

Town of Lyndon
Sheboygan County, Wisconsin
Financial Statements and Supplementary Information
Year ended December 31, 2024

Town of Lyndon
Year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Town Board
Town of Lyndon, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Lyndon, Wisconsin (the "Town"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2024, and the respective changes in modified cash basis financial position and the budgetary comparison for the general fund for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Town's basic financial statements. The detailed schedules of revenues collected and expenditures paid, as listed in the table of contents 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 auditing standards generally accepted in the United States of America. In our opinion, the detailed schedules of revenues collected and expenditures paid are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Corson, Peterson & Hamann S.C.

Sheboygan, Wisconsin

April 9, 2025

Basic Financial Statements

Town of Lyndon
Statement of Net Position - Modified Cash Basis
December 31, 2024

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 946,426
Receivables	
Delinquent charges held by County	<u>9,860</u>
Total assets	<u>\$ 956,286</u>
Liabilities	
Payroll taxes payable	\$ 23
Dog licenses due County	280
Property taxes and special charges collected for subsequent year	<u>219,035</u>
Total liabilities	<u>\$ 219,338</u>
Net position	
Unrestricted	<u><u>\$ 736,948</u></u>

See accompanying notes to the basic financial statements.

Town of Lyndon
Statement of Activities - Modified Cash Basis
Year ended December 31, 2024

Functions / Programs	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	\$ 156,656	\$ 16,328	\$ 420	\$ -	\$ (139,908)
Public safety	222,220	21,900	9,962	-	(190,358)
Public works	684,465	1,172	83,688	48,222	(551,383)
Health and human services	463	-	-	-	(463)
Culture, recreation and education	500	-	-	-	(500)
Conservation and development	2,831	-	-	-	(2,831)
Total governmental activities	<u>\$ 1,067,135</u>	<u>\$ 39,400</u>	<u>\$ 94,070</u>	<u>\$ 48,222</u>	<u>\$ (885,443)</u>
General revenues					
Taxes					
General property taxes					\$ 561,341
Mobile home fees					1,517
Managed forest land taxes					3,566
Other taxes					2,158
State aids not restricted to specific functions					
Shared revenues					81,219
Exempt computer and personal property aids					1,112
Other State aid payments					8,544
Other income					
Investment income					32,223
Miscellaneous					<u>1,091</u>
Total general revenues					<u>\$ 692,771</u>
Change in net position					\$ (192,672)
Net position, Beginning of year					<u>929,620</u>
Net position, End of year					<u>\$ 736,948</u>

See accompanying notes to the basic financial statements.

Town of Lyndon
Balance Sheet - Modified Cash Basis - Governmental Funds
December 31, 2024

	<u>General</u>	<u>ARPA</u>	<u>Total</u>
Assets			
Cash and investments	\$ 946,426	\$ -	\$ 946,426
Receivables			
Delinquent charges held by County	<u>9,860</u>	<u>-</u>	<u>9,860</u>
Total assets	<u>\$ 956,286</u>	<u>\$ -</u>	<u>\$ 956,286</u>
Liabilities and fund balances			
Liabilities			
Payroll taxes payable	\$ 23	\$ -	\$ 23
Dog licenses due County	280	-	280
Property taxes and special charges collected for subsequent year	<u>219,035</u>	<u>-</u>	<u>219,035</u>
Total liabilities	<u>\$ 219,338</u>	<u>\$ -</u>	<u>\$ 219,338</u>
Fund balances			
Committed	\$ 209,331	\$ -	\$ 209,331
Unassigned	<u>527,617</u>	<u>-</u>	<u>527,617</u>
Total fund balances	<u>\$ 736,948</u>	<u>\$ -</u>	<u>\$ 736,948</u>
Total liabilities and fund balances	<u>\$ 956,286</u>	<u>\$ -</u>	<u>\$ 956,286</u>

See accompanying notes to the basic financial statements.

Town of Lyndon
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis -
Governmental Funds
Year ended December 31, 2024

	General	ARPA	Total
Revenues			
Taxes	\$ 568,582	\$ -	\$ 568,582
Intergovernmental revenues	233,167	-	233,167
Licenses and permits	25,974	-	25,974
Fines, forfeits and penalties	535	-	535
Public charges for services	12,891	-	12,891
Miscellaneous	33,314	-	33,314
	<u>874,463</u>	<u>-</u>	<u>874,463</u>
Total revenues	\$ 874,463	\$ -	\$ 874,463
Expenditures			
Current			
General government	\$ 155,683	\$ -	\$ 155,683
Public safety	222,220	-	222,220
Public works	189,634	4,786	194,420
Health and human services	463	-	463
Culture, recreation and education	500	-	500
Conservation and development	2,831	-	2,831
Capital outlay	490,045	973	491,018
	<u>1,061,376</u>	<u>5,759</u>	<u>1,067,135</u>
Total expenditures	\$ 1,061,376	\$ 5,759	\$ 1,067,135
Net change in fund balances	\$ (186,913)	\$ (5,759)	\$ (192,672)
Fund balances, Beginning of year	923,861	5,759	929,620
Fund balances, End of year	<u>\$ 736,948</u>	<u>\$ -</u>	<u>\$ 736,948</u>

See accompanying notes to the basic financial statements.

Town of Lyndon
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Modified Cash Basis - General Fund
Year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues			
Taxes	\$ 567,541	\$ 568,582	\$ 1,041
Intergovernmental revenues	222,686	233,167	10,481
Licenses and permits	13,525	25,974	12,449
Fines, forfeits and penalties	200	535	335
Public charges for services	710	12,891	12,181
Miscellaneous	<u>21,000</u>	<u>33,314</u>	<u>12,314</u>
Total revenues	<u>\$ 825,662</u>	<u>\$ 874,463</u>	<u>\$ 48,801</u>
Expenditures			
Current			
General government	\$ 146,366	\$ 155,683	\$ (9,317)
Public safety	221,256	222,220	(964)
Public works	202,678	189,634	13,044
Health and human services	250	463	(213)
Culture, recreation and education	750	500	250
Conservation and development	4,126	2,831	1,295
Capital outlay	<u>250,236</u>	<u>490,045</u>	<u>(239,809)</u>
Total expenditures	<u>\$ 825,662</u>	<u>\$ 1,061,376</u>	<u>\$ (235,714)</u>
Net change in fund balance	\$ -	\$ (186,913)	\$ (186,913)
Fund balance, Beginning of year	<u>923,861</u>	<u>923,861</u>	<u>-</u>
Fund balance, End of year	<u><u>\$ 923,861</u></u>	<u><u>\$ 736,948</u></u>	<u><u>\$ (186,913)</u></u>

See accompanying notes to the basic financial statements.

Town of Lyndon
Statement of Fiduciary Net Position - Modified Cash Basis -
Fiduciary Fund
December 31, 2024

	<u>Custodial Fund</u> Tax <u>Collection Fund</u>
Assets	
Cash and investments	\$ 1,204,787
Liabilities	
Due to other governments	<u>1,204,787</u>
Net position	
Fiduciary net position - held for others	<u>\$ -</u>

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Town of Lyndon
Statement of Changes in Fiduciary Net Position - Modified Cash Basis -
Fiduciary Fund
Year ended December 31, 2024

	<u>Custodial Fund</u> Tax <u>Collection Fund</u>
Additions	
Taxes and special charges collected	\$ 2,367,996
Deductions	
Payments to other governments	<u>2,367,996</u>
Change in net position	\$ -
Net position, Beginning of year	<u>-</u>
Net position, End of year	<u>\$ -</u>

See accompanying notes to the basic financial statements.

Town of Lyndon
Notes to the Basic Financial Statements
December 31, 2024

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

The Town is governed by an elected five-member board and provides the following services: public safety (law enforcement, fire protection, first responders and building inspections), streets, health and human services, culture, recreation and education, conservation and development, public improvements and general administrative services.

The basic financial statements are required to include the Town and any separate component units that have a significant operational or financial relationship with the Town. The Town has not identified any component units that are required to be included in the basic financial statements in accordance with reporting standards.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and the statement of activities present financial information about the Town's governmental activities as a whole. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions.

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 for 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 financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The Town has no proprietary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

Town of Lyndon
Notes to the Basic Financial Statements
December 31, 2024

Note 1. Summary of Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - Continued

Fund Financial Statements - Continued

The Town reports the following major governmental funds:

General Fund - This is the Town's primary operating fund. It accounts for all financial activity that is not required to be accounted for in another fund.

American Rescue Plan Act (ARPA) Fund - This special revenue fund accounts for the Town's revenue and expenditures related to the American Rescue Plan Act.

The Town also reports one fiduciary fund type - the custodial fund.

Custodial funds are used to account for property taxes and special charges collected on behalf of other governments.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting. The modified cash basis recognizes assets, liabilities, net position / fund balance, revenues and expenditures when they result from cash transactions.

Under the modified cash basis of accounting, the Town recognizes revenues when received. As a result, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) are not recorded in the Town's basic financial statements. Property taxes are recognized as revenues in the year for which they are levied. Debt proceeds are recognized as other financing sources and general revenue when received. Additionally, capital assets such as property, equipment and infrastructure are not capitalized or reported in the government-wide financial statements.

Under the modified cash basis of accounting, the Town generally records expenditures when paid, except for payroll taxes payable and dog licenses due County. As a result, certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and accrued expenses and liabilities) are not recorded in the Town's basic financial statements. Additionally, long-term liabilities such as debt payable and compensated absences are not reported.

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

Town of Lyndon
Notes to the Basic Financial Statements
December 31, 2024

Note 1. Summary of Significant Accounting Policies - Continued

D. Assets, Liabilities and Net Position or Fund Balance

Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions. Investments are stated at cost in accordance with the modified cash basis of accounting.

Property Taxes and Special Charges Receivable

Property taxes and special charges consist of taxes on real estate and personal property and user charges assessed against Town properties. The Town bills and collects its own property taxes and also collects taxes levied by Sheboygan County, Lakeshore Technical College, School District of Oostburg, Plymouth Joint School District, School District of Random Lake, School District of Sheboygan Falls, Lyndon Sanitary District #1 and the Hingham Mill Pond Sanitary District. Property taxes attach an enforceable lien as of January 1. The Town collects the taxes through January 31.

Property tax calendar - 2023 tax roll collect 2024

Levy date	December 2023
Tax bills mailed	December 2023
Real estate taxes	
Payment in full or	January 31, 2024
First installment due	January 31, 2024
Second installment due	July 31, 2024
Personal property taxes	
Payment in full	January 31, 2024
Special charges	
Payment in full	January 31, 2024

Property taxes uncollected on January 31 are turned over to Sheboygan County for collection. Sheboygan County pays the remainder of the tax levy (excluding special charges) to the Town during August. Special charges are paid to the Town when collected by the County including interest. Delinquent and postponed personal property taxes are retained at the local level for collection.

Collection and remittance of taxes and special charges for other governmental units are accounted for in the tax collection custodial fund.

Long-Term Obligations

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premium) are reported as other financing sources and payments of principal and interest are reported as expenditures. Because the Town uses the modified cash basis of accounting, principal payments are reported as expenditures in the statement of activities and no liability is reported on the statement of net position.

Town of Lyndon
Notes to the Basic Financial Statements
December 31, 2024

Note 1. Summary of Significant Accounting Policies - Continued

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

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in the following categories:

Restricted net position - Consists of net position with constraints placed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted net position - All other net position is reported in this category.

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

Fund Balances

In the governmental fund financial statements, the Town's fund balances are displayed in the following categories:

Restricted fund balance - Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed fund balance - Amounts intended to be used for a specific purpose established by the Town Board through the formal budget process, by placing funds in a segregated account or other formal action of the Board.

Unassigned fund balance - Amounts that are available for any purpose.

The Town Board has the authority to set aside funds for a specific purpose. Any funds set aside as committed fund balance requires the approval of the majority of the Town Board, the Town's highest level of decision making authority. Commitments, once made, can only be modified by a majority vote of the Town Board.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first, followed by unrestricted funds as needed. Also, when an expenditure is incurred for which both committed or unassigned funds are available, the Town considers amounts to have been spent first out of committed funds, then unassigned funds, unless the Town Board has provided otherwise in their commitment actions.

The Town strives to maintain an unassigned fund balance that will maintain working capital to meet the cash flow needs of the Town and thus reducing the need for short-term borrowing, serve as a safeguard for unanticipated expenses and show fiscal responsibility.

Town of Lyndon
Notes to the Basic Financial Statements
December 31, 2024

Note 1. Summary of Significant Accounting Policies - Continued

E. Budgetary Accounting

Annual budgets are adopted in accordance with Wisconsin statutes for the general fund. All annual appropriations lapse at year end, except those intended to accumulate funds for future projects. Reported budget amounts are as originally adopted and as amended by Town Board resolution, if applicable. Generally the budget is not amended during the year.

F. 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, increased by the percentage change in the Town's equalized value due to new construction. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. Levies can be increased above the allowable limits if the amount is approved by the electors.

Note 2. Cash and Investments

State statutes permit the Town to invest available cash balances in time deposits of authorized depositories, U.S. treasury obligations, U.S. agency issues, Wisconsin municipal obligations, high grade commercial paper and the local government investment pool.

The Town's cash and investments at December 31, 2024 are summarized as follows:

Checking and money market	\$ 2,151,173
Cash on hand	<u>40</u>
Total cash and investments	\$ 2,151,213
Cash and investments held by fiduciary funds - Custodial fund	<u>1,204,787</u>
Cash and investments reported on the statement of net position	<u>\$ 946,426</u>

Deposits in each local and area bank are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings 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 (SDGF) in the amount of \$1,000,000.

Town of Lyndon
Notes to the Basic Financial Statements
December 31, 2024

Note 2. Cash and Investments - Continued

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2024, \$656,076 of the Town's bank balance of \$2,156,076 was exposed to custodial credit risk. The entire \$656,076 is uninsured and uncollateralized. Uninsured deposits are the result of advance tax collections that will be remitted to other governments in January 2025.

For cash and investments shown above, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and carrying amount is due to outstanding checks and / or deposits in transit. At various times during the year, the Town's deposits may have been higher than the December 31, 2024 balance detailed above. This means that the Town's risk and exposure could be higher at these times.

Note 3. Fund Balances

Details of the Town's fund balances as of December 31, 2024 are as follows:

Fund Balances	General	ARPA	Total
Committed to:			
Real estate assessment	\$ 14,359	\$ -	\$ 14,359
Town hall maintenance	18,387	-	18,387
Road equipment	60,869	-	60,869
DPW real estate	30,906	-	30,906
Blacktopping	58,796	-	58,796
Cemetery	16,278	-	16,278
Parks and recreation	9,736	-	9,736
Unassigned	<u>527,617</u>	<u>-</u>	<u>527,617</u>
Total fund balances	<u>\$ 736,948</u>	<u>\$ -</u>	<u>\$ 736,948</u>

Town of Lyndon
Notes to the Basic Financial Statements
December 31, 2024

Note 4. Excess of Actual Expenditures Over Budget in the General Fund

The following functions had an excess of actual expenditures over budget for the year ended December 31, 2024.

<u>Function</u>	<u>Excess Expenditures</u>
General government	\$ 9,317
Public safety	964
Health and human services	213
Capital outlay	239,809

Note 5. Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The Wisconsin Retirement System (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.

Town of Lyndon
Notes to the Basic Financial Statements
December 31, 2024

Note 5. Defined Benefit Pension Plan - Continued

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.

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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%
2023	1.6%	-21.0%

Town of Lyndon
Notes to the Basic Financial Statements
December 31, 2024

Note 5. Defined Benefit Pension Plan - Continued

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 \$8,376 in contributions from the Town.

Contribution rates for 2024 are as follows:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

The payroll for Town employees covered by the WRS for the year ended December 31, 2024 was \$121,391; the Town's total payroll was \$171,472. The total required contribution for the year ended December 31, 2024 was \$16,752, which consisted of \$8,376, or 6.90% of payroll from the employer and \$8,376 or 6.90% of payroll from employees. The Town began participating in the WRS effective January 1, 2022. Total contribution for the years ended December 31, 2023 and 2022 were \$15,658 and \$10,976, respectively, equal to the required contribution for each year.

Note 6. Risk Management

The Town of Lyndon is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, errors and omissions and workers compensation. 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.

Note 7. Contingencies

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

Town of Lyndon
Notes to the Basic Financial Statements
December 31, 2024

Note 8. Subsequent Events

The Town has evaluated all subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, April 9, 2025. There are no subsequent events that require recognition or disclosure.

Supplementary Information

Town of Lyndon
Detailed Schedule of General Fund Revenues Collected - Modified Cash Basis
Year ended December 31, 2024

Taxes			
General property taxes	\$	561,341	
Mobile home fees		1,517	
Managed forest land taxes		3,566	
Use-value penalties		2,153	
Interest on delinquent taxes		<u>5</u>	\$ 568,582
Intergovernmental revenues			
Shared revenues	\$	81,219	
Exempt computer aid		287	
Personal property aid		825	
Fire insurance tax		9,962	
General transportation aid		83,688	
Natural resources aid		2,636	
Managed forest land aid		98	
Aid on certain land equivalent to taxes		5,810	
State election aid		420	
County sales tax - road improvements		43,096	
County bridge aid		<u>5,126</u>	233,167
Licenses and permits			
Beer and liquor licenses	\$	850	
Operator licenses		740	
Campground licenses		200	
Mobile home park licenses		100	
Dog licenses retained		384	
Building permits		21,900	
Zoning permits and fees		<u>1,800</u>	25,974
Fines, forfeits and penalties			
Court fines and costs	\$	340	
Dog license penalties		<u>195</u>	535
Public charges for services			
Clerk-treasurer fees	\$	792	
Publication fees		60	
Legal expense reimbursement		10,542	
Certified survey maps		325	
Road materials and services		<u>1,172</u>	<u>12,891</u>
Forward to page 20			<u>\$ 841,149</u>

Town of Lyndon
Detailed Schedule of General Fund Revenues Collected - Modified Cash Basis
Year ended December 31, 2024

Brought forward		\$	841,149
Miscellaneous			
Interest on investments	\$	32,223	
Town hall rent		775	
Tax chargebacks		202	
Miscellaneous		<u>114</u>	<u>33,314</u>
Total revenues			<u><u>\$ 874,463</u></u>

Town of Lyndon
Detailed Schedule of General Fund Expenditures Paid - Modified Cash Basis
Year ended December 31, 2024

General government

Town board

Salary	\$	18,122	
Social security		1,386	
Publishing and printing		93	
Town dues and membership expense		1,285	
Seminars and meetings		657	
Website expense		1,255	
Supplies and expense		<u>163</u>	\$ 22,961

Legal

Professional services			17,795
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Clerk-treasurer

Salary	\$	44,681	
Deputy salary		6,856	
Social security		3,943	
Retirement		3,083	
Dues		65	
Office supplies		941	
Office equipment expense		1,011	
Postage		476	
Education expense		73	
Mileage expense		91	
Computer software		211	
Bank and other fees		40	
Tax collection expense		<u>1,064</u>	62,535

Elections

Poll workers	\$	4,557	
Supplies and expense		<u>4,320</u>	8,877

Assessment of property

Professional services	\$	9,120	
Manufacturing property assessment fee		204	
Supplies and expense		<u>80</u>	9,404

Accounting and auditing

Professional services			<u>8,700</u>
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Forward to page 22 \$ 130,272

Town of Lyndon
Detailed Schedule of General Fund Expenditures Paid - Modified Cash Basis
Year ended December 31, 2024

General government		
Brought forward		\$ 130,272
Town hall		
Salary	\$ 27	
Social security	2	
Propane	1,184	
Electricity	1,159	
Telephone and internet	1,904	
Supplies and expense	<u>1,695</u>	5,971
Tax refunds and uncollectible taxes		
Losses		411
Insurance		
Property and liability insurance	\$ 17,392	
Workers compensation insurance	1,405	
Employee bonds	<u>232</u>	<u>19,029</u>
Total general government		<u>\$ 155,683</u>
Public safety		
Law enforcement		
Police protection - Village of Cascade		\$ 5,246
Fire protection		
Cascade fire department	\$ 95,353	
Waldo fire department	95,353	
Fire dues	<u>9,962</u>	200,668
First responders		
Adell first responders	\$ 1,600	
Cascade first responders	<u>5,050</u>	6,650
Building inspections and permits		
Salary	\$ 8,533	
Social security	653	
Supplies and expense	<u>470</u>	<u>9,656</u>
Total public safety		<u>\$ 222,220</u>

Town of Lyndon
Detailed Schedule of General Fund Expenditures Paid - Modified Cash Basis
Year ended December 31, 2024

Public works

Transportation

Salary	\$	86,474
Social security		6,615
Retirement		5,269
Road maintenance		15,095
Sand and salt		15,600
Signs and markings		996
Private work		1,172
Tree and brush control		21,654
Equipment maintenance		14,988
Fuel and oil		7,671
Shed maintenance and expense		6,801
Propane		1,954
Electricity		937
Cell phone		1,230
Supplies and expense		1,359
Publications		1,024
Education expense		645
Mileage		<u>150</u>

Total public works	\$	<u>189,634</u>
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Health and human services

Senior citizen programs

Adell senior center donation	\$	150
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Cemetery

Salary	\$	108	
Social security		8	
Supplies and expense		<u>197</u>	<u>313</u>

Total health and human services	\$	<u>463</u>
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Culture, recreation and education

Recreational programs and events

Cascade Athletic Association donation	\$	250
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Recreational facilities

Lake Ellen Association donation		<u>250</u>
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Total culture, recreation and education	\$	<u>500</u>
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Town of Lyndon
Detailed Schedule of General Fund Expenditures Paid - Modified Cash Basis
Year ended December 31, 2024

Conservation and development

Planning commission

Salary	\$	2,350	
Social security		180	
Retirement		24	
Supplies and expense		<u>155</u>	\$ 2,709

Board of appeals

Contract services	\$	100	
Supplies and expense		<u>22</u>	<u>122</u>

Total conservation and development			<u>\$ 2,831</u>
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Capital outlay

Public works

Road equipment	\$	268,960	
Shed improvements		11,500	
Road improvements		<u>209,585</u>	

Total capital outlay			<u>\$ 490,045</u>
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Total expenditures			<u><u>\$ 1,061,376</u></u>
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Town of Lyndon
Detailed Schedule of ARPA Fund Expenditures Paid - Modified Cash Basis
Year ended December 31, 2024

Public works	
Transportation	
Road maintenance	\$ 4,786
Capital outlay	
General government	
Town hall equipment	<u>973</u>
Total expenditures	<u><u>\$ 5,759</u></u>