Credit Bonds	Barclays Long Credit	5	2.90
U.S. Mortgages	Barclays MBS	50	1.53
Inflation			2.20
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return decreased slightly from 5.00 percent in the prior year to 4.25 percent in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30 percent in the prior year to 2.20 percent in the current year. 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.

**TOWN OF LINN**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**NOTE IV - OTHER INFORMATION (cont.)**

***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

**Single discount rate.** A single discount rate of 2.87 percent was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 4.22 percent for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10 percent as of December 31, 2018 to 2.74 percent as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. 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, 2036.

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..

**Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the discount rate.** The following presents the Town's proportionate share of the net OPEB liability calculated using the discount rate of 2.87 percent, as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
Town's proportionate share of the net OPEB liability	\$108,425	\$75,521	\$55,770

At December 31, 2020, the Town reported a payable to the OPEB plan which represents contractually required contributions outstanding as of the end of the year.

# TOWN OF LINN

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### **NOTE IV - OTHER INFORMATION** (cont.)

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#### ***E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 87, *Leases*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- > Statement No. 96, *Subscription-Based Information Technology Arrangements*
- > Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF LINN**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
<b>TAXES</b>			
General property tax	\$ 3,771,448	\$ 3,522,752	\$ (248,696)
Room tax	-	68,327	68,327
Totals	<u>3,771,448</u>	<u>3,591,079</u>	<u>(180,369)</u>
<b>SPECIAL ASSESSMENTS</b>			
Special assessments	<u>10,000</u>	<u>10,818</u>	<u>818</u>
<b>INTERGOVERNMENTAL</b>			
Shared taxes from state	34,859	34,941	82
Fire insurance tax from state	47,000	46,651	(349)
State aid - computer	88	812	724
Boating enforcement aid	20,000	26,893	6,893
Real estate chargeback	500	-	(500)
State aid - disaster relief	-	16,541	16,541
State aid - law enforcement	6,000	14,706	8,706
State aid - transportation	239,127	243,127	4,000
State aid - recycling	15,000	10,628	(4,372)
State aid - video	-	6,917	6,917
State aid - municipal service	2,500	1,621	(879)
State aid - routes to recovery	-	11,236	11,236
State aid - DNR	-	74	74
Totals	<u>365,074</u>	<u>414,147</u>	<u>49,073</u>
<b>LICENSES AND PERMITS</b>			
Business and occupational	5,000	5,665	665
Fireworks and other permits	5,000	7,825	2,825
Cable tv franchise fees	35,000	29,960	(5,040)
Dog license	50	-	(50)
Building permits and zoning fees	<u>76,000</u>	<u>100,886</u>	<u>24,886</u>
Totals	<u>121,050</u>	<u>144,336</u>	<u>23,286</u>
<b>FINES, FORFEITURES AND PENALTIES</b>			
Fines and restitution	<u>30,000</u>	<u>37,344</u>	<u>7,344</u>
<b>PUBLIC CHARGES FOR SERVICES</b>			
Clerk fees	2,000	1,273	(727)
Police department fees	7,000	10,920	3,920
Rescue squad fees	15,000	32,876	17,876
Utility permits	-	3,140	3,140
Boat launching fees	80,000	93,127	13,127
Boat stall rental	47,000	48,642	1,642
Recycling and garbage collection	452,106	441,111	(10,995)
Fuel rebate - garbage and recycling	16,000	19,800	3,800
Highway department fees	750	-	(750)
Totals	<u>619,856</u>	<u>650,889</u>	<u>31,033</u>
<b>INVESTMENT INCOME</b>			
Interest earned on savings	<u>60,000</u>	<u>18,419</u>	<u>(41,581)</u>
<b>MISCELLANEOUS</b>			
Rent of town buildings, offices, land	23,200	30,152	6,952
Insurance recoveries	1,000	26,108	25,108
Public park donations	-	750	750
Other miscellaneous	-	14,315	14,315
Totals	<u>24,200</u>	<u>71,325</u>	<u>47,125</u>

See independent auditors' report and accompanying notes to required supplementary information.

**TOWN OF LINN**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (cont.)  
For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
<b>OTHER FINANCING SOURCES</b>			
Sale of town property	\$ 10,000	\$ 7,286	\$ (2,714)
Debt issued	<u>1,250,000</u>	<u>305,000</u>	<u>(945,000)</u>
Totals	<u>1,260,000</u>	<u>312,286</u>	<u>(947,714)</u>
 Total Revenues and Other Financing Sources	 <u>6,261,628</u>	 <u>5,250,643</u>	 <u>(970,222)</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Town board	40,178	40,990	(812)
Legal counseling	45,000	68,260	(23,260)
Administrator	77,500	86,214	(8,714)
Clerk	103,118	88,163	14,955
Elections	11,401	11,288	113
ITC	10,000	12,950	(2,950)
Property assessment	32,475	33,244	(769)
Accounting	18,000	18,811	(811)
Insurance	109,666	110,342	(676)
Town complex and other expenses	<u>89,195</u>	<u>81,273</u>	<u>7,922</u>
Totals	<u>536,533</u>	<u>551,535</u>	<u>(15,002)</u>
<b>PUBLIC SAFETY</b>			
Police salaries	523,090	560,230	(37,140)
Police benefits	202,731	229,729	(26,998)
Police other expenses	88,547	99,911	(11,364)
Geneva lake law enforcement agency	45,000	45,000	-
Water safety patrol	12,170	12,170	-
Fire salaries	58,985	49,844	9,141
Fire benefits	13,889	5,160	8,729
Fire other expenses	195,370	169,230	26,140
Emergency medical services	48,942	34,384	14,558
Building inspector	60,500	92,412	(31,912)
Dive team	9,300	2,763	6,537
Municipal court	<u>23,398</u>	<u>19,688</u>	<u>3,710</u>
Totals	<u>1,281,922</u>	<u>1,320,521</u>	<u>(38,599)</u>
<b>PUBLIC WORKS</b>			
Highway salaries	149,187	166,072	(16,885)
Highway benefits	115,451	61,039	54,412
Highway and other expenses	124,100	166,274	(42,174)
Street lighting	12,000	10,849	1,151
Tree work	40,000	48,836	(8,836)
Highway operations	18,000	12,532	5,468
Street maintenance	132,000	128,901	3,099
Highway signage	6,500	10,358	(3,858)
Snow and ice control	83,000	58,799	24,201
Yard waste	3,050	3,084	(34)
Recycling	173,620	173,620	-
Garbage	<u>278,487</u>	<u>278,403</u>	<u>84</u>
Totals	<u>1,135,395</u>	<u>1,118,767</u>	<u>16,628</u>

See independent auditors' report and accompanying notes to required supplementary information.

**TOWN OF LINN**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (cont.)  
For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Variance with Final Budget
<b>LEISURE, CONSERVATION AND DEVELOPMENT</b>			
Piers salaries	\$ 23,460	\$ 17,098	\$ 6,362
Piers benefits	1,795	-	1,795
Piers other expense	55,000	43,713	11,287
Williams bay beach charges	6,500	-	6,500
Park other expenses	42,800	37,355	5,445
Economic development	-	38,637	(38,637)
Geneva lake level corporation	4,800	4,800	-
Totals	<u>134,355</u>	<u>141,603</u>	<u>(7,248)</u>
<b>CAPITAL OUTLAY</b>			
Capital outlay	<u>1,520,198</u>	<u>1,618,991</u>	<u>(98,793)</u>
<b>DEBT SERVICE</b>			
Principal and interest	<u>1,501,606</u>	<u>-</u>	<u>1,501,606</u>
Total Expenditures	<u>6,110,009</u>	<u>4,751,417</u>	<u>1,358,592</u>
<b>Net change in fund balance</b>	151,619	499,226	347,607
FUND BALANCE - Beginning of Year	<u>1,980,512</u>	<u>1,980,512</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,132,131</u>	<u>\$ 2,479,738</u>	<u>\$ 347,607</u>

See independent auditors' report and accompanying notes to required supplementary information.

**TOWN OF LINN**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) -  
WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2020

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	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
12/31/20	0.00644778%	\$ (207,905)	\$ 762,248	27.28%	102.96%
12/31/19	0.00613782%	218,364	683,070	31.97%	96.45%
12/31/18	0.00573322%	(170,226)	653,544	26.05%	102.93%
12/31/17	0.00531763%	43,829	645,414	6.79%	99.12%
12/31/16	0.00514796%	83,653	561,976	14.89%	98.20%
12/31/15	0.00532012%	(130,677)	544,297	24.01%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM  
For the Year Ended December 31, 2020

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/20	\$ 79,176	\$ 79,176	\$ -	\$ 795,001	9.96%
12/31/19	64,481	64,481	-	683,070	9.44%
12/31/18	64,202	64,202	-	653,544	9.82%
12/31/17	55,079	55,079	-	645,414	8.53%
12/31/16	48,701	48,701	-	561,976	8.67%
12/31/15	50,426	50,426	-	544,297	9.26%

See independent auditors' report and accompanying notes to the required supplementary information.



**TOWN OF LINN**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET LIFE INSURANCE OPEB LIABILITY  
 LOCAL RETIREE LIFE INSURANCE FUND  
 For the Year Ended December 31, 2020

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Fiscal Year Ending	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/20	0.01844000%	\$ 78,521	\$ 672,000	11.68%	37.58%
12/31/19	0.02033800%	52,479	589,000	8.91%	48.69%
12/31/18	0.02159600%	64,973	908,174	7.15%	44.81%

See accompanying notes to required supplementary information and independent auditors' report.

# TOWN OF LINN

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2020

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### **Budgetary Information**

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I.C.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The Town may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

### **Wisconsin Retirement System**

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The Town is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

*Changes in assumptions.* No significant change in assumptions were noted from the prior year.

### **Local Retiree Life Insurance Fund**

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The Town is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in LRLIF.

*Changes in assumptions.* Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section above for additional details.

**SUPPLEMENTARY INFORMATION**

**TOWN OF LINN**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
As of December 31, 2020

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	<u>Tax Collection Fund</u>	<u>Municipal Court</u>	<u>Total Custodial Funds</u>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 3,746,049	\$ 8,388	\$ 3,754,437
Taxes receivable	<u>19,251,282</u>	<u>-</u>	<u>19,251,282</u>
Total Assets	<u>22,997,331</u>	<u>8,388</u>	<u>23,005,719</u>
<b>LIABILITIES</b>			
Due to other governments	<u>22,997,331</u>	<u>8,388</u>	<u>23,005,719</u>
Total Liabilities	<u>22,997,331</u>	<u>8,388</u>	<u>23,005,719</u>
<b>NET POSITION</b>			
Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**TOWN OF LINN**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS

For the Year Ended December 31, 2020

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	Tax Collection Fund	Municipal Court	Total Custodial Funds
<b>ADDITIONS</b>			
Fines collected for other governments	\$ -	\$ 17,832	\$ 17,832
Property taxes collected for other governments	14,333,249	-	14,333,249
Total Additions	14,333,249	17,832	14,351,081
<b>DEDUCTIONS</b>			
Remittance of fines	-	17,832	17,832
Property taxes distributed to other governments	14,333,249	-	14,333,249
Total Deductions	14,333,249	17,832	14,351,081
<b>CHANGE IN NET POSITION</b>	-	-	-
NET POSITION - Beginning of Year	-	-	-
<b>NET POSITION - END OF YEAR</b>	\$ -	\$ -	\$ -