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BELLEVILLE SCHOOL DISTRICT  
BELLEVILLE, WISCONSIN

FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2025

Belleville School District  
For the Year Ended June 30, 2025  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Belleville School District  
Belleville, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Belleville School District ("District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Belleville School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 Belleville School District, as of June 30, 2025, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. 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 District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***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 GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgement 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 District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page iv through page xii, budgetary comparison schedules, schedules of changes in the District's total OPEB liability and related ratios, the Local Retiree Life Insurance Fund schedules, and Wisconsin Retirement System schedules be presented to supplement the basic financial statements. Such information is the responsibility of management, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will also issued our report dated December 15, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
December 15, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## BELLEVILLE SCHOOL DISTRICT

Belleville, Wisconsin

Management Discussion and Analysis

June 30, 2025

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The discussion and analysis of the Belleville School District financial performance provides an overall review of financial activities for the fiscal year. The analysis focuses on school district financial performance as a whole. Efforts have been made to provide comparison to prior year data when such data is available. It should be read in conjunction with the District's financial statements, which immediately follow this section.

### FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the District exceeded liabilities and deferred inflows at the close of fiscal year 2025 by \$15,288,069 (*net position*). For the year, net position increased by \$1,435,150.

Total governmental funds revenues were \$18,274,551; including \$8,839,504 in local revenue, \$8,056,133 of state aid, \$759,731 of federal aid, \$565,174 of inter-district payments, \$22,833 of intermediate sources and \$31,176 of other sources. Total governmental fund expenditures were \$18,958,986; including \$8,461,271 for direct instruction.

The following financial events took place during fiscal year 2025.

- The District approved a revolving line of credit in an amount of \$1,000,000 with interest rate not to exceed 10% due October 1, 2025.

The following are events occurred or are expected for the 2026 fiscal year.

- The District approved a revolving line of credit in an amount of \$1,000,000 with interest rate not to exceed 6.93% due November 1, 2026.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other information supplementary to the basic financial statements is provided.

The basic financial statements consist of two kinds of statements that present different views of the District's financial activities.

- The *Statement of Net Position and Statement of Activities* provide information on a district-wide basis. The statements present an aggregate view of the District's finances. District-wide statements contain useful long-term information as well as information for the just-completed fiscal year.
- The remaining statements are *fund financial statements* that focus on individual parts of the District. Fund statements generally report operations in more detail than the District-wide statements.

The *notes to the financial statements* provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.

*Required supplementary information* further explains and supports the financial statements by including a comparison of the District's budget data for the year.

The major features of the District's financial statements, including the activities reported and the type of information contained, is shown in the following table.

**BELLEVILLE SCHOOL DISTRICT**  
 Belleville, Wisconsin  
 Management Discussion and Analysis  
 June 30, 2025

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Major Features of the District-wide and Fund Financial Statements**

		Fund Financial Statements
	District-wide Statements	Governmental
Scope	Entire District	The activities of the District that are not proprietary or fiduciary, such as instruction, support services, debt service, capital projects, food service, and community services.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position.</li> <li>• Statement of Activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet.</li> <li>• Statement of Revenues, Expenditures and Changes in Fund Balances.</li> </ul>
Basis of accounting and measurement focus	Accrual accounting.  Economic resources focus.	Modified accrual accounting.  Current financial resources focus.
Type of asset and liability information	All assets and liabilities; both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability are due and payable.

# BELLEVILLE SCHOOL DISTRICT

Belleville, Wisconsin

Management Discussion and Analysis

June 30, 2025

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## OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

### DISTRICT WIDE STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Activities reports all revenues and expenses used to support the District. The Statement of Net Position reports all assets and liabilities available to support District activities. The two district-wide statements report the District's *net position* and how they have changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's overall financial position. Increases or decreases in the District's net position are one indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, support services, debt service, capital projects, and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities* – Activities that are intended to be mostly self-supporting and meet certain accounting criteria are considered business-type activities. The District had no business-type activities.

### FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

The District has one type of fund:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental funds information does not report on long-term commitments as is reported on the district-wide statements.

**BELLEVILLE SCHOOL DISTRICT**  
 Belleville, Wisconsin  
 Management Discussion and Analysis  
 June 30, 2025

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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Table 1, below, provides a summary of the District's net position at June 30, 2025.

**Table 1**  
**Condensed Statement of Net Position**

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Current and other assets	\$ 5,981,709	\$ 6,345,282
Capital assets	21,042,820	21,718,723
Total assets	27,024,529	28,064,005
 <b>Deferred Outflows of Resources</b>	 3,609,136	 5,143,980
 <b>Liabilities</b>		
Long-term liabilities	10,237,130	13,277,401
Other liabilities	2,668,022	2,515,473
Total liabilities	12,905,152	15,792,874
 <b>Deferred Inflows of Resources</b>	 2,440,444	 3,562,192
 <b>Net Position</b>		
Net investment in capital assets	11,557,256	9,318,132
Restricted	1,587,876	1,872,610
Unrestricted	2,142,937	2,662,177
Total net position	\$ 15,288,069	\$ 13,852,919

**BELLEVILLE SCHOOL DISTRICT**  
 Belleville, Wisconsin  
 Management Discussion and Analysis  
 June 30, 2025

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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

Table 2 provides summarized operating results and their impact on net position.

**TABLE 2**  
**Changes in Net Position from Operating Results**

	2025	2024
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 658,626	\$ 742,850
Operating grants and contributions	1,575,737	1,552,813
Capital grants and contributions	6,067	17,985
General revenues:		
Property and other taxes	8,005,677	7,124,978
State formula aid	7,817,685	7,208,963
Other	210,757	235,872
<b>Total revenues</b>	<b>18,274,549</b>	<b>16,883,461</b>
 <b>Expenses</b>		
Instruction	8,778,608	8,052,861
Pupil & instructional services	1,418,786	1,498,256
Administration & finance	4,077,362	3,767,821
Maintenance & operations	252,081	240,452
Food service	495,240	486,359
Interest on debt	371,183	469,737
Other	1,446,139	1,400,927
<b>Total expenses</b>	<b>16,839,399</b>	<b>15,916,413</b>
 <b>Increase (decrease) in net position</b>	<b>1,435,150</b>	<b>967,048</b>
Net Position - July 1	13,852,919	12,885,871
Net Position - June 30	<b>\$ 15,288,069</b>	<b>\$ 13,852,919</b>

**BELLEVILLE SCHOOL DISTRICT**  
 Belleville, Wisconsin  
 Management Discussion and Analysis  
 June 30, 2025

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

Table 3 presents the cost of the six major District activities. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost reflects the financial burden that was placed on the District's taxpayers by each of these functions.

**TABLE 3**  
**Net Cost of Governmental Activities**

	<b>Net Cost of Services 2025</b>	<b>Percent of Services 2025</b>	<b>Net Cost of Services 2024</b>	<b>Percent of Services 2024</b>
<b>Expenses</b>				
Instruction	\$ 7,327,218	50.2%	\$ 6,566,499	48.3%
Pupil & instructional services	1,207,250	8.3%	1,312,287	9.6%
Administration & finance	4,032,820	27.6%	3,707,306	27.3%
Maintenance & operations	252,081	1.7%	240,452	1.8%
Food service	23,171	0.2%	(14,240)	-0.1%
Interest on debt	371,183	2.5%	469,737	3.5%
Other	1,385,246	9.5%	1,320,724	9.7%
Total expenses	<u>\$ 14,598,969</u>	<u>100%</u>	<u>\$ 13,602,765</u>	<u>100%</u>

The cost of all governmental activities this year was \$16,839,399. Individuals who directly participated or benefited from a program offering paid for \$658,626 of costs. Federal and state governments subsidized certain programs with grants and contributions of \$1,575,737. The net cost of governmental activities of \$14,598,969 increased by \$996,204 from the previous year.

The composition of governmental revenues by source is illustrated below:

	<b>2025</b>	<b>2024</b>	<b>\$ VAR</b>
Local	\$ 8,839,504	\$ 8,228,104	\$ 611,400
Interdistrict	565,174	544,312	20,862
Intermediate	22,833	68,022	(45,189)
State	8,056,133	7,322,781	733,352
Federal	759,731	694,515	65,216
Other	31,176	353,309	(322,133)
Total	<u>\$ 18,274,551</u>	<u>\$ 17,211,043</u>	<u>\$ 1,063,508</u>

**BELLEVILLE SCHOOL DISTRICT**  
 Belleville, Wisconsin  
 Management Discussion and Analysis  
 June 30, 2025

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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

The composition of governmental expenditures by type is illustrated below:

<b>Governmental Expenditures by Type</b>			
	<u>2025</u>	<u>2024</u>	<u>\$ VAR</u>
Instruction	\$ 8,461,271	\$ 8,062,602	\$ 398,669
Support Services	6,586,226	6,288,413	297,813
Non-Program Transactions	-	6,748	(6,748)
Debt Service	3,555,144	1,587,360	1,967,784
Capital Outlay	356,345	922,637	(566,292)
Total	<u>\$ 18,958,986</u>	<u>\$ 16,867,760</u>	<u>\$ 2,091,226</u>

**FINANCIAL ASPECTS OF THE DISTRICT'S FUNDS**

The District completed the year with a total governmental fund balance of \$4,570,627 compared to last year's ending fund balance of \$5,016,718. The General Fund is the main operating fund of the District. The General Fund decreased fund balance by \$77,291 for a total of \$2,977,109 or 20.38% of General Fund total expenditures.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District adopts a preliminary budget in September for the fiscal year beginning July 1<sup>st</sup>. Consistent with current state statutes and regulations an *original* budget is adopted in October following determination of official enrollment and certification of state aids. Generally, the original budget which is passed in October is not significantly modified. Overall, for the fiscal year ending June 30, 2025 total revenues were over budget by \$224,282 and total expenditures were under budget by \$571,766.

**BELLEVILLE SCHOOL DISTRICT**  
 Belleville, Wisconsin  
 Management Discussion and Analysis  
 June 30, 2025

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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2025, the District had invested \$21,042,820 in capital assets, including buildings, sites and equipment (see Table 4). Total accumulated depreciation on these assets was \$15,743,028. Asset acquisitions for governmental activities totaled \$503,821. The District recognized depreciation expense of \$1,150,445. (Detailed information about capital assets can be found in Note 5 to the financial statements.)

**TABLE 4**  
**Capital Assets**  
**(net of depreciation)**

	<b>2025</b>	<b>2024</b>
Land	\$ 408,750	\$ 408,750
Buildings	32,587,550	32,549,106
Furniture & equipment	3,648,077	3,391,834
Accumulated depreciation	(15,743,028)	(14,695,517)
Right to use assets, net of amortization of \$180,560.	141,471	64,550
Net capital assets	\$ 21,042,820	\$ 21,718,723

**Long-term Debt**

At year-end the District had \$9,597,820 in bonds payable and other long-term debt outstanding – a decrease of \$2,864,930 (23%) from fiscal 2024. (Detailed information about the District’s long-term liabilities is presented in Note 6 to the financial statements.)

**TABLE 5**  
**Outstanding Long-term Obligation**

	<b>2025</b>	<b>2024</b>
General Obligation Bonds and Notes	\$ 9,258,000	\$ 12,307,000
Compensated Absences	112,256	62,159
Lease Liabilities	101,705	53,461
Financed Purchases	125,859	40,130
Net Long-Term Liabilities	\$ 9,597,820	\$ 12,462,750

General Obligation debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for annual debt service payments.

**BELLEVILLE SCHOOL DISTRICT**  
Belleville, Wisconsin  
Management Discussion and Analysis  
June 30, 2025

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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)**

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

The Board of Education and administration consider many factors when setting the school district budget. Currently known circumstances that will impact the District's financial status in the future are:

- The District expects to have limited change in enrollment going forward.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Erik Farrar, Director of Finance Services, Belleville School District, (608) 835-6120, Belleville School District, 625 W Church St, Belleville, WI 53508.

## **BASIC FINANCIAL STATEMENTS**

Exhibit A-1  
 Belleville School District  
 Statement of Net Position  
 June 30, 2025

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 3,424,900
Restricted cash and investments	178,265
Taxes receivable	2,147,345
Accounts receivable	5,745
Due from other governmental units	191,481
Inventory	3,973
Prepaid expenditures	30,000
Total current assets	5,981,709
Noncurrent assets:	
Land	408,750
Capital assets	36,235,627
Less: accumulated depreciation	(15,743,028)
Right to use leased assets	
Net accumulated amortization \$180,560	141,471
Net book value of capital assets	21,042,820
Total noncurrent assets	21,042,820
Total assets	27,024,529
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred OPEB outflows - group life insurance plan	171,314
Deferred OPEB outflows - District health insurance plan	209,939
Deferred pension outflows - Wisconsin Retirement System	3,227,883
Total deferred outflows of resources	3,609,136
Total assets and deferred outflows of resources	\$ 30,633,665

Exhibit A-1 (Continued)  
 Belleville School District  
 Statement of Net Position  
 June 30, 2025

	Governmental Activities
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 53,530
Accrued salaries and wages	585,920
Payroll taxes and withholdings	753,642
Accrued interest payable	71,791
Food service deposits	17,990
Current portion of compensated absences	21,376
Current portion of long-term obligations	1,163,773
Total current liabilities	2,668,022
Noncurrent liabilities:	
Bonds and notes payable	9,258,000
Lease liability	101,705
Finance purchases	125,859
Compensated absences	90,880
Net OPEB Liability - group life insurance plan	468,677
Total OPEB liability - District health insurance plan	767,963
Net pension liability - Wisconsin Retirement System	587,819
Less: Current portion of long-term obligations	(1,163,773)
Total noncurrent liabilities	10,237,130
Total liabilities	12,905,152
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred OPEB inflows - group life insurance plan	315,393
Deferred OPEB inflows - District health insurance plan	405,464
Deferred pension inflows - Wisconsin Retirement System	1,719,587
Total deferred inflows of resources	2,440,444
<b>NET POSITION</b>	
Net investment in capital assets	11,557,256
Restricted for:	
Unspent common school fund	1,062
Getting kids ahead grant	1,344
School based mental health	44,448
Trust	481,791
Food service	92,344
Community service activities	465,393
Debt repayment	106,474
Dental self- insurance	23,268
Long-term capital improvements	371,752
Unrestricted	2,142,937
Total net position	15,288,069
Total liabilities, deferred inflows of resources, and net position	\$ 30,633,665

Exhibit A-2  
 Belleville School District  
 Statement of Activities  
 For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction:					
Regular instruction	\$ 5,668,239	\$ 36,951	\$ 302,479	\$ -	\$ (5,328,809)
Vocational instruction	358,030	-	15,390	-	(342,640)
Special instruction	1,645,541	-	814,817	-	(830,724)
Physical curriculum	368,448	-	-	-	(368,448)
Co-curricular activities	492,614	270,149	-	-	(222,465)
Other special needs	245,736	-	11,604	-	(234,132)
Total instruction	<u>8,778,608</u>	<u>307,100</u>	<u>1,144,290</u>	<u>-</u>	<u>(7,327,218)</u>
Support services:					
Pupil services	648,568	-	64,609	-	(583,959)
Instructional staff services	770,218	-	146,927	-	(623,291)
General administration services	357,436	-	-	-	(357,436)
Building administration services	1,706,560	-	-	-	(1,688,660)
Business administration	2,013,366	17,900	26,642	-	(1,986,724)
Central services	118,759	-	-	-	(118,759)
Insurance	133,322	-	-	-	(133,322)
Other support services	391,162	-	350	-	(390,812)
Food services	495,240	290,961	181,108	-	(23,171)
Community service	128,979	42,665	-	6,067	(80,247)
Interest and fiscal charges	371,183	-	-	-	(371,183)
Depreciation - unallocated	213,430	-	-	-	(213,430)
Total support services	<u>7,348,223</u>	<u>351,526</u>	<u>419,636</u>	<u>6,067</u>	<u>(6,570,994)</u>
Non-program:					
Purchased instructional services	712,568	-	11,811	-	(700,757)
Total non-program	<u>712,568</u>	<u>-</u>	<u>11,811</u>	<u>-</u>	<u>(700,757)</u>
Total governmental activities	<u>\$ 16,839,399</u>	<u>\$ 658,626</u>	<u>\$ 1,575,737</u>	<u>\$ 6,067</u>	<u>(14,598,969)</u>
General revenues:					
Property taxes:					
General purposes					4,794,371
Debt service					2,889,100
Community services					322,206
Federal and State aid not restricted for specific purposes					7,817,685
Interest and investment earnings					175,811
Miscellaneous					31,296
Special item - Gain (Loss) from the disposal of fixed assets					3,650
Total general revenues and special item					<u>16,034,119</u>
Changes in net position					<u>1,435,150</u>
Net position - beginning of year					<u>13,852,919</u>
Net position - end of year					<u>\$ 15,288,069</u>

Exhibit A-3  
 Belleville School District  
 Balance Sheet  
 Governmental Funds  
 June 30, 2025

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 1,968,817	\$ -	\$ 1,456,083	\$ 3,424,900
Restricted cash and investments	-	178,265	-	178,265
Taxes receivable	2,147,345	-	-	2,147,345
Accounts receivable	5,183	-	562	5,745
Due from other governments	191,481	-	-	191,481
Inventory	-	-	3,973	3,973
Prepaid expenditures	30,000	-	-	30,000
<b>Total assets</b>	<b>\$ 4,342,826</b>	<b>\$ 178,265</b>	<b>\$ 1,460,618</b>	<b>\$ 5,981,709</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 26,155	\$ -	\$ 27,375	\$ 53,530
Accrued salaries and wages	585,920	-	-	585,920
Payroll taxes and withholdings	753,642	-	-	753,642
Food service deposits	-	-	17,990	17,990
<b>Total liabilities</b>	<b>1,365,717</b>	<b>-</b>	<b>45,365</b>	<b>1,411,082</b>
<b>FUND BALANCES</b>				
Nonspendable	30,000	-	3,973	33,973
Restricted	70,122	178,265	1,411,280	1,659,667
Unassigned	2,876,987	-	-	2,876,987
<b>Total fund balances</b>	<b>2,977,109</b>	<b>178,265</b>	<b>1,415,253</b>	<b>4,570,627</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,342,826</b>	<b>\$ 178,265</b>	<b>\$ 1,460,618</b>	<b>\$ 5,981,709</b>

Exhibit A-4  
 Belleville School District  
 Reconciliation of the Governmental Funds Balance Sheet  
 with the Statement of Net Position  
 June 30, 2025

Total fund balances - governmental funds: \$ 4,570,627

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:

Governmental capital assets	36,644,377	
Governmental accumulated depreciation	(15,743,028)	
Right to use leased assets, net of accumulated amortization	141,471	21,042,820

Pension and other benefits deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan and OPEB plan. These items are reflected in the Statement of Net Position and are being amortized with pension and OPEB expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.

Deferred outflows of resources	3,609,136	
Deferred inflows of resources	(2,440,444)	1,168,692

Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the Statement of Net Position that are not reported in the funds balance sheet are:

General obligation debt	(9,258,000)	
Net pension liability	(587,819)	
Lease liability	(101,705)	
Finance purchases	(125,859)	
Accrued interest on long-term debt	(71,791)	
Compensated absences	(112,256)	(10,257,430)

Other items, including OPEB liabilities, are not due and payable in the current period and, therefore, are either deferred or not reported in the fund statements.

OPEB - group life insurance plan	(468,677)	
OPEB - District health insurance plan	(767,963)	(1,236,640)

Total net position - governmental activities \$ 15,288,069

Exhibit A-5  
 Belleville School District  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2025

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Property taxes	\$ 4,794,371	\$ 2,889,100	\$ 322,206	\$ 8,005,677
Other local sources	240,799	42,616	550,412	833,827
Interdistrict sources	565,174	-	-	565,174
Intermediate sources	22,833	-	-	22,833
State sources	8,048,771	-	7,362	8,056,133
Federal sources	585,985	-	173,746	759,731
Other sources	31,176	-	-	31,176
<b>Total revenues</b>	<b>14,289,109</b>	<b>2,931,716</b>	<b>1,053,726</b>	<b>18,274,551</b>
<b>EXPENDITURES:</b>				
Current				
Instruction:				
Regular instruction	5,471,822	-	109	5,471,931
Vocational instruction	322,401	-	-	322,401
Special instruction	1,595,864	-	-	1,595,864
Physical curriculum	357,849	-	-	357,849
Co-curricular activities	289,587	-	184,533	474,120
Other special needs	239,106	-	-	239,106
<b>Total instruction</b>	<b>8,276,629</b>	<b>-</b>	<b>184,642</b>	<b>8,461,271</b>
Support services:				
Pupil services	621,064	-	10,920	631,984
Instructional staff services	751,233	-	-	751,233
General administration services	343,597	-	-	343,597
Building administration services	780,018	-	-	780,018
Business administration	1,918,393	-	66,260	1,984,653
Central services	115,690	-	2,762	118,452
Insurance	133,322	-	-	133,322
Food services	-	-	502,918	502,918
Community service	-	-	110,972	110,972
Purchased instructional services	712,568	-	-	712,568
Other support services	516,509	-	-	516,509
<b>Total support services</b>	<b>5,892,394</b>	<b>-</b>	<b>693,832</b>	<b>6,586,226</b>
Principal and interest	112,962	3,442,182	-	3,555,144
Capital outlay	322,759	-	33,586	356,345
<b>Total expenditures</b>	<b>14,604,744</b>	<b>3,442,182</b>	<b>912,060</b>	<b>18,958,986</b>
Excess (deficiency) of revenues over expenditures	(315,635)	(510,466)	141,666	(684,435)
<b>OTHER FINANCING SOURCES (USES):</b>				
Lease proceeds	238,344	-	-	238,344
<b>Total Other Financing Sources (Uses)</b>	<b>238,344</b>	<b>-</b>	<b>-</b>	<b>238,344</b>
Net change in fund balances	(77,291)	(510,466)	141,666	(446,091)
Fund balances - beginning of year	3,054,400	688,731	1,273,587	5,016,718
Fund balances - end of year	<u>\$ 2,977,109</u>	<u>\$ 178,265</u>	<u>\$ 1,415,253</u>	<u>\$ 4,570,627</u>

Exhibit A-6  
 Belleville School District  
 Reconciliation of the Statement of Revenues, Expenditures and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds		\$ (446,091)
Amounts reported for governmental activities in the Statement of Activities are different because:		
The acquisition of capital assets and right to use leased assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation and amortization expense in the Statement of Activities.		
Capital/lease outlay reported in governmental fund statements		503,821
Depreciation expenses reported in the Statement of Activities		(1,150,445)
Amortization expenses reported in the Statement of Activities		<u>(29,279)</u>
Amount by which capital outlays are greater (less) than depreciation and amortization in the current period.		(675,903)
The District disposed of equipment resulting in a reduction of capital assets and recapture of prior year depreciation expense reported on the Statement of Activities as a net loss and has no effect on the governmental fund statements.		
The value of the capital assets disposed of during the year was:		(102,934)
The amount of depreciation recapture for the year was:		<u>102,934</u>
The difference in the value of assets net of recaptured depreciation		-
Vested employee benefits and other post-employment benefits are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year.		
Change in compensated absences that occurred during the year		(50,096)
Net change in other post-employment benefits obligation-group life insurance plan		(71,225)
Net change in other post-employment benefits obligation-health insurance plan		(2,778)
Repayment of principal on long-term debt, lease and financed purchases is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities.		
The amount of long-term debt, lease and financed purchase principal retired in the current year		3,153,371
The issuance of long-term debt (e.g. bonds, notes), financed purchases and lease liability proceeds provides current financial resources to governmental funds but does not affect the Statement of Activities.		
The amount of lease liability issued in current year		(106,200)
The amount of financed purchases issued in current year		(132,144)
In governmental funds, interest payments on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities, interest is reported as incurred.		
Change in amount of accrued interest not reflected on Governmental Funds		30,590
Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset/liability from the prior year to the current year, with some adjustments.		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension asset/liability between years, with adjustments.		<u>(264,374)</u>
Change in net position - governmental activities		<u>\$ 1,435,150</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

Belleville School District  
Index to Notes to Financial Statements  
June 30, 2025

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Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Belleville School District (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

The District is organized as a common school district governed by an elected seven-member school board. The District operates grades kindergarten through grade 12. The District is comprised of all or parts of six taxing districts.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity nor does it have any component units.

The financial reporting entity for the District consists of (a) organizations for which the stand-alone government is financially accountable and (b) the stand-alone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the District comprise the stand-alone government.

B. Basis of Presentation

***District-wide Statements***

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except for fiduciary funds, which are presented in the fund financial statements by type. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The District does not report any business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District'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.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

Internally dedicated resources are reported as general revenues rather than as program revenues.

NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds each of which are considered to be separate accounting entities. 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, fund equity, revenues, and expenditures.

Funds are organized as major funds or non major 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 District or meets the following criteria:

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

***Governmental Activities***

Governmental funds are identified as either general, special revenue, debt service, or capital projects based upon the following guidelines:

General Fund - The General Fund is the general operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund. Under GASB 54, the Special Education Fund is considered part of and reported within the General fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

***Major Funds***

The District reports the following major governmental funds:

General Fund  
Debt Service Fund

***Nonmajor Funds***

The District reports the following nonmajor funds:

Special Revenue Funds:

Food Service - accounts for the activities of the District's food service, generally school hot lunch program.

Community Service - accounts for activities associated with providing recreational and enrichment programs to the community.

Special Revenue Trust - accounts for trust funds that can be used for District operations. The source of such funds is gifts and donations from private parties.

Long-Term Capital Improvement Trust Fund - accounts for funds that can be used for capital improvements five years after the fund is established. The District established the fund in 2020.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The district-wide Statement of Net Position and Statement of Activities are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The aggregate District levy is apportioned and certified in November of the current fiscal year for collection to comprising municipalities based on the immediate past October 1<sup>st</sup> full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31<sup>st</sup>, and the final payment no later than the following July 31<sup>st</sup>. On or before January 15<sup>th</sup>, and by the 20<sup>th</sup> of each subsequent month thereafter, the District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20<sup>th</sup>, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes are recognized as revenue in the period for which the taxes are levied. All property taxes are considered due on January 1<sup>st</sup>, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30<sup>th</sup> and are available to pay current liabilities.

State general and categorical aids and other entitlements are recognized as revenue in the period the District is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, expenditure-driven grant programs, public charges for services, and investment income.

Charges for services provided to other educational agencies and private parties are recognized as revenue when services are provided. Charges for special educational services are not reduced by anticipated state special education aid entitlements.

For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, deferred inflows of resources is removed from the balance sheet and revenue is recognized.

D. Assets and Liabilities

***Cash and Investments***

The District has pooled the cash resources of its funds in order to maximize investment opportunities. Each fund’s portion of total cash and investments is reported as cash and cash equivalents/investments by the District’s individual major funds, and in the aggregate for nonmajor funds. Interest earned is distributed monthly to the various funds based on each fund’s proportionate equity in the cash and investments pool.

All deposits of the District are made in board designated official depositories and are secured as required by State Statute. The District may designate, as an official depository, any bank or savings association. Also, the District may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost, which approximates fair value. Investments with a maturity of more than one year at acquisition and nonmoney market investments are carried at fair value as determined by quoted market prices.

***Accounts Receivable***

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

***Inventories and Prepaid Items***

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventory in the general fund and governmental activities consist of expendable supplies held for consumption. The costs are recorded as expenditures under the purchase method. Prepaid items represent payments made by the District for which benefits extend beyond June 30.

***Capital Assets***

District-wide Statements

In the district-wide financial statements, capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm. Donated assets are reported at estimated acquisition value at the time received.

All capital assets, or groups of assets, that meet the District's capitalization threshold of \$5,000 are capitalized and updated for additions. Assets that are returned are taken off on an annual basis. All improvements to capital assets are capitalized while the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are expensed.

Depreciation of all exhaustible fixed 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 of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture and equipment	5-15 years
Site improvements	20 years
Buildings	50 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. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

***Right to use Leased Assets***

The District has recorded right to use leased assets as a result of implementing GASB 87. The right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the life of the related lease.

NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

***Pensions***

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

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

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

***Vested Employee Benefits***

Compensated Absences

Under terms of employment, employees are granted leave in varying amounts. Benefits considered to be more likely than not to be used or settled at separation are recognized in the financial statements.

Amounts of accumulated leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the Statement of Net Position. A liability is also recorded for accumulating rights to receive leave benefits for the portion more than likely than not to be used by employees. Additionally, a liability is recognized for that portion of accumulating leave benefits that is estimated will more likely than not be paid upon separation. The District accrues compensated absences salary-related payments associated with payments of compensated absences.

Sick Leave

Employees of the District earn varying amounts of sick time. Teachers can accumulate up to 120 sick days if hired prior to July 1, 2012 and 90 days if hired after. Upon voluntary separation with the district after five years, all staff are paid out at a rate of \$25 per day. Administration support staff leaving after 3 years of service in the District will be compensated up to 120 days at \$25 per day.

Administrators, teachers, and support staff provided they meet eligibility requirements shall receive a non-elective post-employment 403(b) employer contribution upon the employee's voluntary retirement from the District. If the employee retires, is 60+ years of age and has 20+ years of service, they are eligible to be paid out at \$40 per day for health insurance only for a total maximum of \$4,800. If an employee retires, is 60+ years of age and has 25+ years of service they are eligible to be paid out at \$50 per day for health insurance for a total maximum of \$6,000.

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

Other Postemployment Benefits (OPEB)

*District Health Insurance Plan*

As provided in applicable negotiated contracts, qualified employees meeting minimum age and length of service requirements may be eligible for certain other postemployment benefits directly from the District. The benefit is in the form of continued health care coverage and payments made by the District for continued coverage. See Note 8(A) for additional information.

*OPEB Group Life Insurance Plan*

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 following:

- Net OPEB Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs, and
- OPEB Expense (Revenue)

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 8(B) for additional information.

***Long-Term Obligations***

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the district-wide statements. Long-term debt consists primarily of notes, bonds or loans payable, lease liabilities, financed purchases and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

E. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future periods and will not be recognized as an outflow of resources (expenditure) until then. The District has items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system and OPEB plans.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resource (revenue) until then. The District reported WRS deferred pension inflow and OPEB inflows as deferred inflows of resources.

The net position of the District is significantly impacted by the combined effects of deferred outflows and inflows of resources from the pension and OPEB plans.

F. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental fund types. If they are not liquidated with expendable available financial resources, a liability is recorded in the District-wide financial statements. The related expenditure is recognized when the liability is liquidated. There were no significant claims or judgments at year-end.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Interfund Activity

Charges for services between funds are reported as revenues in the seller funds and as expenditures/expense in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. These transfers are eliminated from the Statement of Activities. On the fund financial statements, short-term interfund loans are classified as due to/from other funds. These amounts are eliminated in the Statements of Net Position.

I. Change in Accounting Principles

Effective July 1, 2024, the District adopted GASB Statement No. 101, Compensated Absences. GASB 101 was issued to provide guidance on the accounting and financial reporting for compensated absences. The District's calculation of the compensated liability did not change as a result of implementing this standard.

Effective July 1, 2024, the District adopted GASB Statement No. 102, Certain Risk Disclosures. GASB 102 was issued to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The District does not have any certain risk disclosures requiring disclosure in the financial statements.

NOTE 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Equity Classifications

***District-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 of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b. Restricted net position - consists of net position with constraints placed on the 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 position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available it is the District’s practice to use restricted resources first, then unrestricted resources as they are needed.

***Fund Statements***

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable - includes amounts that are not in a spendable form (such as inventory/or are required to be maintained intact).
- Restricted - includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- Committed - includes amounts constrained to specific purposes by the Board of Education itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Board of Education takes the same highest level action to remove or change the constraint.
- Assigned - includes amounts the Board of Education intends to use for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the Board of Education delegates the authority.
- Unassigned - includes amounts that are available for any purpose; positive amounts are reported only in the general fund.

If, during the fiscal year, it appears to the District Administrator that the fund balance will be less than estimated, the District Administrator may bring forward for Board consideration recommendations that will protect the fund balances. Such recommendations shall be in accordance with requirements of the law.

When restricted and other fund balance resources are available for use, it is the District’s practice to use restricted resources first, followed by committed, assigned and unassigned amounts.

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

***Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities***

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of three broad categories. The amounts shown on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities in the basic financial statements represent:

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the Statement of Activities. The long-term expenses reported recognize the change in vested employee benefits.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the Statement of Activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the Statement of Activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

NOTE 3 CASH AND INVESTMENTS

At June 30, 2025, the cash and investments included the following:

<u>Account Type</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Associated Risk</u>
Deposits with financial institutions	<u>\$ 3,763,010</u>	<u>\$ 3,603,165</u>	Custodial Credit

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

Per Statement of Net Position - Exhibit A-1	
Cash and investments	\$ 3,424,900
Restricted cash and investments	178,265
Total	<u><u>\$ 3,603,165</u></u>

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Wisconsin State Statutes

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the District would not be able to recover the value of its investment of collateral securities that are in possession of another party. The District does not have an investment policy for custodial credit risk.

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Federal Deposit Insurance Corporation (FDIC) Insurance

The insurance coverage of public accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution with the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by a public unit's official custodian in an insured depository within the State in which the public unit is located are added together and insured up to \$250,000. For purposes of these rules, the term 'time and savings deposits' include NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Collateralization of Public Unit Deposits

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the Bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under the applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the event of the failure of an insured bank.

Bank amounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000 above the amount of FDIC insurance at each public depositor. However, due to the relatively small size of the Guarantee Fund in relation to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

As of June 30, 2025, \$469,369 of the District's deposits with financial institutions were insured by the FDIC, \$1,000,000 insured by the State Deposit Guarantee Fund, provided funds are available at the time of any potential loss and \$2,293,642 was uninsured.

NOTE 4

INTERFUND BALANCE AND ACTIVITY

During the fiscal year ended June 30, 2025, the general fund transferred \$1,156,074 to the special education fund. This transfer was used to cover any costs not covered by direct revenues. Under GASB 54, transfers between the General Fund and Special Education Fund are eliminated as the Special Education Fund is considered part of the General Fund.

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 5

CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
<i>Governmental Activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 408,750	\$ -	\$ -	\$ 408,750
Total capital assets not being depreciated	408,750	-	-	408,750
 <i>Capital assets being depreciated:</i>				
Buildings and improvements	32,549,106	38,444	-	32,587,550
Furniture and equipment	3,391,834	359,177	(102,934)	3,648,077
Total capital assets being depreciated	35,940,940	397,621	(102,934)	36,235,627
 <i>Less: accumulated depreciation:</i>				
Buildings and improvements	(12,914,452)	(950,649)	102,934	(13,762,167)
Furniture and equipment	(1,781,065)	(199,796)	-	(1,980,861)
Total accumulated depreciation	(14,695,517)	(1,150,445)	102,934	(15,743,028)
Total net capital assets being depreciated	21,245,423	(752,824)	-	20,492,599
 <i>Right to use leased assets being amortized:</i>				
Equipment	215,831	106,200	-	322,031
 <i>Less: accumulated amortization</i>				
Equipment	(151,281)	(29,279)	-	(180,560)
Net right to use leased assets being amortized	64,550	76,921	-	141,471
Total net capital assets	\$ 21,718,723	\$ (675,903)	\$ -	\$ 21,042,820

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 17,067
Vocational instruction	26,158
Physical curriculum	300
Business administration	874,274
Community service	7,546
Depreciation not charged to a specific function	213,429
Total depreciation for governmental activities	\$ 1,150,445

Amortization expense was charged to governmental functions as follows:

Regular instruction	\$ 1,070
Business administration	28,209
Total amortization for governmental activities	\$ 29,279

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 6

SHORT-TERM AND LONG-TERM OBLIGATIONS

A. Short-Term Notes Payable

There were no short-term notes issued for the year ended June 30, 2025.

B. Line of Credit

The District had a revolving \$1,000,000 line of credit from a local bank with the interest rate of prime less .55% not to exceed 10%. The line of credit expired October 1, 2025. There were no draws on the line of credit during the year or after June 30, 2025.

C. Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2025 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental activities:					
Notes and bonds	\$ 12,307,000	\$ -	\$ (3,049,000)	\$ 9,258,000	\$ 1,072,000
Lease liability	53,461	106,200	(57,956)	101,705	47,380
Financed purchases	40,130	132,144	(46,415)	125,859	44,393
	<u>12,400,591</u>	<u>238,344</u>	<u>(3,153,371)</u>	<u>9,485,564</u>	<u>1,163,773</u>
Other liabilities:					
Compensated absences					
Sick pay	45,222	46,277	(619)	90,880	-
Vacation pay	16,937	9,253	(4,814)	21,376	21,376
Total other liabilities	<u>62,159</u>	<u>55,530</u>	<u>(5,433)</u>	<u>112,256</u>	<u>21,376</u>
Total long-term obligations	<u>\$ 12,462,750</u>	<u>\$ 293,874</u>	<u>\$ (3,158,804)</u>	<u>\$ 9,597,820</u>	<u>\$ 1,185,149</u>

D. Cash Defeasances

The District issued General Obligation School Building Bonds in 2017. In prior years, the District deposited funds into an irrevocable trust to purchase securities for the purpose of generating resources for future debt service payments of the General Obligation School Building Bonds. As a result, a portion of General Obligation School Building Bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. After portion was called on April 1, 2025, total defeased debt at June 30, 2025, is \$5,600,000 (of which \$3,595,000 was defeased and \$2,005,000 was prepaid). The risk-free monetary assets of the trust cannot be replaced.

Total interest paid and accrued during the year:

	<u>Expense</u>	<u>Paid</u>
Long-term debt	\$ 371,185	\$ 401,775
Totals	<u>\$ 371,185</u>	<u>\$ 401,775</u>

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 6

SHORT-TERM AND LONG-TERM OBLIGATIONS (CONTINUED)

E. Long-Term General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2025 is comprised of the following individual issues:

Description	Issue Date	Interest Rates	Date of Maturity	Balance 6/30/2025
G.O. Refunding Bond	04/04/17	3.25-3.75%	10/01/35	\$ 3,620,000
G.O. School Improvement Bond	01/03/18	2.00-3.00%	04/01/31	5,195,000
G.O. Promissory Note	04/01/19	2.82-3.85%	04/01/29	443,000
Total General Obligation Debt				<u>\$ 9,258,000</u>

The 2024 equalized valuation of the District, as certified by the Wisconsin Department of Revenue is \$1,037,770,213. The legal debt limit and margin of indebtedness as of June 30, 2025 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$1,037,700,213)	\$ 103,770,021
Deduct Long-term Debt Applicable to Debt Margin	<u>(9,258,000)</u>
Margin of Indebtedness	<u>\$ 94,512,021</u>

Aggregate cash flow requirements for the retirement of long term principal and interest at June 30, 2025 follows:

Year Ended June 30,	<u>Governmental Activities</u>		Total
	<u>Notes and Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	
2026	\$ 1,072,000	\$ 291,832	\$ 1,363,832
2027	1,104,000	260,110	1,364,110
2028	1,137,000	227,406	1,364,406
2029	1,175,000	193,632	1,368,632
2030	1,090,000	158,588	1,248,588
2031-2035	3,680,000	261,450	3,941,450
Totals	<u>\$ 9,258,000</u>	<u>\$ 1,393,018</u>	<u>\$ 10,651,018</u>

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 6

SHORT-TERM AND LONG-TERM OBLIGATIONS (CONTINUED)

E. Long-term General Obligation Debt (Continued)

Aggregate cash flow requirements for the retirement of lease liabilities at June 30, 2025 follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 47,380	\$ 4,018	\$ 51,398
2027	50,509	1,906	52,415
2028	3,817	60	3,877
Totals	<u>\$ 101,706</u>	<u>\$ 5,984</u>	<u>\$ 107,690</u>

Aggregate cash flow requirements for the retirement of financed purchases at June 30, 2025 follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 44,394	\$ 7,322	\$ 51,716
2027	25,507	5,157	30,664
2028	27,121	3,542	30,663
2029	28,837	1,825	30,662
Totals	<u>\$ 125,859</u>	<u>\$ 17,846</u>	<u>\$ 143,705</u>

NOTE 7

DEFINED BENEFIT PENSION PLAN

Wisconsin 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, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

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

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

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$527,077 in contributions from the employer.

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contribution rates as of June 30, 2025 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (including teachers, executives and elected officials)	6.95%	6.95%
Protective with Social Security	6.95%	14.95%
Protective without Social Security	6.95%	18.95%

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

At June 30, 2025, the District reported a liability (asset) of \$587,819 for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.03577358%, which was an increase of 0.0000973% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$793,529.

At June 30, 2025, the Belleville School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,825,500	\$ (1,715,397)
Net differences between projected and actual earnings on pension plan investments	893,222	-
Changes in assumptions	174,417	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,996	(4,190)
Employer contributions subsequent to the measurement date	323,748	-
Total	<u>\$ 3,227,883</u>	<u>\$ (1,719,587)</u>

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$323,748 reported as deferred outflows related to pension resulting from the Belleville School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ 359,482
2027	1,220,264
2028	(301,704)
2029	(93,494)
Total	\$ 1,184,548

**Actuarial Assumptions.** The total pension liability (asset) in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, -1
Measurement Date of Net Pension Liability (Asset):	December 31, 0
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation:	3.0%
Seniority/Merit:	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.7%

*\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend purposes.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021, to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Asset Allocation Targets and Expected Returns <sup>1</sup> As of December 31, 2024			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % <sup>2</sup>
Public Equity	38	7.0	4.3
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage <sup>3</sup>	-12	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset Class			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2
<sup>1</sup> Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations <sup>2</sup> New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6% <sup>3</sup> The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.			

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Single Discount Rate.** A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.08% (Source: “20-Bond GO Index” is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds’ average quality is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard and Poor’s Corp.’s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond 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 Belleville School District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.** The following presents the Belleville School District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Belleville School District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	<b>1% Decrease to Discount Rate (5.80%)</b>	<b>Current Discount Rate (6.80%)</b>	<b>1% Increase to Discount Rate (7.80%)</b>
District's proportionate share of the net pension liability (asset)	\$ 5,514,510	\$ 587,819	\$ (2,912,454)

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

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 8

OTHER POSTEMPLOYMENT BENEFITS

The District accounts for other postemployment benefits under GASB Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.

A. District Sponsored Other Postemployment Benefits (OPEB)

**Plan Description.** The District operates a single-employer defined benefit plan that provides postemployment health insurance benefits to eligible retirees and their spouses. There are 118 active members in the plan and 9 retired members in the plan.

**Funding Policy.** The District has not established a trust to fund its OPEB liabilities. The District will fund the policy on a pay-as-you-go basis.

**Benefits Provided.** Benefits and eligibility for teachers are established and amended through collective bargaining with the recognized bargaining agent for each group; and include postemployment health coverage. Benefits and eligibility for administrators and general support staff are established and amended by the governing body. Current approved benefits are as follows:

**Teachers and Administrators:** Hired prior to July 1, 2006, at least age 55, with a minimum of 10 years of service and subject to the “Rule of 70” wherein the sum of age and years of service must be no less than 70. Hired on or after July 1, 2006, eligibility is based on a minimum age of 60 with a minimum of 15 years of service with the district. Benefits based on those eligibility requirements are as follows:

The District will fund an HRA on behalf of the retiree that may be used towards payment of premiums on the District’s group medical plan or for reimbursement of premiums on a medical plan not affiliated with the District.

The amount contributed to the HRA is determined by date of hire with the District as follows:

<u>Date of Hire</u>	<u>Total HRA Contribution</u>
Prior to 7/1/1990	\$ 76,518
1/1/1990-12/31/1995	57,389
1/1/1996-12/31/2000	38,259
1/1/2001-12/31/2005	32,000
1/1/2006-12/31/2010	22,000
On or After 1/1/2011	15,000

**Support staff:** At least age 60 with a minimum of 20 years of service:

Upon retirement, eligible retirees may choose to use their unused sick leave accumulated upon retirement towards payment of their premiums on the District’s group medical plan.

**Note:** Upon retirement, retirees may choose to self-pay the full amount (100%) of all required premiums to remain on the District’s medical plan for the duration of COBRA, exhaustion of HRA monies, or until Medicare eligibility, whichever comes first.

Benefit amounts and data described on the following pages were as of a valuation date of June 30, 2023 and an updated measurement date of June 30, 2024.

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 8

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. District Sponsored Other Postemployment Benefits (OPEB)(Continued)

**Employees covered by Benefit Terms.** At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	118
	127
	127

**Total OPEB Liability.** The District's total OPEB Liability of \$767,963 was measured at June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023.

**Actuarial Assumptions and Other Inputs.** The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Inflation	2.50	percent
Salary increases	3.00	percent, average, including inflation
Discount rate	4.21	percent
Healthcare cost trend rates	7.00	percent to 6.50%, then decreasing by .10% per year down to 4.50%, and level thereafter

The discount rate of 4.21% (updated from a rate of 4.13%) used in calculating the OPEB liability is based on the S&P Municipal Bond 20 Year High Grade Index as of the week of the measurement date.

The mortality assumptions used Wisconsin 2020 mortality table adjusted for future mortality improvements using the MP-2021 fully generated improvement scale (multiplied 60%).

The actuarial assumptions used were based on a study conducted in 2020 using the Wisconsin Retirement System (WRS) experience from 2020-2022.

**Changes in the Total OPEB Liability – As of Measurement Date**

<b>Balance at 6/30/2023</b>	\$ 816,462
<b>Changes for the year:</b>	
Service cost	32,257
Interest	32,154
Changes of benefit terms	-
Differences between expected and actual experience	(2,685)
Changes in assumptions or other inputs	(2,149)
Benefit payments	(108,076)
<b>Net Changes</b>	<b>(48,499)</b>
<b>Balance at 6/30/2024</b>	<b>\$ 767,963</b>

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 8

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. District Sponsored Other Postemployment Benefits (OPEB) (Continued)

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.*** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21 percent) or 1-percentage-point higher (5.21 percent) than the current discount rate:

		1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
Total OPEB Liability	6/30/2024	\$ 795,009	\$ 767,963	\$ 741,313

***Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates.*** The following represents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0 percent decreasing to 4.5 percent) or 1-percentage-point higher (8.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

		1% Decrease (6.0% decreasing to 3.5%)	Health Care Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	6/30/2024	\$ 763,878	\$ 767,963	\$ 771,841

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.*** For the year ended June 30, 2025, the District recognized an OPEB expense of \$32,089. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Gain / Loss	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 140,563	\$ (348,842)
Changes of assumptions or other inputs	40,066	(56,622)
District contributions subsequent to the measurement date	29,310	-
Total	\$ 209,939	\$ (405,464)

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 8

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. District Sponsored Other Postemployment Benefits (OPEB) (Continued)

\$29,310 reported as deferred outflows related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2025	\$ (32,322)
2026	(32,322)
2027	(32,322)
2028	(32,322)
2029	(32,324)
Thereafter	(63,223)
Total	<u>\$ (224,835)</u>

B. Local Retiree Life Insurance Fund

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

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

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

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

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

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

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 8

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Local Retiree Life Insurance Fund (Continued)

Contribution rates as of June 30, 2024 are:

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

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

<b>Life Insurance</b>		
<b>Member Contribution Rates*</b>		
<b>For the year ended December 31, 2024</b>		
<b>Attained Age</b>	<b>Basic</b>	<b>Supplemental</b>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$2,520 in contributions from the employer.

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

At June 30, 2024, the District reported a liability (asset) of \$468,677 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.119797%, which was an decrease of 0.000247% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of \$73,119.

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 8

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Local Retiree Life Insurance Fund (Continued)

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	-	\$ (48,759)
Net differences between projected and actual earnings on plan investments	6,436	-
Changes in actuarial assumptions	115,000	(262,871)
Changes in proportion and differences between employer contributions and proportionate share of contributions	42,594	(3,763)
Employer contributions subsequent to the measurement date	7,284	-
Totals	\$ 171,314	\$ (315,393)

\$7,284 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 (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

<b>Year Ended June 30:</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2026	\$ 13,619
2027	(33,962)
2028	(51,784)
2029	(50,577)
2030	(12,468)
Thereafter	(16,191)
Total	\$ (151,363)

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 8

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Local Retiree Life Insurance Fund (Continued)

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

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability (Asset)	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023, Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Wage Inflation:	3.00%
Seniority/Merit:	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table

\* Based on the Bond Buyers GO 20-Bond Municipal index.

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

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

Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2024			
Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interim Credit	40%	2.41%
US Mortgages	Bloomberg US MBS	60%	2.71%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

NOTE 8

OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

**Sensitivity of the District’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate.** The following presents the District’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.09 percent, as well as what the District’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current rate:

	<b>1% Decrease to Discount Rate (3.09%)</b>	<b>Current Discount Rate (4.09%)</b>	<b>1% Increase to Discount Rate (5.09%)</b>
District's proportionate share of the net OPEB liability (asset)	\$ 626,452	\$ 468,677	\$ 347,097

NOTE 9

SELF-FUNDED INSURANCE PROGRAM

The District established a self-funded dental benefit plan (the “Plan”) for its employees. The Plan administrator is responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The Plan reports on a fiscal year ending June 30th.

Accounting and budgeting requirements for the Plan are established by the Wisconsin Department of Public Instruction. Currently, the Plan is accounted for in the General Fund of the District. The District has no stop-loss coverage for dental care coverage of the Plan.

At June 30, 2025, the District has reported a liability of \$9,219, which represents reported and unreported claims which were incurred on or before June 30, 2025, but were not paid by the District as of that date. Incurred but not reported (IBNR) claims consist of claims reported to the Plan Administrator but not the District and claims which were not yet reported to either the Plan Administrator or the District.



Belleville School District  
Notes to the Basic Financial Statements  
June 30, 2025

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NOTE 12

LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts are permitted to derive from general state aids and property taxes unless a higher amount is approved by a referendum of the taxpayers. This limitation does not apply to revenues needed for the repayment of any general obligation debt (including refinanced debt) authorized by either of the following: (a) a resolution of the school board or a referendum prior to August 12, 1993, (b) a referendum on or after August 12, 1993.

In April 2025, the District passed a non-recurring 3-year referendum for \$2,850,000 per year for the 2025-2026 and 2026-2027 school year, and \$3,100,000 for the 2027-2028 school year.

NOTE 13 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for periods beginning after June 15, 2025, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for periods beginning after June 15, 2025. When these become effective, application of these standards may restate portions of these financial statements.

NOTE 14

SUBSEQUENT EVENTS

Subsequent to June 30, 2025, the District approved a revolving line of credit in an amount of \$1,000,000 with an interest rate of 6.93% due November 1, 2026.

The District has some construction commitments relating to capital projects for the 2025/2026 fiscal year of \$42,800 for a boiler replacement, approximately \$370,900 for gymnasium roof project and \$19,627 for elementary school classroom walls.

In November 2025, the District approved a lease agreement for a 2025 Saf-T-Liner bus totaling \$151,964.

**REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit B-1  
Required Supplementary Information  
Belleville School District  
Budgetary Comparison Schedule for the General Fund  
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances	
				Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
<b>REVENUES:</b>					
Property taxes	\$ 4,794,371	\$ 4,794,371	\$ 4,794,371	\$ -	\$ -
Other local sources	241,356	241,356	240,799	(557)	(557)
Interdistrict sources	548,966	548,966	521,414	(27,552)	(27,552)
Intermediate sources	3,039	3,039	11,213	8,174	8,174
State sources	7,481,427	7,481,427	7,538,432	57,005	57,005
Federal sources	132,279	132,279	309,585	177,306	177,306
Other sources	20,270	20,270	30,176	9,906	9,906
Total revenues	<u>13,221,708</u>	<u>13,221,708</u>	<u>13,445,990</u>	<u>224,282</u>	<u>224,282</u>
<b>EXPENDITURES:</b>					
Current					
Instruction:					
Regular instruction	5,766,832	5,766,832	5,471,822	295,010	295,010
Vocational instruction	361,137	361,137	322,401	38,736	38,736
Other instruction	310,440	310,440	357,849	(47,409)	(47,409)
Co-curricular activities	328,554	328,554	289,587	38,967	38,967
Other special needs	238,696	238,696	239,106	(410)	(410)
Total instruction	<u>7,005,659</u>	<u>7,005,659</u>	<u>6,680,765</u>	<u>324,894</u>	<u>324,894</u>
Support Services:					
Pupil services	426,500	426,500	361,551	64,949	64,949
Instructional staff services	712,419	712,419	632,174	80,245	80,245
General administration services	353,121	353,121	343,597	9,524	9,524
Building administration services	786,199	786,199	780,018	6,181	6,181
Business administration	2,041,477	2,041,477	1,914,464	127,013	127,013
Central services	156,602	156,602	115,690	40,912	40,912
Insurance	134,135	134,135	133,322	813	813
Purchased instructional services	606,718	606,718	691,740	(85,022)	(85,022)
Other support services	635,717	635,717	516,509	119,208	119,208
Total support services	<u>5,852,888</u>	<u>5,852,888</u>	<u>5,489,065</u>	<u>363,823</u>	<u>363,823</u>
Principal and interest	184,219	184,219	112,962	71,257	71,257
Capital outlay	134,551	134,551	322,759	(188,208)	(188,208)
Total expenditures	<u>13,177,317</u>	<u>13,177,317</u>	<u>12,605,551</u>	<u>571,766</u>	<u>571,766</u>
Excess (deficiency) of revenues over expenditures	<u>44,391</u>	<u>44,391</u>	<u>840,439</u>	<u>796,048</u>	<u>796,048</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Lease proceeds	-	-	238,344	238,344	238,344
Transfers out	(1,364,931)	(1,364,931)	(1,156,074)	150,803	160,225
Total other financing sources (uses)	<u>(1,364,931)</u>	<u>(1,364,931)</u>	<u>(917,730)</u>	<u>389,147</u>	<u>398,569</u>
Net change in fund balance	(1,320,540)	(1,320,540)	(77,291)	1,185,195	1,194,617
Fund balance - beginning of year	2,360,038	2,332,318	3,054,400	694,362	722,082
Fund balance - end of year	<u>\$ 1,039,498</u>	<u>\$ 1,011,778</u>	<u>\$ 2,977,109</u>	<u>\$ 1,879,557</u>	<u>\$ 1,194,617</u>

Exhibit B-2  
Required Supplementary Information  
Belleville School District  
Budgetary Comparison Schedule for the Special Education Fund  
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
<b>REVENUES:</b>					
Interdistrict sources	\$ -	\$ -	\$ 43,760	\$ 43,760	\$ 43,760
Intermediate sources	67,515	67,515	11,620	(55,895)	(55,895)
State sources	438,249	438,249	510,339	72,090	72,090
Federal sources	272,951	272,951	276,400	3,449	3,449
Other sources	5,000	5,000	1,000	(4,000)	(4,000)
Total revenues	<u>783,715</u>	<u>783,715</u>	<u>843,119</u>	<u>63,404</u>	<u>63,404</u>
<b>EXPENDITURES:</b>					
Instruction:					
Special instruction	1,698,810	1,698,810	1,595,864	102,946	102,946
Total instruction	<u>1,698,810</u>	<u>1,698,810</u>	<u>1,595,864</u>	<u>102,946</u>	<u>102,946</u>
Support Services:					
Pupil services	281,008	281,008	259,513	21,495	21,495
Instructional staff services	120,095	120,095	119,059	1,036	1,036
Business administration	20,645	20,645	3,929	16,716	16,716
Purchased instructional services	28,088	28,088	20,828	7,260	7,260
Total support services	<u>449,836</u>	<u>449,836</u>	<u>403,329</u>	<u>46,507</u>	<u>46,507</u>
Total expenditures	<u>2,148,646</u>	<u>2,148,646</u>	<u>1,999,193</u>	<u>149,453</u>	<u>149,453</u>
Excess (deficiency) of revenues over expenditures	<u>(1,364,931)</u>	<u>(1,364,931)</u>	<u>(1,156,074)</u>	<u>212,857</u>	<u>212,857</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer from general fund	1,364,931	1,364,931	1,156,074	(208,857)	(208,857)
Net change in fund balance	-	-	-	4,000	4,000
Fund balance - beginning of year	-	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>

Exhibit B-3  
Required Supplementary Information  
Belleville School District  
Schedules of Changes in the District's Total OPEB Liability and Related Ratios  
June 30, 2025

As of the Measurement Date

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>								
Service cost	\$ 32,257	\$ 27,983	\$ 34,862	\$ 47,767	\$ 39,011	\$ 41,367	\$ 42,857	\$ 42,857
Interest	32,154	25,325	18,063	23,489	35,854	48,141	46,722	49,488
Changes in benefit terms	-	-	-	3,915	-	(27,481)	-	-
Differences between expected and actual experience	(2,685)	163,991	(120,795)	(220,136)	-	(202,058)	-	-
Changes of assumptions or other inputs	(2,149)	8,223	(44,930)	(22,971)	47,595	10,508	(9,986)	-
Benefit payments	<u>(108,076)</u>	<u>(56,408)</u>	<u>(50,454)</u>	<u>(83,043)</u>	<u>(131,539)</u>	<u>(125,761)</u>	<u>(134,249)</u>	<u>(208,527)</u>
Net change in total OPEB liability	(48,499)	169,114	(163,254)	(250,979)	(9,079)	(255,284)	(54,656)	(116,182)
Total OPEB Liability- Beginning	816,462	647,348	810,602	1,061,581	1,070,660	1,325,944	1,380,600	1,496,782
Total OPEB Liability- Ending	<u>\$ 767,963</u>	<u>\$ 816,462</u>	<u>\$ 647,348</u>	<u>\$ 810,602</u>	<u>\$ 1,061,581</u>	<u>\$ 1,070,660</u>	<u>\$ 1,325,944</u>	<u>\$ 1,380,600</u>
<b>Covered Employee Payroll</b>	\$ 6,544,089	\$ 6,544,089	\$ 5,763,733	\$ 5,763,733	\$ 5,715,845	\$ 5,715,845	\$ 5,521,986	\$ 5,521,986
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	11.74%	12.48%	11.23%	14.06%	18.57%	18.73%	24.01%	25.00%

See accompanying notes to the required supplementary information.

Exhibit B-4  
Required Supplementary Information  
Belleville School District  
Local Retiree Life Insurance Fund Schedules  
June 30, 2025

Schedule of District's Proportionate Share of the Net OPEB Liability (Asset)  
As of the Measurement Date  
Last 10 Years\*

Year ended December 31,	Proportion of the net OPEB liability	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Collective share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	0.11979700%	\$ 468,677	\$ 6,826,000	6.87%	37.20%
2023	0.12004400%	552,281	6,669,000	8.28%	33.90%
2022	0.11930700%	454,539	6,296,000	7.22%	38.81%
2021	0.11692800%	691,088	5,914,000	11.69%	29.57%
2020	0.11464800%	630,647	5,840,000	10.80%	31.36%
2019	0.11742900%	500,036	5,698,000	8.78%	37.58%
2018	0.05914800%	152,622	5,729,000	2.66%	48.69%

\* The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 6 months prior to the financial reporting period.

Schedule of District's Contributions  
Local Retiree Life Insurance Fund  
Last Fiscal 10 Years\*

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-payroll
2025	\$ 2,520	\$ (2,520)	\$ -	\$ 6,826,000	0.04%
2024	2,446	(2,446)	-	6,669,000	0.04%
2023	2,393	(2,393)	-	6,296,000	0.04%
2022	2,393	(2,393)	-	5,914,000	0.04%
2021	2,286	(2,286)	-	5,840,000	0.04%
2020	2,122	(2,122)	-	5,698,000	0.04%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The tables will be built prospectively as the information becomes available.

Exhibit B-5  
Required Supplementary Information  
Belleville School District  
Wisconsin Retirement System Schedules  
June 30, 2025

Schedule of the District's Proportionate Share of the Net Pension Liability (Asset)  
As of the Measurement Date  
Last 10 Years\*

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.03577358%	\$ 587,819	\$ 7,574,948	7.76%	98.79%
2023	0.03567627%	530,536	6,913,557	7.67%	98.85%
2022	0.03545737%	1,878,426	6,484,230	28.97%	95.72%
2021	(0.03594637%)	(2,897,343)	6,158,862	47.04%	(106.02%)
2020	(0.03665235%)	(2,288,257)	5,820,661	39.31%	(105.26%)
2019	(0.03800804%)	(1,225,552)	5,982,739	20.48%	(102.96%)
2018	0.03879956%	1,380,366	5,824,170	23.70%	96.45%
2017	(0.03958211%)	(1,175,239)	5,732,703	20.50%	(102.93%)
2016	0.04002954%	329,939	5,706,521	5.78%	99.12%
2015	0.04057485%	659,333	5,672,490	11.62%	98.20%

\* The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 6 months prior to the financial reporting period.

Schedule of District's Contributions  
Wisconsin Retirement System  
Last 10 Years\*\*

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2025	\$ 523,975	\$ (523,975)	\$ -	\$ 7,560,091	6.93%
2024	509,348	(509,348)	-	7,422,608	6.86%
2023	455,844	(455,844)	-	6,820,802	6.68%
2022	409,242	(409,242)	-	6,204,605	6.60%
2021	405,917	(405,917)	-	6,013,582	6.75%
2020	392,687	(392,687)	-	5,885,632	6.67%
2019	390,219	(390,219)	-	5,824,170	6.70%
2018	391,811	(391,811)	-	5,732,703	6.83%
2017	379,612	(379,612)	-	5,706,521	6.65%
2016	388,329	(388,329)	-	5,672,490	6.85%

\*\*The contribution and other amounts presented above for each fiscal year are based on information that occurred during that fiscal year.

Belleville School District  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2025

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NOTE 1

BUDGET SCHEDULE

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction, which is in accordance with generally accepted accounting principles. The legally adopted budget and budgetary expenditure control is exercised at the two-digit function for all funds. Reported budget amounts are as originally adopted or as amended by the School Board resolution.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Based upon requests from District staff, District administration recommends budget proposals to the School Board.
- The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the School Board may make alterations to the proposed budget.
- Once the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.
- Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as an assigned fund balance.

The District is legally required by the State of Wisconsin to maintain and budget separately for a Special Education Fund. The Special Education Fund is combined with the General Fund in the basic financial statements. Due to the perspective differences in budgeting, the required supplementary information reports the budgetary comparison information separately for the General Fund and the Special Education Fund.

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental and special revenue funds.

Appropriations lapse at year-end unless authorized as a carryover by the School Board.

NOTE 2

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds.

The following functions in general fund that had an excess of actual expenditures over budget for the year ended June 30, 2025.

Fund	Excess Expenditures
General Fund:	
Capital outlay	\$ 188,208
Other instruction	47,409
Other special needs	410
Purchased instructional services	85,022

Belleville School District  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2025

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NOTE 3

EXPLANATIONS OF DIFFERENCES BETWEEN BUDGETARY  
INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES

	General Fund	Special Education Fund
A) Sources/Inflows of Resources:		
Actual amounts "total revenues" from the budgetary comparison schedules	\$ 13,445,990	\$ 843,119
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	843,119	(843,119)
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 14,289,109	\$ -
B) Uses/Outflows of Resources:		
Actual amounts "total expenditures" from the budgetary comparison schedules	\$ 12,605,551	\$ 1,999,193
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	1,999,193	(1,999,193)
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 14,604,744	\$ -

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES

***Changes in Benefit Terms and Assumptions related to Pension Liability (Asset)***

***Changes of Benefit Terms.*** There were no changes of benefit terms for any participating employer in WRS.

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

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

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

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

Belleville School District  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2025

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

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

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

Belleville School District  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2025

NOTE 4

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

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

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

Belleville School District  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2025

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NOTE 5

LOCAL RETIREE LIFE INSURANCE SCHEDULES

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 3 preceding years.

***Changes in Benefit Terms and Assumptions related to LRLIF Liability (Asset)***

***Changes of Benefit Terms.*** There were no recent changes in benefit terms.

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

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

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

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

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

NOTE 6

OTHER POSTEMPLOYMENT BENEFITS SCHEDULES

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 2 preceding years.

***Changes of Benefit Terms.*** There were no changes of benefit terms.

***Changes of Assumptions.*** The following change in assumption was made for the year ended June 30, 2025:

- The discount rate was changed from 4.13% to 4.21%

***Assets.*** There are no assets accumulated in a trust that meet the criteria in Governmental Accounting Standards Board to pay related benefits.

**SUPPLEMENTARY INFORMATION**

Exhibit C-1  
 Belleville School District  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2025

	Special Revenue Funds			Long-Term Capital Improvement Trust	Total Nonmajor Governmental Funds
	Food Service	Community Service	Special Revenue Trust		
<b>ASSETS</b>					
Cash and investments	\$ 129,989	\$ 472,451	\$ 481,891	\$ 371,752	\$ 1,456,083
Accounts receivable	562	-	-	-	562
Inventory	3,973	-	-	-	3,973
Total assets	<u>\$ 134,524</u>	<u>\$ 472,451</u>	<u>\$ 481,891</u>	<u>\$ 371,752</u>	<u>\$ 1,460,618</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 20,217	\$ 7,058	\$ 100	\$ -	\$ 27,375
Food service deposits	17,990	-	-	-	17,990
Total liabilities	<u>38,207</u>	<u>7,058</u>	<u>100</u>	<u>-</u>	<u>45,365</u>
Fund Balances:					
Nonspendable	3,973	-	-	-	3,973
Restricted	92,344	465,393	481,791	371,752	1,411,280
Total fund balances	<u>96,317</u>	<u>465,393</u>	<u>481,791</u>	<u>371,752</u>	<u>1,415,253</u>
Total liabilities and fund balances	<u>\$ 134,524</u>	<u>\$ 472,451</u>	<u>\$ 481,891</u>	<u>\$ 371,752</u>	<u>\$ 1,460,618</u>

Exhibit C-2  
 Belleville School District  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2025

	Special Revenue Funds			Long-Term Capital Improvement Trust	Total Nonmajor Governmental Funds
	Food Service	Community Service	Special Revenue Trust		
<b>REVENUES:</b>					
Property taxes	\$ -	\$ 322,206	\$ -	\$ -	\$ 322,206
Other local sources	290,961	48,733	193,014	17,704	550,412
State sources	7,362	-	-	-	7,362
Federal sources	173,746	-	-	-	173,746
<b>Total revenues</b>	<b>472,069</b>	<b>370,939</b>	<b>193,014</b>	<b>17,704</b>	<b>1,053,726</b>
<b>EXPENDITURES:</b>					
Current					
Instruction:					
Regular instruction	-	-	109	-	109
Co-curricular activities	-	-	184,533	-	184,533
Total instruction	-	-	184,642	-	184,642
Support Services:					
Pupil services	-	-	10,920	-	10,920
Business administration	-	66,260	-	-	66,260
Central services	-	2,762	-	-	2,762
Food services	502,918	-	-	-	502,918
Community services	-	110,972	-	-	110,972
Total support services	502,918	179,994	10,920	-	693,832
Capital outlay	-	33,586	-	-	33,586
<b>Total expenditures</b>	<b>502,918</b>	<b>213,580</b>	<b>195,562</b>	<b>-</b>	<b>912,060</b>
Excess (deficiency) of revenues over expenditures	(30,849)	157,359	(2,548)	17,704	141,666
Net change in fund balances	(30,849)	157,359	(2,548)	17,704	141,666
Fund balances - beginning of year	127,166	308,034	484,339	354,048	1,273,587
Fund balances - end of year	<u>\$ 96,317</u>	<u>\$ 465,393</u>	<u>\$ 481,791</u>	<u>\$ 371,752</u>	<u>\$ 1,415,253</u>