

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**



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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Education  
Eau Claire Area School District  
Eau Claire, Wisconsin

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eau Claire Area School District, Eau Claire, Wisconsin (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, 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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgment, 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 management's discussion and analysis, the budgetary comparison information, pension schedules, and other postemployment benefits schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and the charter school authorizer annual report (sections VI and VII only) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the schedule of state financial assistance required by the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules, the charter school authorizer annual report (sections VI and VII only), the schedule of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

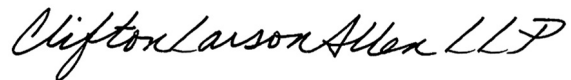
**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the charter school authorizer annual report sections I through V, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024, 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
November 25, 2024



**REQUIRED SUPPLEMENTARY INFORMATION**

**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

As management of the Eau Claire Area School District (District), we offer the readers of the District's financial statements this narrative overview and analysis of financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the close of the fiscal year by \$87,086,465 (net position). Of this amount, \$78,986,983 represents the net investment in capital assets, \$14,242,768 is for restricted purposes and the remaining deficit balance of \$6,143,286 is classified as unrestricted net position.
- Net capital assets increased by \$17,421,953 reflecting cost of acquisitions more than the depreciation/amortization expense.
- The District's general obligation debt, including the current portion, decreased by \$7,600,000 during the year. The District's other long-term obligations, including the current portions, decreased \$22,270,189 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$37,620,555 of total revenues of \$196,344,180. General revenues accounted for \$158,723,625, including \$68,750,021 of property taxes and \$81,828,473 of state and federal aid. General revenues accounted for 80.9% of all revenues.
- The District had a total of \$193,592,336 of expenses, of which \$37,620,555 was financed with program revenues.
- The total fund balance of the District's governmental funds decreased \$28,070,412. The general fund had a decrease of \$7,312,235, an increase of \$65,343 in the debt service fund, a decrease of \$21,057,104 in capital projects fund and an increase of \$233,584 in the nonmajor funds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements, including required supplementary information consisting of the management's discussion and analysis, other postemployment benefits and pension plan schedules, and budgetary comparisons for the general fund and major special revenue funds.

**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Government-Wide Financial Statements**

The two government-wide financial statements are the *Statement of Net Position* and *Statement of Activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. These statements are designed to distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user fees and charges called *business-type activities*. The District had no programs that were accounted for as business-type activities.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred outflows/inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The *Statement of Activities* presents information showing how the District's net position changed during the year. This statement reports the cost of governmental functions and how those functions were financed for the fiscal year.

**Fund Financial Statements**

The District also produces *fund financial statements*. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements and/or to control and manage money for particular purposes. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a District's near-term financing requirements. Funds can be categorized into three categories: governmental funds, proprietary funds, and fiduciary funds. The District had no proprietary funds for the fiscal year ended June 30, 2024.

**Governmental Funds** – 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. Consequently, the 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 fund information does not report on long-term commitments as is reported on the government-wide statements. Therefore, explanations of the differences between the governmental funds and the government-wide statements are included as separate statements within the basic financial statements.

Governmental funds include the District's seven regular funds (general, donations, food service, other special projects, community service, debt service and capital projects).

Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures and changes in fund balance* for the general fund, the capital projects fund, and the debt service fund as these are considered to be major funds. Data for the donation fund, food service fund, community service fund, and other special projects fund are combined into a single, aggregated column. Data for each of these individual nonmajor funds is provided separately as supplementary information.

**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

The District adopts annual budgets for its funds in accordance with statutory requirements. A budgetary comparison statement for the general fund has been provided as required supplementary information.

**Fiduciary Funds** – The District has two fiduciary funds. One of the fiduciary funds serves as a custodial fund for student organizations. The second is an employee benefit trust fund which accounts for resources used to fund formally established employee benefit plans. Trust and custodial funds are used to account for assets held by the District on behalf of others. The assets of these funds do not directly benefit the District. Fiduciary activities are excluded from the District-wide financial statements because the District cannot use these assets to finance its operation.

**Notes of Financial Statements**

The *notes to financial statements* provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements follow the basic financial statements.

**FINANCIAL ANALYSIS**

**The District as a Whole**

**Net Position**, Table 1, below, provides a summary of the District's net position for the fiscal year ended June 30, 2024 compared to the prior fiscal year.

**Table 1  
Condensed Statement of Net Position**

	Governmental Activities		Percent Change 2023-2024
	2024	2023	
Current and Other Assets	\$ 152,188,530	\$ 164,262,498	-7.4%
Capital Assets, Net of Depreciation/Amortization	134,997,479	117,575,526	14.8
Total Assets	<u>287,186,009</u>	<u>281,838,024</u>	1.9
Deferred Outflows of Resources	61,504,397	87,891,248	-30.0
Current Liabilities	39,231,100	26,495,391	48.1
Long-Term Liabilities	179,832,634	206,802,541	-13.0
Total Liabilities	<u>219,063,734</u>	<u>233,297,932</u>	-6.1
Deferred Inflows of Resources	<u>42,540,207</u>	<u>52,096,719</u>	-18.3
Net Position			
Net Investment in Capital Assets	78,986,983	75,230,809	5.0
Restricted	14,242,768	12,229,358	16.5
Unrestricted	<u>(6,143,286)</u>	<u>(3,125,546)</u>	-96.6
Total Net Position	<u>\$ 87,086,465</u>	<u>\$ 84,334,621</u>	3.3

**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

The largest portion of the District's net position is its investment in capital assets (e.g. land, buildings, and equipment); less related outstanding debt used to acquire those assets. These assets are used to provide services to students and the community and, consequently, are not available for future spending.

The District is required by state statute to have available in the Debt Service Fund an amount sufficient to make debt payments required between the beginning of the fiscal year (July 1) and receipt of the first tax payments (normally January 20). Net position totaling \$3,402,761 is restricted for debt service along with \$1,332,852 for the donor specific purposes, \$3,718,866 for food service purposes, \$1,888,815 for community service programs, and \$3,899,474 for capital projects.

Total liabilities decreased \$14,234,198 and total assets increased \$5,347,985 during the year. Net position increased \$2,751,844.

At June 30, 2024, the District reported \$61,504,397 of deferred outflows of resources and \$42,540,207 of deferred inflows of resources.

**Change in Net Position.** Table 2 shows the change in net position for the fiscal years 2024 and 2023. As shown in Table 2, general revenues provided 80.9% of the funding required for governmental activities with property taxes providing 35.0% of the funding and general state formula aid providing 41.7% of total revenues. Program revenues, consisting of charges for services and operating grants and contributions, provided 15.8% of the funding. The program revenues were allocated to the expense functions as shown in Table 3.

**Table 2  
Change in Net Position**

	Governmental Activities		Percent Change 2023-2024
	2024	2023	
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 6,544,425	\$ 6,606,141	-0.9%
Operating Grants and Contributions	31,076,130	30,134,300	3.1
Capital Grants and Contributions	-	573,065	-100.0
General Revenues:			
Property Taxes	68,750,021	60,936,958	12.8
State and Federal Aids	81,828,473	79,854,926	2.5
Other	8,145,131	5,649,010	44.2
Total Revenues	<u>196,344,180</u>	<u>183,754,400</u>	6.9
<b>Expenses</b>			
Instruction	93,834,097	92,015,817	2.0
Pupil and Instructional Services	24,981,136	22,037,179	13.4
Administration and Central Services	43,649,864	42,165,172	3.5
Other	31,127,239	30,727,767	1.3
Total Expenses	<u>193,592,336</u>	<u>186,945,935</u>	3.6
<b>Change in Net Position</b>	2,751,844	(3,191,535)	-186.2
<b>Net Position - Beginning of Year</b>	<u>84,334,621</u>	<u>87,526,156</u>	-3.6
<b>Net Position - End of Year</b>	<u>\$ 87,086,465</u>	<u>\$ 84,334,621</u>	3.3

**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

The District relies primarily on property taxes and general state aid to fund governmental activities. School funding regulations restrict the amount by which these two revenue sources, in combination, may be increased. This restriction, called revenue limit, is intended to help hold down increases in property taxes throughout the state. The tax levy for repayment of referendum approved debt is not subject to the revenue limit. The District's tax levy for the last two fiscal years consisted of the following components:

	2024	2023
Subject to Revenue Limit:		
General Fund	\$ 54,399,000	\$ 49,561,905
Debt Service	13,274,986	10,282,594
Not Subject to Revenue Limit:		
Community Service	1,000,000	1,000,000
Total	\$ 68,673,986	\$ 60,844,499

General state aid is paid according to a formula taking into consideration District spending and property values on a per student basis compared to spending and property values for the state as a whole. The District's state and federal aids increased \$1,973,547 in 2024 from \$79,854,926 in 2023 to \$81,828,473 in 2024.

Table 3 presents the total cost of the major activities: instruction, pupil and instructional services, administration central office and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3  
Net Cost of Governmental Activities**

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 93,834,097	\$ 72,252,647	\$ 92,015,817	\$ 70,745,975
Pupil and Instructional Services	24,981,136	17,349,894	22,037,179	16,275,025
Administration and Central Services	43,649,864	36,588,666	42,165,172	34,676,453
Other	31,127,239	29,780,574	30,727,767	27,934,976
Total	\$ 193,592,336	\$ 155,971,781	\$ 186,945,935	\$ 149,632,429

- The cost of all governmental activities for the year was \$193,592,336, an increase of \$6,646,401 (3.56%) from the prior year.
- Individuals who directly participated or benefited from a program offering paid for \$6,544,425 of costs.
- Federal and state governments subsidized certain programs with operating and capital grants and contributions of \$31,076,130.
- Net cost of governmental activities (\$155,971,781) was financed by general revenues, which are made up primarily of property taxes (\$68,750,021) and state and federal aid (\$81,828,473).

**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

Chart 1 below displays the composition of District revenues by source:

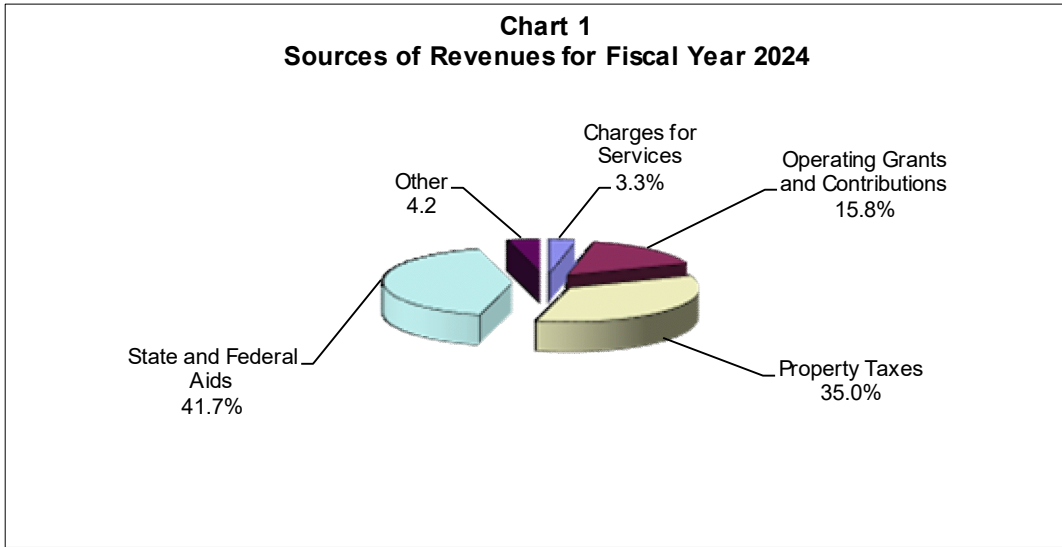
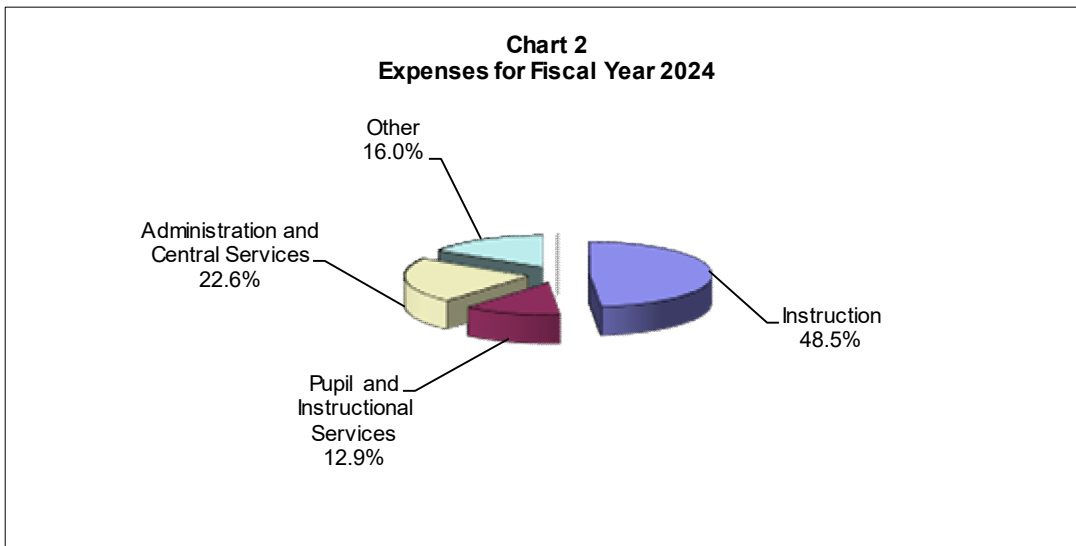


Chart 2 below displays the composition of expense by function:



**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Governmental Funds**

Changes in the District's governmental funds for the year ended June 30, 2024 are reflected below:

	<u>Balance June 30, 2024</u>	<u>Balance June 30, 2023</u>	<u>Current Year Change</u>
General	\$ 33,762,012	\$ 41,074,247	\$ (7,312,235)
Donations Fund	1,373,816	981,399	392,417
Debt Service	3,402,761	3,337,418	65,343
Capital Projects	77,231,303	98,288,407	(21,057,104)
Food Service	3,795,912	3,799,315	(3,403)
Community Service	1,889,393	2,044,823	(155,430)
Total	<u>\$ 121,455,197</u>	<u>\$ 149,525,609</u>	<u>\$ (28,070,412)</u>

The general fund balance at year end totaled \$33,762,012. Of this amount, \$1,413,166 represents nonspendable funds, \$0 is restricted, \$1,216,377 is assigned, and the remaining \$31,132,469 represents unassigned funds. The nonspendable funds consist of prepaid items and inventory.

The balance in the donations fund is to provide donor specific requests.

The balance in the debt service fund is to provide for the necessary accumulation of funds for debt retirement needs.

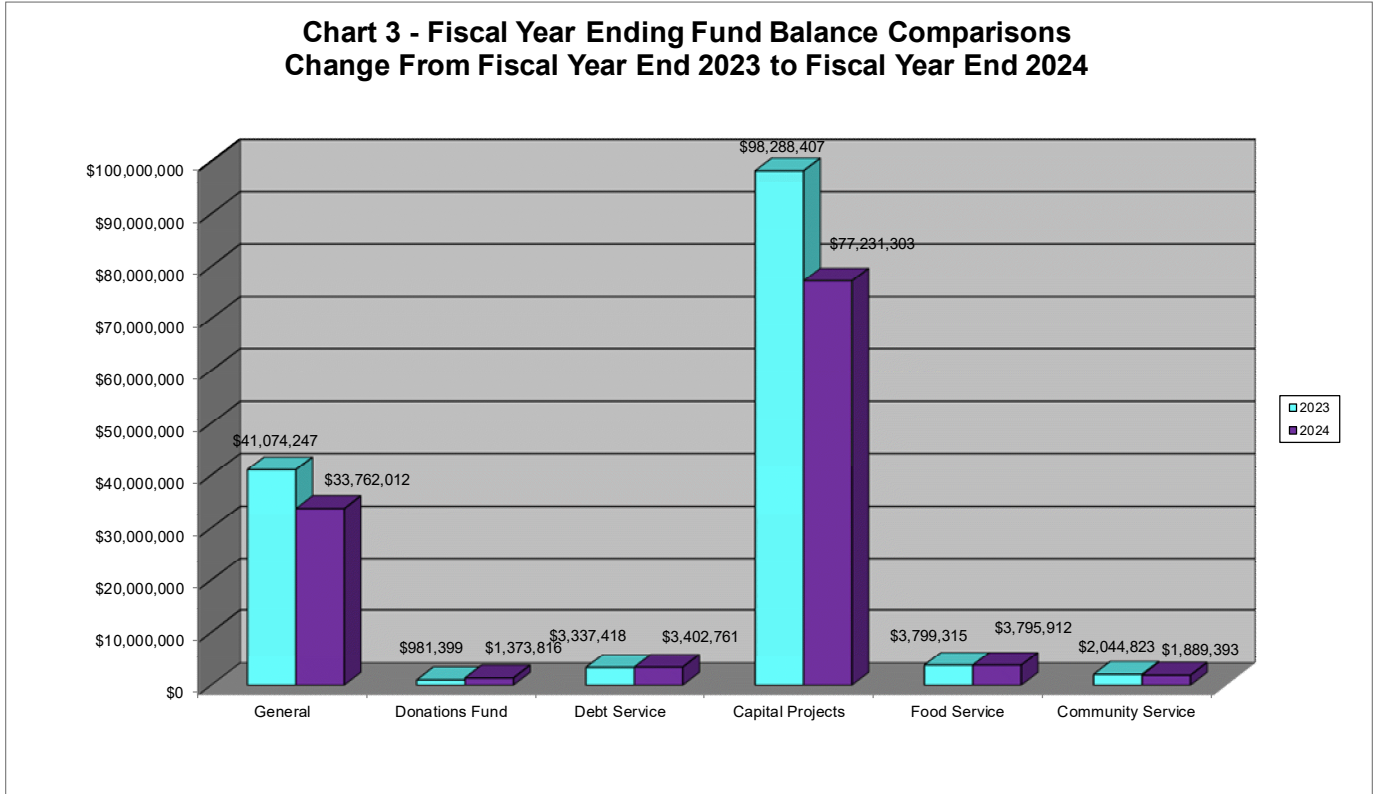
The balances in the food service fund and community service fund are restricted to finance future fund operations.

The balance in the capital projects fund is to finance a facilities improvement plan.



**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

Chart 3 below depicts the changes in ending fund balances graphically for each fund from fiscal year 2023 to fiscal year 2024.



**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**General Fund Budgetary Highlights**

Consistent with current statutes and regulations an *original* budget is adopted in October following determination of official enrollment and certification of general state aids. The District did modify the original budget for its general fund for fiscal year 2024 as shown in the budgetary comparison schedule for the general fund under *Required Supplementary Information*. The adjustments made to the original budget were to account for the receipts and related expenditures of grants, gifts, and/or other revenues as listed below:

**Property Taxes**

The original budget projected the amount of the Districts' revenue limit and the resulting tax levy. Once the pupil counts and the state revenue limit parameters are finalized, the estimated tax levy is adjusted.

**State and Federal Grants**

Budget adjustments were made to adjust grant estimated amounts to approved grant award amounts and to account for approved budget modifications.

**Gifts**

Budget adjustments were made to adjust budgets for gifts received.

**Revenues**

The variation between the original budget and the final budget for federal revenues was due to approved federal grant adjustments.

**Expenditures**

The final budgets for regular instruction, instructional staff services, special instruction, and vocational instruction were increased due to federal grant adjustments made to account for final grant award amounts.

There were also amendments to transfer budgets from one functional area to another functional area. The transfers were not significant dollar amounts.

**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of the end of fiscal year 2024, the District had invested approximately \$262.9 million in a broad range of capital assets, including buildings, sites, equipment and construction in progress (see Table 4). Accumulated depreciation/amortization on these assets totaled \$127,952,373. Net capital assets increased by \$17,421,953 from the previous year.

**Table 4  
Capital Assets**

	June 30,		Percent Change 2023-2024
	2024	2023	
Land	\$ 2,262,174	\$ 2,262,174	0.0%
Land Improvements	13,653,241	13,402,696	1.9
Buildings	200,960,271	199,214,140	0.9
Furniture and Equipment	18,416,026	17,808,543	3.4
Construction in Progress	26,127,546	2,681,028	874.5
Right of Use Assets	1,530,594	1,336,018	14.6
Accumulated Depreciation/Amortization	(127,952,373)	(119,129,073)	7.4
Total	<u>\$ 134,997,479</u>	<u>\$ 117,575,526</u>	14.8

- Asset acquisitions during the year totaled \$26,336,609.
- The District disposed of \$91,356 of capital assets during the year.
- The District recognized depreciation/amortization expense of \$8,914,656 during the year.

More detailed information about capital assets can be found in Note 4.B to the financial statements.

**Long-Term Obligations**

At year-end the District had approximately \$120.3 million in net general obligation debt outstanding which is a decrease of 5.9% from the previous year. The District also had other long-term obligations outstanding of approximately \$66.8 million (see Table 5).

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 use for annual debt service payments. The District complies with the statutory requirements.

**EAU CLAIRE AREA SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Table 5  
Outstanding Long Term Obligations**

	June 30,		Percent Change 2023-2024
	2024	2023	
<b>General Obligation Debt:</b>			
General Obligation Bonds & Notes Payable	\$ 120,320,000	\$ 127,920,000	-5.9%
<b>Other Long-Term Obligations</b>			
Lease Liability	620,509	551,172	12.6
Financed Purchase Liability	-	1,029,732	-100.0
Vested Employee Benefits	539,454	515,273	4.7
Other Postemployment Benefits Liabilities	47,426,603	53,286,086	-11.0
Pension Plan Liabilities	9,767,179	24,333,260	-59.9
Premiums	8,401,816	9,310,227	-9.8
Total	<u>\$ 187,075,561</u>	<u>\$ 216,945,750</u>	-13.8

- The District retired \$7,600,000 of outstanding general obligation debt during the year.

More detailed information about the District's long-term liabilities is presented in Note 4.D to the financial statements.

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

Currently known circumstances that will impact the District's financial status in the future are:

The District experienced a decline of 35 FTE in enrollment for the 2023-24 school year. This decrease negatively impacts the revenue that can be generated under the Revenue Limit Formula. Consequently, Revenue Limits will continue to restrict the amount of revenue the District can receive from General State Aid, Property Taxes, and State Categorical Aid. When considering other state-sourced revenue, over 85% of the District's revenue stream is controlled by the State Legislature and Governor. Managing expenditure increases to align with available revenue remains an annual challenge.

The 2023-2024 school year marks the first year of the State's biennial budget. Notably, the 2023-2025 budget did not alter the \$742 per-pupil aid amount, but it did increase the per member amount by \$325. Additionally, a referendum passed in November 2016 allows the District to exceed the revenue limit by \$5,860,000 annually for 15 years. This funding supports staff, building maintenance, safety and security improvements, class size management, technology, and debt service for capital improvement projects.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and 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 the Executive Director of Business Services, Eau Claire Area School District, 500 Main Street, Eau Claire, Wisconsin 54701.

## **BASIC FINANCIAL STATEMENTS**

**EAU CLAIRE AREA SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 124,004,411
Taxes Receivable	20,540,833
Accounts Receivable	306,944
Due from Other Governments	5,804,219
Inventories and Prepaid Items	1,532,123
Capital Assets Not Being Depreciated/Amortized:	
Land	2,262,174
Construction in Progress	26,127,546
Capital Assets Being Depreciated/Amortized:	
Land Improvements	13,653,241
Buildings and Building Improvements	200,960,271
Furniture and Equipment	18,416,026
Right of Use Assets	1,530,594
Less - Accumulated Depreciation/Amortization	<u>(127,952,373)</u>
Total Assets	287,186,009
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related	55,758,025
Other Postemployment Benefits Related	<u>5,746,372</u>
Total Deferred Outflows of Resources	<u>61,504,397</u>
<b>LIABILITIES</b>	
Short-Term Notes Payable	4,000,000
Accounts Payable	9,311,642
Accrued Payroll and Related Liabilities	12,767,635
Accrued Interest Payable	1,254,840
Due to Fiduciary Fund	4,207,371
Other Deposits Payable	17,261
Unearned Revenues	307,803
Health Benefit Claims Payable	121,621
Current Portion of Long-Term Obligations	7,242,927
Noncurrent Liabilities:	
General Obligation Bonds	122,154,245
Lease Liability	484,607
Net Other Postemployment Benefits Liability	42,295,843
State Life Insurance Net Other Postemployment Benefits Liability	5,130,760
Wisconsin Retirement System Net Pension Liability	6,393,583
Net Supplemental Pension Plan Liability	<u>3,373,596</u>
Total Liabilities	219,063,734
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related	34,592,736
Other Postemployment Benefits Related	<u>7,947,471</u>
Total Deferred Inflows of Resources	<u>42,540,207</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	78,986,983
Restricted for:	
Donor Specifications	1,332,852
Debt Service	3,402,761
Food Service	3,718,866
Community Service	1,888,815
Capital Projects	3,899,474
Unrestricted (Deficit)	<u>(6,143,286)</u>
Total Net Position	<u>\$ 87,086,465</u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
<b>PRIMARY GOVERNMENT</b>					
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 56,437,162	\$ 1,969,886	\$ 5,960,064	\$ -	\$ (48,507,212)
Vocational Instruction	4,164,428	131,160	191,954	-	(3,841,314)
Physical Curriculum	(101,800)	-	-	-	101,800
Special Instruction	28,303,027	1,249,090	11,075,796	-	(15,978,141)
Co-curricular Activities	176,191	342,007	-	-	165,816
Other Instruction	4,855,089	652,560	8,933	-	(4,193,596)
Total Instruction	93,834,097	4,344,703	17,236,747	-	(72,252,647)
Support Services:					
Pupil Services	10,794,881	-	2,850,062	-	(7,944,819)
Instructional Staff Services	14,186,255	-	4,781,180	-	(9,405,075)
General Administration	1,021,654	-	-	-	(1,021,654)
Building Administration	7,995,193	-	43,164	-	(7,952,029)
Direction of Business	310,225	-	-	-	(310,225)
Fiscal	814,694	-	-	-	(814,694)
Operations and Maintenance	18,736,699	-	412,079	-	(18,324,620)
Facilities Acquisition & Remodeling	1,206,291	-	47,120	-	(1,159,171)
Pupil Transportation	7,720,223	15,679	683,653	-	(7,020,891)
Food Services	5,584,333	2,113,321	3,746,182	-	275,170
Internal Services	260,552	-	-	-	(260,552)
Central Services	2,025,048	-	52,000	-	(1,973,048)
Insurance and Judgments	1,067,374	-	369	-	(1,067,005)
Debt Services	4,471,665	-	-	-	(4,471,665)
Community Services	1,078,649	70,722	-	-	(1,007,927)
Other Supporting Services	7,790,998	-	1,223,574	-	(6,567,424)
Total Support Services	85,064,734	2,199,722	13,839,383	-	(69,025,629)
Non-Program:					
Purchased Instructional Services	14,485,910	-	-	-	(14,485,910)
Other Non-Program Transactions	207,595	-	-	-	(207,595)
Total Non-Program	14,693,505	-	-	-	(14,693,505)
Total Primary Government	\$ 193,592,336	\$ 6,544,425	\$ 31,076,130	\$ -	(155,971,781)
<b>GENERAL REVENUES</b>					
Property Taxes:					
General Purposes					54,399,000
Debt Services					13,274,986
Community Services					1,000,000
Other Taxes					76,035
State and Federal Aids Not Restricted to					
Specific Functions					81,828,473
Interest and Investment Earnings					4,617,278
Gain on Sale of Capital Assets					58,046
Miscellaneous					3,469,807
Total General Revenues					158,723,625
<b>CHANGE IN NET POSITION</b>					
					2,751,844
Net Position - Beginning of Year					
					84,334,621
<b>NET POSITION - END OF YEAR</b>					
					\$ 87,086,465

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 28,410,028	3,402,761	\$ 84,898,053	\$ 7,293,569	\$ 124,004,411
Receivables:					
Taxes	20,540,833	-	-	-	20,540,833
Accounts	271,367	-	-	35,577	306,944
Due from Other Governments	5,276,822	-	-	527,397	5,804,219
Due from Other Funds	78,369	-	-	-	78,369
Inventories and Prepaid Items	1,413,166	-	-	118,957	1,532,123
	<u>1,413,166</u>	<u>-</u>	<u>-</u>	<u>118,957</u>	<u>1,532,123</u>
Total Assets	<u>\$ 55,990,585</u>	<u>\$ 3,402,761</u>	<u>\$ 84,898,053</u>	<u>\$ 7,975,500</u>	<u>\$ 152,266,899</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Short-Term Note Payable	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 4,000,000
Accounts Payable	1,411,896	-	7,666,750	232,996	9,311,642
Accrued Liabilities:					
Payroll, Payroll Taxes, Insurance	12,635,063	-	-	132,572	12,767,635
Due to Other Funds	3,989,291	-	-	296,449	4,285,740
Other Deposits Payable	15,510	-	-	1,751	17,261
Unearned Revenue	55,192	-	-	252,611	307,803
Health Benefit Claims Payable	121,621	-	-	-	121,621
Total Liabilities	<u>22,228,573</u>	<u>-</u>	<u>7,666,750</u>	<u>916,379</u>	<u>30,811,702</u>
<b>FUND BALANCES</b>					
Nonspendable	1,413,166	-	-	118,957	1,532,123
Restricted	-	3,402,761	77,231,303	6,940,533	87,574,597
Assigned	1,216,377	-	-	-	1,216,377
Unassigned	31,132,469	-	-	(369)	31,132,100
Total Fund Balances	<u>33,762,012</u>	<u>3,402,761</u>	<u>77,231,303</u>	<u>7,059,121</u>	<u>121,455,197</u>
Total Liabilities and Fund Balances	<u>\$ 55,990,585</u>	<u>\$ 3,402,761</u>	<u>\$ 84,898,053</u>	<u>\$ 7,975,500</u>	<u>\$ 152,266,899</u>

See accompanying Notes to Basic Financial Statements.



**EAU CLAIRE AREA SCHOOL DISTRICT  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2024**

Total Fund Balance - Governmental Funds \$ 121,455,197

Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental fund balance because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position consist of:

Capital Assets	\$ 262,949,852	
Accumulated Depreciation/Amortization	<u>(127,952,373)</u>	134,997,479

Net pension plan assets/liabilities and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

Wisconsin Retirement System (WRS) Net Pension Asset (Liability)	(6,393,583)	
Net Supplemental Pension Plan Liability	(3,373,596)	
Deferred Outflows of Resources - Pension Related	55,758,025	
Deferred Inflows of Resources - Pension Related	<u>(34,592,736)</u>	11,398,110

Unused vacation pay is a liability of the governmental funds only if the employee has resigned or retired. (539,454)

Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances reported in the statement of net position that are not reported in the funds balance sheet are:

General Obligation Debt	128,721,816	
Lease Liability	620,509	
Accrued Interest Payable on General Obligation Debt	<u>1,254,840</u>	(130,597,165)

Net OPEB plan assets/liabilities and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

Net Other Postemployment Benefits Liability	(42,295,843)	
State Life Insurance Net Other Postemployment Benefits Liability	(5,130,760)	
Deferred Outflows of Resources - Other Postemployment Benefits Related	5,746,372	
Deferred Inflows of Resources - Other Postemployment Benefits Related	<u>(7,947,471)</u>	<u>(49,627,702)</u>

Total Net Position - Governmental Activities \$ 87,086,465

**EAU CLAIRE AREA SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Local	\$ 55,825,964	\$ 13,340,327	\$ 3,904,724	\$ 4,941,009	\$ 78,012,024
Interdistrict	3,185,513	-	-	-	3,185,513
Intermediate	47,339	-	-	942,598	989,937
State	93,900,411	-	-	65,098	93,965,509
Federal	14,579,021	-	-	3,626,767	18,205,788
Other	<u>1,970,507</u>	<u>-</u>	<u>-</u>	<u>14,902</u>	<u>1,985,409</u>
Total Revenues	<u>169,508,755</u>	<u>13,340,327</u>	<u>3,904,724</u>	<u>9,590,374</u>	<u>196,344,180</u>
<b>EXPENDITURES</b>					
Instruction:					
Regular Instruction	56,255,703	-	-	846,937	57,102,640
Vocational Instruction	4,363,976	-	-	-	4,363,976
Special Instruction	28,886,783	-	-	-	28,886,783
Co-curricular Activities	-	-	-	166,454	166,454
Other Instruction	<u>4,952,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,952,413</u>
Total Instruction	<u>94,458,875</u>	<u>-</u>	<u>-</u>	<u>1,013,391</u>	<u>95,472,266</u>
Support Services:					
Pupil Services	10,946,776	-	-	93,249	11,040,025
Instructional Staff Services	14,345,800	-	-	179,966	14,525,766
General Administration	997,432	-	-	37,055	1,034,487
Building Administration	8,098,361	-	-	65,787	8,164,148
Direction of Business	328,933	-	-	-	328,933
Fiscal	837,803	-	-	-	837,803
Operations and Maintenance	12,213,671	-	-	164,918	12,378,589
Facilities Acquisition and Remodeling	1,497,147	-	24,961,828	173,636	26,632,611
Pupil Transportation	7,071,947	-	-	674,509	7,746,456
Food Services	-	-	-	5,690,892	5,690,892
Internal Services	329,899	-	-	-	329,899
Central Services	2,025,617	-	-	2,929	2,028,546
Insurance and Judgements	1,076,559	-	-	369	1,076,928
Debt Services:					
Principal	1,157,077	7,600,000	-	-	8,757,077
Interest	64,120	5,674,984	-	-	5,739,104
Paying Agent Fees	1,425	-	-	-	1,425
Community Services	-	-	-	1,163,262	1,163,262
Other Support Services	<u>6,898,796</u>	<u>-</u>	<u>-</u>	<u>70,756</u>	<u>6,969,552</u>
Total Support Services	<u>67,891,363</u>	<u>13,274,984</u>	<u>24,961,828</u>	<u>8,317,328</u>	<u>114,445,503</u>
Non-Program:					
Purchased Instructional Services	14,482,117	-	-	3,793	14,485,910
Other Non-Program Transactions	185,317	-	-	22,278	207,595
Total Non-Program	<u>14,667,434</u>	<u>-</u>	<u>-</u>	<u>26,071</u>	<u>14,693,505</u>
Total Expenditures	<u>177,017,672</u>	<u>13,274,984</u>	<u>24,961,828</u>	<u>9,356,790</u>	<u>224,611,274</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(7,508,917)	65,343	(21,057,104)	233,584	(28,267,094)
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Proceeds	<u>196,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,682</u>
<b>NET CHANGE IN FUND BALANCES</b>	(7,312,235)	65,343	(21,057,104)	233,584	(28,070,412)
Fund Balances - Beginning of Year	<u>41,074,247</u>	<u>3,337,418</u>	<u>98,288,407</u>	<u>6,825,537</u>	<u>149,525,609</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 33,762,012</u>	<u>\$ 3,402,761</u>	<u>\$ 77,231,303</u>	<u>\$ 7,059,121</u>	<u>\$ 121,455,197</u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Total Net Change in Fund Balances - Governmental Funds \$ (28,070,412)

Amounts reported for governmental activities in the statement of activities are different because:

The acquisition of capital assets is 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 useful lives as annual depreciation/amortization expense in the statement of activities.

Capital outlays reported in the governmental fund statements	\$ 26,336,609	
Depreciation/Amortization expense reported in the statement of activities	<u>(8,914,656)</u>	
Net change in capital assets		17,421,953

Pension expenditures in the governmental funds are measured by current year employee contributions. Pension expenses on the statement of activities are measured by the change in net pension asset/liability and the related deferred outflows and inflows of resources.		1,791,193
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OPEB expenditures in the governmental funds are measured by current year employee contributions. OPEB expenses on the statement of activities are measured by the change in net OPEB asset/liability and the related deferred outflows and inflows of resources.		1,804,032
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but it 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 principal payments	7,600,000	
The amount of lease liability principal payments	127,345	
The amount of financed purchase agreement principal payments	<u>1,029,732</u>	8,757,077

Proceeds of long-term debt is reported in the governmental funds as an other financing source, but is reported as an increase in long-term debt in the statement of net position.

The amount of General Obligation Bonds, Notes and Lease proceeds		(196,682)
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**EAU CLAIRE AREA SCHOOL DISTRICT  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

Total Net Change in Fund Balances - Governmental Funds (Continued)

Governmental funds report the effect of certain debt related items (premiums, discounts, and similar items) when debt is first issued, whereas these amounts are amortized in the statement of activities.

The net effect of these differences in the current year is: \$ 908,411

In governmental funds, interest payments on long-term debt are reported as an expenditure when due. In the statement of activities, interest is reported as incurred.

The amount of interest paid during the current period	\$ 5,739,104	
The amount of interest accrued during the current period	<u>(5,378,651)</u>	

Amount of interest over interest accrued 360,453

In the statement of activities, compensated absences are measured by the amount earned during the year. In the governmental funds, however, expenditures for those items are measured by the amount of financial resources resources used (essentially the amounts actually paid).

Amount by which the liability for vacation pay changed in the current period		<u>(24,181)</u>
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Change in Net Position - Governmental Activities		<u><u>\$ 2,751,844</u></u>
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**EAU CLAIRE AREA SCHOOL DISTRICT  
STATEMENT OF NET POSITION – FIDUCIARY FUNDS  
JUNE 30, 2024**

	Employee Benefit Trust	Custodial Fund
<b>ASSETS</b>		
Cash and Investments	\$ 47,975	\$ 57,313
Accounts Receivable	7,755	-
Due from Other Funds	4,207,371	-
Total Assets	4,263,101	57,313
<b>LIABILITIES</b>		
Accounts Payable	166	-
Health Benefit Claims Payable	13,615	-
Total Liabilities	13,781	-
<b>NET POSITION</b>		
Restricted	\$ 4,249,320	\$ 57,313

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT  
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Employee Benefit Trust	Custodial Fund
<b>ADDITIONS</b>		
School Activity Income	\$ -	\$ 6,603
Donations	-	7,313
Investment Income	149,069	142
Other Miscellaneous Revenue	-	7,424
District Contributions	5,407,371	-
Plan Member Contributions	177,043	-
Total Additions	5,733,483	21,482
<b>DEDUCTIONS</b>		
Other Instruction	-	28,206
Administrative Expenses	11,881	-
Benefit Payments to Plan Members	6,111,003	-
Other Adjustments	138	-
Total Deductions	6,123,022	28,206
<b>CHANGE IN NET POSITION</b>	(389,539)	(6,724)
Net Position - Beginning of Year	4,638,859	64,037
<b>NET POSITION - END OF YEAR</b>	\$ 4,249,320	\$ 57,313

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. Reporting Entity**

The District is organized as a unified school district. The District, governed by a seven member elected school board, operates grades pre-Kindergarten through twelve and is comprised of all or parts of fourteen taxing districts.

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

The basic financial statements of the District consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the District.

**C. Government-Wide and Fund Financial Statements**

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

**Government-Wide Statements**

The statement of net position and the statement of activities present financial information about the District's governmental type activities. The District had no business-type activities for the reporting year. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.



**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Government-Wide and Fund Financial Statements (Continued)**

**Government-Wide Statements (Continued)**

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 of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements**

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District has the following major governmental funds:

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

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

**Capital Projects Fund** – The Capital Projects Fund is used to account for the acquisition and construction of major capital projects.

Additionally, the District reports the following fiduciary funds:

**Employee Benefit Trust Funds** – The Employee Benefit Trust Funds are used to account for resources held in trust for the District's formally established employee benefit plans.

**Custodial Fund** – The Custodial Fund is used to account for assets held on behalf of other organizations.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting**

The government-wide and fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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 governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and leases are reported as other financing sources.

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

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

**1. Deposits and Investments**

Investments by the District are stated at fair value. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

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

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund.

Donations to the District of securities or other property are considered trust funds and are invested as the donor specifies. In the absence of any specific directions, the District may invest the donated items in accordance with the laws applicable to trust investments.

**2. Receivables and Payables**

**Property Taxes.** Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. The county treasurer who then makes settlement with the city, town, village and school districts before retaining any for county purposes collects second installment real estate taxes and delinquent taxes.

The District's property taxes are levied on or before October 31 on the equalized property valuation certified by the Department of Revenue. 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 31st, and a final payment no later than the following July 31st. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15th, and by the 20th of each subsequent month thereafter. On or before August 20th, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

Property taxes are recognized as revenue in the period for which taxes are levied. The 2023 tax levy is used to finance operations of the District's fiscal year ended June 30, 2024. All property taxes are considered due on January 1st, 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 30th and are available to pay current liabilities.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**2. Receivables and Payables (Continued)**

**Accounts Receivable.** All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

**Interfund Balances.** The current portion of lending/borrowing arrangements between funds is identified as “due to/from other funds”. The non-current portion of outstanding balances between funds is reported as “advances to/from other funds”. Advances between funds are classified as nonspendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources. For government-wide financial statements, eliminations were made for amounts due to and due from within the various governmental funds.

**3. Inventories and Prepaid Items**

Expendable supplies or non-capital items acquired for initial use in subsequent fiscal periods are recorded as inventories and/or prepaid expenses. Inventory is valued at cost using the first-in, first-out method. The cost of inventory is recorded as an expenditure when consumed rather than when purchased.

**4. Capital Assets**

Capital assets are reported at actual cost. Donated assets are reported at estimated acquisition value at the time received. The District maintains a threshold level of \$5,000 for capitalizing capital assets.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Capital assets and right to use assets are recorded in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated/amortized using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed for public school purposes by the District, no salvage value is taken into consideration for depreciation/amortization purposes. Useful lives vary from 20 to 50 years for land improvements and buildings and 5 to 20 years for equipment.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives is not capitalized.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**4. Capital Assets (Continued)**

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Capital assets not being depreciated include land and construction in progress.

**5. Deferred Outflows of Resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources for pension and OPEB related items.

**6. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources for pension and OPEB related items.

**7. Compensated Absences**

It is the District's policy to permit employees to accumulate paid leave benefits. Employees accumulate vacation benefits at various rates depending on bargaining group and length of service. Liabilities for accumulated employee leave benefits are not accrued in the District's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide financial statements when earned. The District's policies and estimated liabilities at year-end are further discussed in Note 5.B.

**8. Other Postemployment Benefits**

*Single-Employer Plan.* Under the various employee and union contracts the District pays a portion of their retirees' health insurance premiums until they are Medicare eligible. The amount to be incurred is limited as specified by contract. The District funds these premiums through an irrevocable trust. This amount was actuarially determined.

**EAU CLAIRE AREA SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**8. Other Postemployment Benefits (Continued)**

*Multiple-Employer Cost-Sharing 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.

**9. Pension Plan Benefits**

*Single-Employer Plan.* Under the various employee and union contracts the District provides a supplemental retirement program that offers a cash payout if certain age requirements are met. This program is funded on a pay-as-you-go basis through an irrevocable trust. The net pension liability and related deferred outflows and inflows of resources were actuarially determined.

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

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**10. Long-Term Obligations**

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. As required by state statute, premium and accrued interest received as part of the proceeds are recorded in the debt service fund.

**11. Use of Restricted Resources**

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

**12. Equity Classifications**

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

**Government-Wide Statements.** Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**12. Equity Classifications (Continued)**

**Fund Financial Statements.** In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board. Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. The District does not have a policy on minimum unassigned fund balance.

Committed fund balance is required to be established, modified, or rescinded by resolution of the School Board prior to each year end. Based on resolution of the School Board, the Executive Director of Business Services has the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the District's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the District's policy to use committed, assigned and finally unassigned fund balance.



**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliations of the governmental fund activities to the government-wide financial statements are included.

**NOTE 3 STEWARDSHIP AND ACCOUNTABILITY**

**Budgetary Accountability**

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control are exercised at the two-digit subfunction level in the General Fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by 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 a reserved fund balance.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The Debt Service Fund and Capital Projects Fund account for their transactions through separate and distinct bank and investment accounts as recommended by the Department of Public Instruction. In addition, fiduciary funds use separate and distinct accounts. All other funds share in common cash and investment accounts.

The District's cash and investments balances at June 30, 2024 were shown in the financial statements as follows:

Governmental Funds	\$ 124,004,411
Fiduciary Funds:	
Employee Benefit Trust	47,975
Custodial Fund	57,313
Total	<u>\$ 124,109,699</u>

The above balances at June 30, 2024 consisted of the following:

Treasurer's Cash and Investments:	
Cash	\$ 3,900
Deposits at Financial Institutions	1,080,374
ADM Certificates of Deposit	44,750,000
Insured Cash Sweep	35,902,575
Managed Money Market Funds	40,160,546
Mutual Funds	61,192
OPEB Trust Money Market Fund	511,771
OPEB Mutual Funds	1,190,844
WISC Investment Series	447,535
Investments in State Local Government	
Pooled - Investment Fund	962
Total Cash and Investments	<u>\$ 124,109,699</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Deposits at Financial Institutions**

The District's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and up to an additional \$250,000 for demand accounts for all accounts at a particular financial institution. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the party for whom the funds are held. Coverage under the State Guarantee Fund may not exceed \$1,000,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the District to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

American Deposit Management Company. The District issued a General Obligation Bond during 2022-23 for the purpose of several capital projects related to school building renovations. The proceeds of these bonds were placed in an investment account with American Deposit Management Company (ADM). The investment accounts at June 30, 2024 consist of individual certificates of deposits with various financial institutions totaling \$44,750,000 and managed money market funds of \$40,160,546.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2024, the District's deposits were not exposed to custodial credit risk.

**Deposits in Insured Cash Sweep Account.** The District has invested funds in an insured cash sweep account. Funds are placed with a network member and dispersed to demand deposit accounts and/or money market accounts at several member institutions. The placement of funds occurs in increments below the standard federal depository insurance maximum of \$250,000. Interest is earned on a daily basis and withdrawals are generally available on the day of the request.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Investments (Continued)**

The District's investments at June 30, 2024 consisted of deposits in the following external investment pool:

**Deposits in State Local Government Pooled-Investment Fund.** The state of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for twelve-month period ended June 30, 2024 was approximately 17 days.

**Deposits in Wisconsin Investment Series Cooperative (WISC).** WISC was established in 1988 by school officials pursuant to an Intergovernmental Cooperation Agreement designed specifically for investment of funds by participating Wisconsin public entities. Its portfolio of investments consists solely of securities and instruments in which public entities are permitted to invest. The WISC board of commissioners, comprised of superintendents and business officials of participating entities, have contracted with Bank One, NA to act as investment advisor. The District's investment consists of deposits in WISC's Investment Series, an investment account designed to meet liquidity. The District's funds are generally available on a daily basis.

**Credit Risk**

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

As of June 30, 2024, the District's investments were rated as follows:

<u>Type</u>	<u>Credit Rating</u>	<u>Amount</u>
ADM Certificates of Deposit	Not Rated	\$ 44,750,000
Managed Money Market Funds	Not Rated	40,160,546
Mutual Funds	Not Rated	61,192
OPEB Trust Money Market Fund	Not Rated	511,771
OPEB Mutual Funds	Not Rated	1,190,844
WISC Investment Series	Not Rated	447,535
Local Government Investment Pool	Not Rated	962
Total		<u><u>\$ 87,122,850</u></u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. As of June 30, 2024, the District's investments maturities were as follows:

<u>Type</u>	<u>Total</u>	<u>&lt; 1 Year</u>	<u>1 to 3 years</u>	<u>&gt; 3 Years</u>
Fiscal Money Market	\$ -	\$ -	\$ -	\$ -
ADM Certificates of Deposit	44,750,000	44,750,000	-	-
Managed Money Market Funds	40,160,546	40,160,546	-	-
Mutual Funds	61,192	61,192	-	-
OPEB Trust Money Market Fund	511,771	511,771	-	-
OPEB Mutual Funds	1,190,844	1,190,844	-	-
WISC Investment Series	447,535	447,535	-	-
Local Government Investment Pool	962	962	-	-
Total	<u>\$ 87,122,850</u>	<u>\$ 87,122,850</u>	<u>\$ -</u>	<u>\$ -</u>

**Fair Value Measurements**

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

*Level 2* – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Fair Value Measurements (Continued)**

The District's assets as of June 30, 2024 were categorized as follows:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 61,192	\$ -	\$ -	\$ 61,192
OPEB Mutual Funds	1,190,844	-	-	1,190,844
Total	<u>\$ 1,252,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,252,036</u>
Investments at Amortized Cost:				
Managed Money Market Funds				40,160,546
OPEB Trust Money Market Fund				511,771
WISC Investment Series				447,535
ADM Certificates of Deposit				44,750,000
Local Government Investment Pool				962
Total				<u>\$ 87,122,850</u>

**B. Capital Assets**

Changes in the capital assets for the year ended June 30, 2024 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets:				
Land	\$ 2,262,174	\$ -	\$ -	\$ 2,262,174
Land Improvements	13,402,696	250,545	-	13,653,241
Buildings and Improvements	199,214,140	1,746,131	-	200,960,271
Furniture and Equipment	17,808,543	698,839	(91,356)	18,416,026
Right of Use Assets	1,336,018	194,576	-	1,530,594
Work in Progress	2,681,028	26,127,546	(2,681,028)	26,127,546
Total Capital Assets	<u>236,704,599</u>	<u>29,017,637</u>	<u>(2,772,384)</u>	<u>262,949,852</u>
Accumulated Depreciation/Amortization:				
Land Improvements	5,618,616	600,711	-	6,219,327
Buildings and Improvements	101,884,566	5,756,369	-	107,640,935
Furniture and Equipment	11,164,712	2,339,929	(91,356)	13,413,285
Right of Use Assets	461,179	217,647	-	678,826
Total Accumulated Depreciation/Amortization	<u>119,129,073</u>	<u>8,914,656</u>	<u>(91,356)</u>	<u>127,952,373</u>
Governmental Activities Capital Assets				
Net of Accumulated Depreciation/Amortization	<u>\$ 117,575,526</u>	<u>\$ 20,102,981</u>	<u>\$ (2,681,028)</u>	<u>\$ 134,997,479</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets (Continued)**

Depreciation/amortization was charged to governmental functions as follows:

Instruction:		
Regular Instruction		\$ 929,060
Vocational Instruction		10,500
Physical Instruction		25,755
Special Instruction		2,541
Co-curricular		19,502
Support Services:		
Pupil Services		2,936
Instructional Staff Services		1,356
Operation & Maintenance		406,336
Facilities Acquisition & Remodeling		6,331,609
Pupil Transportation		14,931
Food Services		50,339
Internal Services		14,604
Central Services		32,628
Other Support Services		1,072,559
Total Depreciation/Amortization for Governmental Activities		<u>\$ 8,914,656</u>

**C. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2024 was as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Employee Benefit Trust Funds	\$ 3,989,291
Food Service Fund	Employee Benefit Trust Funds	214,122
Community Service Fund	Employee Benefit Trust Funds	3,958
General Fund	Other Special Projects Fund	78,369
Total		<u>\$ 4,285,740</u>

The amount from the general fund to the other special projects fund represents financing of a cash overdraft in the latter. The remaining items are for contributions to the employee benefits trust made after year end.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

**Changes in Long-Term Obligations**

Changes in long-term obligations of the District for the year ended June 30, 2024 were as follows:

	Balances July 01, 2023	Additions	Reductions	Balances June 30, 2024	Amounts Due Within One Year
Long-Term Debt					
General Obligation Bonds and Notes	\$ 127,920,000	\$ -	\$ (7,600,000)	\$ 120,320,000	\$ 5,615,000
Add: Debt Premium	9,310,227	-	(908,411)	8,401,816	952,571
Subtotal	137,230,227	-	(8,508,411)	128,721,816	6,567,571
Other Long-Term Obligations:					
Lease Liability	551,172	196,682	(127,345)	620,509	135,902
Financed Purchase Liability	1,029,732	-	(1,029,732)	-	-
Vested Employee Benefits	515,273	190,626	(166,445)	539,454	539,454
Subtotal	2,096,177	387,308	(1,323,522)	1,159,963	675,356
Total	<u>\$ 139,326,404</u>	<u>\$ 387,308</u>	<u>\$ (9,831,933)</u>	<u>\$ 129,881,779</u>	<u>\$ 7,242,927</u>

The accrued employee leave is generally liquidated from the general fund and special revenue funds. The District's accrued employee leave is discussed in Note 5.B.

**Security and Default**

All of the taxable property in the District is subject to the levy of a tax to pay the principal and interest on the debt as it becomes due. The levy, under current tax law, may be levied without limitation to rate or amount.

**General Obligation Debt**

The individual long-term debt issues of the District outstanding at June 30, 2024 were as follows:

<u>Description</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Indebtedness</u>	<u>Amount Outstanding</u>
2017 G.O. School Improvement Bonds	4/17/2017	2.0-4.0	4/1/2031	\$ 25,000,000	\$ 13,765,000
2017 G.O. Refunding Bonds	12/28/2017	2.0-5.0	4/1/2028	25,150,000	18,670,000
2023 G.O. Refunding Bonds	3/9/2023	3.625-5.0	4/1/2042	91,595,000	87,885,000
Total General Obligation Debt					<u>\$ 120,320,000</u>



**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2024 follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 5,615,000	\$ 5,088,168	\$ 10,703,168
2026	6,025,000	4,824,919	10,849,919
2027	6,455,000	4,541,768	10,996,768
2028	6,920,000	4,256,618	11,176,618
2029	7,405,000	3,949,819	11,354,819
2030	5,045,000	3,620,369	8,665,369
2031	5,255,000	3,410,519	8,665,519
2032	6,980,000	3,237,619	10,217,619
2033	7,440,000	2,888,619	10,328,619
2034	7,925,000	2,516,619	10,441,619
2035	6,010,000	2,120,369	8,130,369
2036	6,255,000	1,879,969	8,134,969
2037	6,510,000	1,629,769	8,139,769
2038	6,760,000	1,369,369	8,129,369
2039	7,015,000	1,124,319	8,139,319
2040	7,285,000	861,256	8,146,256
2041	7,565,000	588,069	8,153,069
2042	7,855,000	304,381	8,159,381
Total	<u>\$ 120,320,000</u>	<u>\$ 48,212,535</u>	<u>\$ 168,532,535</u>

The 2023 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$11,118,681,510. The legal debt limit and margin of indebtedness as of June 30, 2024 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes is as follows:

Total Equalized Value (TIDIN)	\$ 11,118,681,510
	10.00%
Calculated Debt Limit	<u>1,111,868,151</u>
Deduct Long Term Debt Applicable to Debt Margin	<u>120,320,000</u>
Margin of Indebtedness	<u>\$ 991,548,151</u>

**E. Short-Term Notes Payable**

The District maintains temporary notes payable to use for cash flow purposes. On November 27, 2023, the District entered into a revolving line of credit. The maximum draw amount is \$7,000,000, with any outstanding balance accruing interest at 8.50% and due by November 1, 2024. Changes in temporary notes payable of the District for the year ended June 30, 2024 were as follows:

<u>Description</u>	<u>Balance 7/1/23</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance 6/30/24</u>
Line of Credit	<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>\$ -</u>	<u>\$ 4,000,000</u>

On November 4, 2024, the District entered into a revolving line of credit for cash flow purposes. The maximum draw amount is \$7,000,000 with any outstanding balance accruing interest at the Wall Street Journal Prime Rate plus 0%, not to be less than 5% or to exceed 9%, and due November 1, 2025.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations (Continued)**

**Lease Liability**

The District entered into right-to-use lease arrangements with Enterprise FM Trust and with Ken Vance Motors Inc. for the purchase of vehicles. The District also entered into a right-to-use lease arrangement with Eastridge Center LLC for the purchase of building space. The District used the incremental borrowing rate for the right-to-use agreements if an interest rate was not provided in the lease agreement.

The District leases are for various terms under long-term, noncancelable lease arrangements. The leases expire at various dates through 2032.

The principal and interest costs for such leases for governmental funds was \$163,287 for the year ended June 30, 2024. The future lease payments for these agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 135,902	\$ 29,629	\$ 165,531
2026	116,129	22,421	138,550
2027	78,658	18,479	97,137
2028	76,507	16,089	92,596
2029	67,399	9,917	77,316
2030	60,772	4,283	65,055
2031	64,415	1,942	66,357
2032	20,727	104	20,831
Total	<u>\$ 620,509</u>	<u>\$ 102,864</u>	<u>\$ 723,373</u>

**E. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at June 30, 2024 consisted of the following:

	<u>Total</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
Major Funds:					
General Fund:					
Nonspendable Prepaid Items and Inventory	\$ 1,413,166	\$ 1,413,166	\$ -	\$ -	\$ -
Assigned for Self Insurance	1,216,377	-	-	1,216,377	-
Unassigned	31,132,469	-	-	-	31,132,469
Debt Service Fund	3,402,761	-	3,402,761	-	-
Capital Projects Fund	77,231,303	-	77,231,303	-	-
Nonmajor Funds:					
Special Revenue Funds:					
Donor Restricted Purposes	1,373,816	40,964	1,332,852	-	-
Other Special Projects	-	369	-	-	(369)
Food Service Program	3,795,912	77,046	3,718,866	-	-
Community Service Programs	1,889,393	578	1,888,815	-	-
Subtotal Nonmajor Funds	<u>7,059,121</u>	<u>118,957</u>	<u>6,940,533</u>	<u>-</u>	<u>(369)</u>
Total Governmental Funds Balances at June 30, 2024	<u>\$ 121,455,197</u>	<u>\$ 1,532,123</u>	<u>\$ 87,574,597</u>	<u>\$ 1,216,377</u>	<u>\$ 31,132,100</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION**

**A. Wisconsin Retirement System Pension Plan Benefits**

**General Information about the Pension Plan**

*Plan Description.* The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

*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.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**General Information about the Pension Plan (Continued)**

*Contributions.* Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. 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 July 1, 2023 through June 30, 2024, the WRS recognized \$6,304,473 in contributions from the employer.

Contribution rates as of June 30, 2024 are:

	<b>Employee</b>	<b>Employer</b>
General (Including Teachers)	6.90%	6.90%

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**General Information about the Pension Plan (Continued)**

At June 30, 2024, the District reported a liability of \$6,393,583 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. 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 was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 0.43002135 percent, which was an increase of 0.01246936 percent from its proportion measured as of December 31, 2022.

**Pension Asset/Liability, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the District recognized pension expense of \$4,389,907. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 25,778,863	\$ 34,144,263
Changes of Assumptions	2,786,779	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	22,280,598	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	107,272	90,183
District Contributions Subsequent to the Measurement Date	3,319,432	-
Total	<u>\$ 54,272,944</u>	<u>\$ 34,234,446</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Asset/Liability, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

\$3,319,432 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2025	\$ 3,426,490
2026	3,614,624
2027	13,977,434
2028	(4,299,482)
2029	-

*Actuarial assumptions.* The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
	January 1, 2018 - December 2020
Experience Study:	Published November 19, 2021
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% - 5.6%
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.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Asset/Liability, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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 tables:

	Target Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Core Fund Asset Class:			
Public Equity	40 %	7.3 %	4.5 %
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage	(12)	3.7	1.0
Total Core Fund	<u>100 %</u>	7.4	4.6
Variable Fund Asset:			
Domestic Equities	70 %	6.8 %	4.0 %
International Equities	30	7.6	4.8
Total Variable Fund	<u>100 %</u>	7.3	4.5

*Discount rate.* A single discount rate of 6.8% was used to measure the Total Pension Liability, for the current and prior year. The single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 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. 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.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**A. Wisconsin Retirement System Pension Plan Benefits (Continued)**

**Pension Asset/Liability, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8 percent, as well as what the 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 (5.8 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 61,797,070	\$ 6,393,583	\$ (32,374,580)

*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>.

*Payable to the pension plan.* At June 30, 2024, the District reported a payable of \$1,085,663 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2024.

**B. Vested Employee Benefits**

The District's policy on allowing accumulated leave benefits to vest is based upon individual contracts. Accumulated benefits are recorded as an expenditure in the fund financial statements in the year used. The District's liability in the government-wide financial statements for vested employee benefits at June 30, 2024 was estimated at \$539,454.

**C. Other Postemployment Benefit Plan**

**Single-Employer Plan Description**

The District offers a single-employer defined benefit retirement plan. The District provides these health insurance benefits to certain employees according to negotiated agreements. The amounts vary based on age, years of service, and classification of employees. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	249
Active Plan Members	310
Total	559



**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (Continued)**

**Single-Employer Plan Description (Continued)**

***Investments***

*Investment policy.* The Eau Claire Area School District's board policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board that all investments shall be made and administered in compliance with legal requirements, sections 25.50, 34.05, 34.08, 66.06.07, 120.11(3), 120.12(7), 120.16(5) Wisconsin State Statutes and other regulatory authorities. All trust fund assets were held in institutional government securities trust money market funds.

*Rate of Return.* For the year ended June 30, 2024, the annual money-weighted rate of return, net of investment expense, was 3.31 percent.

The plan does not issue a stand-alone report.

**Net OPEB Liability**

Total OPEB Liability - Ending (a)	\$ 46,237,344
Plan Fiduciary Net Position - Ending (b)	3,941,501
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 42,295,843</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.52%
--	-------

The District's total OPEB liability and net OPEB liability for June 30, 2024 is based upon the liability calculated at the June 30, 2023 actuarial valuation rolled forward to the measurement date of June 30, 2024.

***Actuarial Assumptions***

The total OPEB liability for June 30, 2023, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level \$
Remaining Amortization Period	21 Years
Asset Valuation Method	Market Value
Inflation	2.25 Percent
Salary Increases	3.00 Percent, Average, Including Inflation
Investment Rate of Return	2.25 Percent
Discount Rate	3.93 percent
Retirement Age	Early Retirement - Age 55 years Regular Retirement - Age 57 years (30 or more years of services)
Mortality	Wisconsin Retirement System Experience Study Report for Public Schools dated November 19, 2021
Healthcare Cost Trend Rates	7.00% decreasing by 0.50% per year down to 6.00%, then by 0.10% per year down to 5.00%, and thereafter

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (Continued)**

**Net OPEB Liability (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

***Discount Rate***

The discount rate used to measure the total OPEB liability was 3.93 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Further, the discount rate was determined by looking at actual investment returns for the last three years and take the rounded average, therefore a discount rate of 3.65 percent was used in calculating the District's OPEB liabilities.

**Changes in the Net OPEB Liability**

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances at June 30, 2023	\$ 53,283,810	\$ 4,178,857	\$ 49,104,953
Changes for the year:			
Service Cost	1,527,843	-	1,527,843
Interest	1,843,648	-	1,843,648
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(3,502,430)	-	(3,502,430)
Changes of Assumptions or Other Input	(1,392,385)	-	(1,392,385)
Contributions - Employer	-	5,162,326	(5,162,326)
Net Investment Income	-	134,287	(134,287)
Benefit Payments	(5,523,142)	(5,523,142)	-
Administrative Expense	-	(10,827)	10,827
Net Changes	<u>(7,046,466)</u>	<u>(237,356)</u>	<u>(6,809,110)</u>
Balances at June 30, 2024	<u>\$ 46,237,344</u>	<u>\$ 3,941,501</u>	<u>\$ 42,295,843</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (Continued)**

***Sensitivity of the net OPEB liability to changes in the discount rate***

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB Liability	\$ 44,139,428	\$ 42,295,843	\$ 40,482,002

***Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates***

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.0% decreasing to 5.0%)	1% Increase (8.0% decreasing to 6.0%)
Net OPEB Liability	\$ 41,186,967	\$ 42,295,843	\$ 43,498,713

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2024, the District recognized OPEB revenue of \$2,995,882 and reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 3,452,545	\$ 2,678,328
Changes of Assumptions or Other Input	435,392	2,641,014
Net Difference Between Projected and Actual Earnings on OPEB Investments	65,462	34,429
Total	\$ 3,953,399	\$ 5,353,771

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefit Plan (Continued)**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)***

The above amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year Ended June 30,	OPEB Expense Amount
2025	\$ (309,362)
2026	(329,938)
2027	(708,351)
2028	(52,721)

**D. Supplemental Pension Plan**

**Plan Description**

The District offers a single-employer defined benefit supplemental retirement plan to certain employees wherein the retiree receives a monthly stipend for a period of 60 months. The District provides these stipends according to negotiated agreements. The amounts vary based on age, years of service, and classification of employees. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	61
Inactive Plan Members Entitled to But Not Yet Receiving Benefit Payments	-
Active Plan Members	196
Total	257

***Investments***

*Investment policy.* The District's board policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board that all investments shall be made and administered in compliance with legal requirements, sections 25.50, 34.05, 34.08, 66.06.07, 120.11(3), 120.12(7), 120.16(5) Wisconsin State Statutes and other regulatory authorities. All trust fund assets were held in institutional government securities trust money market funds.

*Rate of Return.* For the year ended June 30, 2024, the annual money-weighted rate of return, net of investment expense, was 3.31 percent.

The plan does not issue a stand-alone report.

**Contributions**

The District funds its pension liability through a separate employee trust fund. For fiscal year 2024, the District contributed an estimated \$245,045 to the plan.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**D. Supplemental Pension Plan (Continued)**

**Net Pension Liability**

Total Pension Liability - Ending (a)	\$ 3,681,415
Plan Fiduciary Net Position - Ending (b)	307,819
District's Net Pension Liability - Ending (a) - (b)	\$ 3,373,596

Plan Fiduciary Net Position as a Percentage of the Total 8.36%

The District's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024.

*Actuarial assumptions.* The total pension liability for June 30, 2024, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level \$
Remaining Amortization Period	21 Years
Asset Valuation Method	Market Value
Inflation	2.25 Percent
Salary Increases	3.00 Percent, Average, Including Inflation
Investment Rate of Return	2.25 Percent
Discount Rate	3.93 percent
Retirement Age	Early Retirement - Age 55 years Regular Retirement - Age 57 years (30 or more years of services)
Mortality	Wisconsin Retirement System Experience Study Report for Public Schools dated November 19, 2021

The long-term expected rate of return on pension plan investments was determined based on the 20-year AA municipal bond rate as published by the Federal Reserve as of the week of the measurement date. Given this information and based upon the actuary's determination that the level of asset in the District's trust will remain sufficient to pay future retiree benefits, the District determined a 2.25 percent long-term expected rate of return to be reasonable for valuation purposes.

***Discount Rate***

The discount rate used to measure the total pension liability was 3.93 percent. This discount rate was determined by using a split interest rate based on the estimated investment return on the irrevocable trust for the funded portion of liabilities and the estimated 20-year AA-rated municipal bonds for the unfunded portion of liabilities.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**D. Supplemental Pension Plan (Continued)**

**Changes in the Net Pension Liability (Continued)**

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at Beginning of Year	\$ 2,672,595	\$ 460,002	\$ 2,212,593
Changes for the Year:			
Service Cost	77,595	-	77,595
Interest	93,827	-	93,827
Differences between expected and actual experience	1,298,712	-	1,298,712
Changes of assumptions or other input	(50,496)	-	(50,496)
Contributions - Employer	-	245,045	(245,045)
Net Investment Income	-	14,782	(14,782)
Benefit Payments	(410,818)	(410,818)	-
Administrative Expense	-	(1,192)	1,192
Net Changes	<u>1,008,820</u>	<u>(152,183)</u>	<u>1,161,003</u>
Balances at End of Year	<u>\$ 3,681,415</u>	<u>\$ 307,819</u>	<u>\$ 3,373,596</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following table presents the net pension liability of the District, calculated using the discount rate of 3.93%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93% than the current rate):

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Net Pension Liability	<u>\$ 3,501,040</u>	<u>\$ 3,373,596</u>	<u>\$ 3,248,599</u>

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the District recognized pension expense of \$346,824. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources as related to pensions from the following sources:

<u>Description</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,332,220	\$ 157,090
Changes of Assumptions	147,736	197,442
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,125	3,758
Total	<u>\$ 1,485,081</u>	<u>\$ 358,290</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**D. Supplemental Pension Plan (Continued)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2025	\$ 183,237
2026	243,241
2027	229,184
2028	221,286
2029	222,170
Thereafter	27,673

The District's collective pension liability for the single-employer plan and multiple-employer plan was \$9,767,179 at June 30, 2024. Total collective pension expense for both plans was \$4,736,731 for 2023-2024.

**E. Other Postemployment Benefits – Multiple Employer Plan**

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

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

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**E. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

Contribution rates as of June 30, 2024 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2022 are:

<u>Attained Age</u>	<u>Basic</u>
Under 30	\$ 0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$23,493 in contributions from the District.

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

At June 30, 2024, the District reported a liability of \$5,130,760 its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. 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 was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the District's proportion was 1.11522400 percent, which was an increase of 0.01776400 percent from its proportion measured as of December 31, 2022.



**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**E. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$385,790. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 454,087
Changes of Assumptions	1,604,946	2,020,383
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	69,314	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	106,860	119,230
District Contributions Subsequent to the Measurement Date	11,853	-
Total	<u>\$ 1,792,973</u>	<u>\$ 2,593,700</u>

\$11,853 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$ (52,976)
2025	8,967
2026	(183,919)
2027	(344,916)
2028	(309,913)
Thereafter	70,177

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**E. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

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

*Actuarial assumptions.* The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.26%
Long-Term Expected Rate of Return	4.25%
Discount Rate	3.32%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table

\*Based on the Bond Buyers GO Index 20-Bond Municipal Index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 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.

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interim Credit	40%	2.32%
U.S. Mortgages	Bloomberg U.S. MBS	60%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**E. Other Postemployment Benefits – Multiple Employer Plan (Continued)**

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

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate remained unchanged from the prior year at 2.30%.

*Single Discount rate.* A single discount rate of 3.32% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. 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, 2036.

*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 3.32 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 (2.32 percent) or 1-percentage-point higher (4.32 percent) than the current rate:

	1% Decrease (2.32%)	Current Discount Rate (3.32%)	1% Increase (4.32%)
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 6,893,891	\$ 5,130,760	\$ 3,784,920

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan’s fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

The District’s collective OPEB liabilities for these two plans at June 30, 2024 was \$47,426,603. Total OPEB expense for the single-employer plan was \$2,995,882 and total OPEB expense for the multiple-employer plan was \$385,790 for 2023-2024.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**F. Limitation on School District Revenues**

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is based on pupil count and is limited to the amount approved by legislative action unless a higher amount has been approved by a referendum. The State also placed a limit on the decrease in the annual revenue cap due to declining enrollments. The State further allows an exemption equal to 75% of the prior year unused allowable revenue.

This limitation does not apply to revenues needed for payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

- A resolution of the school board or by a referendum prior to August 12, 1993.
- A referendum on or after August 12, 1993.

**G. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There were no significant reductions in coverage during the past fiscal year and settled claims have not exceeded commercial coverage in any of the past three years.

**H. Self-Funded Dental Insurance**

On July 1, 2011, the District established a self-funded dental benefit plan for its employees. The Plan Administrator, Delta Dental (“Administrator”), is responsible for the approval, processing and payment of claims. The District is also responsible for a monthly administrative fee. The Plan reports on a fiscal year ending June 30. Accounting and budgeting requirements of the Plan are established by the Wisconsin Department of Public Instruction. Currently the Plan is accounted for in the general fund of the District.

Changes in claims liability amount for the last three fiscal years, were as follows:

	Claims Payable July 1	Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
Year Ended June 30, 2024	\$ 114,499	\$ 1,770,344	\$ (1,749,607)	\$ 135,236
Year Ended June 30, 2023	96,950	1,883,209	(1,865,660)	114,499
Year Ended June 30, 2022	80,131	1,882,464	(1,865,645)	96,950

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**H .Self-Funded Dental Insurance (Continued)**

The claims liability reported above are based upon the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statement indicated that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated.

The District has not received an actuarial certification attesting to the adequacy of the reserves, rates, and the overall financial soundness of the plan.

**I. Contingencies**

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

The District participates in various federal and state grant programs, which are subject to program compliance audits. Accordingly, the District's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District anticipates such amounts, if any, will be immaterial.

**J. Contract Commitments**

The District has various contracts outstanding for buildings and grounds maintenance projects. The District's total remaining commitment under these contracts at June 30, 2024 is \$34,144,335.

**REQUIRED SUPPLEMENTARY INFORMATION**

**EAU CLAIRE AREA SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local	\$ 55,673,377	\$ 55,726,733	\$ 55,825,964	\$ 99,231
Interdistrict	3,311,194	3,311,194	3,185,513	(125,681)
Intermediate	-	44,339	47,339	3,000
State	92,852,632	94,039,075	93,900,411	(138,664)
Federal	11,974,799	14,457,287	14,579,021	121,734
Other	1,484,536	1,484,536	1,970,507	485,971
Total Revenues	<u>165,296,538</u>	<u>169,063,164</u>	<u>169,508,755</u>	<u>445,591</u>
<b>EXPENDITURES:</b>				
Instruction:				
Regular Instruction	57,868,086	58,006,496	56,255,703	1,750,793
Vocational Instruction	4,268,811	4,464,878	4,363,976	100,902
Special Instruction	28,650,178	28,875,401	28,886,783	(11,382)
Other Instruction	5,122,768	5,122,568	4,952,413	170,155
Total Instruction	<u>95,909,843</u>	<u>96,469,343</u>	<u>94,458,875</u>	<u>2,010,468</u>
Support Services:				
Pupil Services	10,537,669	11,122,163	10,946,776	175,387
Instructional Staff Services	13,335,744	14,166,612	14,345,800	(179,188)
General Administration	1,097,542	1,097,542	997,432	100,110
Building Administration	7,788,748	7,790,594	8,098,361	(307,767)
Direction of Business	317,164	317,164	328,933	(11,769)
Fiscal	882,213	882,213	837,803	44,410
Operations and Maintenance	12,100,333	12,195,149	12,213,671	(18,522)
Facilities Acquisition and Remodeling	1,411,215	1,831,816	1,497,147	334,669
Pupil Transportation	6,782,950	6,879,740	7,071,947	(192,207)
Internal Services	358,973	358,973	329,899	29,074
Central Services	1,856,345	1,920,480	2,025,617	(105,137)
Insurance and Judgements	1,136,146	1,136,146	1,076,559	59,587
Debt Services:				
Principal	1,156,522	1,156,522	1,157,077	(555)
Interest	56,814	56,814	64,120	(7,306)
Paying Agent Fees	-	-	1,425	(1,425)
Other Support Services	6,855,749	6,870,891	6,898,796	(27,905)
Total Support Services	<u>65,674,127</u>	<u>67,782,819</u>	<u>67,891,363</u>	<u>(108,544)</u>
Non-Program:				
Purchased Instructional Services	13,112,629	13,176,640	14,482,117	(1,305,477)
Other Non-Program Transactions	16,467	15,195	185,317	(170,122)
Total Non-Program	<u>13,129,096</u>	<u>13,191,835</u>	<u>14,667,434</u>	<u>(1,475,599)</u>
Total Expenditures	<u>174,713,066</u>	<u>177,443,997</u>	<u>177,017,672</u>	<u>426,325</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(9,416,528)</b>	<b>(8,380,833)</b>	<b>(7,508,917)</b>	<b>871,916</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital Lease Proceeds	-	-	196,682	196,682
<b>NET CHANGE IN FUND BALANCE</b>	<b>(9,416,528)</b>	<b>(8,380,833)</b>	<b>(7,312,235)</b>	<b>1,068,598</b>
Fund Balance - Beginning of Year	<u>40,703,515</u>	<u>40,703,515</u>	<u>41,074,247</u>	<u>370,732</u>
<b>FUND BALANCE - End of Year</b>	<b><u>\$ 31,286,987</u></b>	<b><u>\$ 32,322,682</u></b>	<b><u>\$ 33,762,012</u></b>	<b><u>\$ 1,439,330</u></b>

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF WISCONSIN RETIREMENT  
SYSTEM NET PENSION PLAN LIABILITY (ASSET)  
LAST TEN MEASUREMENT PERIODS**

Plan Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2023	0.43002135%	\$ 6,393,583	\$ 86,566,703	7.39%	98.85%
12/31/2022	0.41755199%	22,120,667	77,123,436	28.68%	95.72%
12/31/2021	0.41664138%	(33,582,061)	71,456,010	47.00%	106.02%
12/31/2020	0.42519186%	(26,545,317)	68,335,718	38.85%	105.26%
12/31/2019	0.43845971%	(14,137,942)	68,237,011	20.72%	102.96%
12/31/2018	0.44279925%	15,753,409	67,848,614	23.22%	96.45%
12/31/2017	0.43749344%	(12,989,699)	66,354,053	19.58%	102.93%
12/31/2016	0.43478900%	3,583,699	63,072,217	5.68%	99.12%
12/31/2015	0.43140082%	7,010,180	60,363,684	11.61%	98.20%
12/31/2014	0.44613091%	(10,958,196)	61,246,881	17.89%	102.74%

See accompanying Notes to Required Supplementary Information.



**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO WISCONSIN  
RETIREMENT SYSTEM PENSION PLAN  
LAST TEN FISCAL YEARS**

District Fiscal Year Ended	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2024	\$ 6,304,473	\$ (6,304,473)	\$ -	\$ 92,802,685	6.79%
6/30/2023	5,467,677	(5,467,677)	-	82,130,869	6.66%
6/30/2022	4,826,674	(4,826,674)	-	72,916,116	6.62%
6/30/2021	4,747,153	(4,747,153)	-	70,328,194	6.75%
6/30/2020	4,563,600	(4,563,600)	-	68,616,776	6.65%
6/30/2019	4,497,508	(4,497,508)	-	67,893,647	6.62%
6/30/2018	4,550,844	(4,550,844)	-	67,427,020	6.75%
6/30/2017	4,357,582	(4,357,582)	-	65,021,414	6.70%
6/30/2016	4,066,942	(4,066,942)	-	60,724,212	6.70%
6/30/2015	4,201,233	(4,201,233)	-	60,897,620	6.90%

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

*Changes of Assumptions:*

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

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

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

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

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Pension Liability</b>										
Service Cost	\$ 507,366	\$ 114,111	\$ 114,111	\$ 121,617	\$ 92,607	\$ 97,045	\$ 101,841	\$ 103,878	\$ 79,088	\$ 77,595
Interest	504,170	477,691	95,030	91,451	100,608	93,765	58,435	57,421	93,097	93,827
Changes in Benefit Terms	-	(9,877,880)	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(509,293)	-	242,474	-	(283,093)	-	302,554	-	1,298,712
Changes in Assumptions	-	(106,912)	117,826	(131,584)	46,180	220,041	-	(181,168)	23,350	(50,496)
Benefit Payments	(1,610,706)	(327,952)	(276,078)	(227,845)	(251,114)	(239,834)	(184,294)	(151,185)	(268,749)	(410,818)
Net Change in Total Pension Liability	(599,170)	(10,230,235)	50,889	96,113	(11,719)	(112,076)	(24,018)	131,500	(73,214)	1,008,820
Total Pension Liability - Beginning of the Year	13,444,525	12,845,355	2,615,120	2,666,009	2,762,122	2,750,403	2,638,327	2,614,309	2,745,809	2,672,595
Total Pension Liability - End of Year	\$ 12,845,355	\$ 2,615,120	\$ 2,666,009	\$ 2,762,122	\$ 2,750,403	\$ 2,638,327	\$ 2,614,309	\$ 2,745,809	\$ 2,672,595	\$ 3,681,415
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 1,691,241	\$ 344,349	\$ 289,882	\$ 239,237	\$ 251,114	\$ 223,072	\$ 223,380	\$ 223,380	\$ 206,090	\$ 245,045
Net Investment Income	103	668	518	4,570	4,404	7,852	1,617	1,330	11,932	14,782
Benefit Payments	(1,610,706)	(327,952)	(276,078)	(227,845)	(251,114)	(239,834)	(184,294)	(151,185)	(268,749)	(410,818)
Administrative Expense	(2,182)	(2,276)	(1,122)	(649)	(583)	(974)	(1,735)	(9,146)	(3,704)	(1,192)
Net Change in Plan Fiduciary Net Position	78,456	14,789	13,200	15,313	3,821	(9,884)	38,968	64,379	(54,431)	(152,183)
Plan Fiduciary Net Position Beginning of Year	295,391	373,847	388,636	401,836	417,149	420,970	411,086	450,054	514,433	460,002
Plan Fiduciary Net Position - End of Year	373,847	388,636	401,836	417,149	420,970	411,086	450,054	514,433	460,002	307,819
Net Pension Liability - End of Year	\$ 12,471,508	\$ 2,226,484	\$ 2,264,173	\$ 2,344,973	\$ 2,329,433	\$ 2,227,241	\$ 2,164,255	\$ 2,231,376	\$ 2,212,593	\$ 3,373,596
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.91%	14.86%	15.07%	15.10%	15.31%	15.58%	17.22%	18.74%	17.21%	8.36%
District's Covered Payroll	\$ 32,491,403	\$ 27,957,383	\$ 27,957,383	\$ 26,708,974	\$ 26,708,974	\$ 23,197,135	\$ 23,197,135	\$ 20,584,608	\$ 21,202,146	\$ 22,452,712
Net Pension Liability as a Percentage of Covered Payroll	38.38%	7.96%	8.10%	8.78%	8.72%	9.60%	9.33%	10.84%	10.44%	15.03%

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO SUPPLEMENTAL PENSION PLAN  
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Schedule of District Contributions</b>										
Actuarially Determined Contribution	\$ 1,262,760	\$ 250,573	\$ 250,573	\$ 223,072	\$ 223,072	\$ 223,380	\$ 223,380	\$ 225,446	\$ 235,749	\$ 245,045
Contributions in Relation of the Actuarially Determined Contribution	1,691,241	344,349	289,882	239,237	251,114	223,072	223,380	223,380	206,090	245,045
Contribution Deficiency (Excess)	<u>\$ (428,481)</u>	<u>\$ (93,776)</u>	<u>\$ (39,309)</u>	<u>\$ (16,165)</u>	<u>\$ (28,042)</u>	<u>\$ 308</u>	<u>\$ -</u>	<u>\$ 2,066</u>	<u>\$ 29,659</u>	<u>\$ -</u>
District's Covered Payroll	\$ 32,491,403	\$ 27,957,383	\$ 27,957,383	\$ 26,708,974	\$ 26,708,974	\$ 23,197,135	\$ 23,197,135	\$ 20,584,608	\$ 21,202,146	\$ 22,452,712
Contributions as a Percentage of Covered Payroll	5.21%	1.23%	1.04%	0.90%	0.94%	0.96%	0.96%	1.09%	0.97%	1.09%

*Changes of Benefit Terms.* None

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

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE AREA SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB Liability</b>								
Service Cost	\$ 3,461,943	\$ 3,461,943	\$ 3,103,092	\$ 3,236,033	\$ 3,247,997	\$ 3,387,498	\$ 1,500,464	\$ 1,527,843
Interest	2,630,746	2,613,503	2,859,600	2,679,021	1,699,196	1,635,522	1,881,882	1,843,648
Changes of Benefit Terms	-	-	-	(1,359,369)	-	(19,000,746)	-	-
Differences Between Expected and Actual Experience	-	2,285,167	-	1,447,473	-	5,059,633	-	(3,502,430)
Changes of Assumptions or Other Input	-	(67,878)	1,088,486	(79,717)	-	(2,842,302)	(534,060)	(1,392,385)
Benefit Payments	(6,613,794)	(6,556,952)	(6,500,664)	(7,159,716)	(6,746,432)	(7,529,536)	(5,744,333)	(5,523,142)
<b>Net Change in Total OPEB Liability</b>	<u>(521,105)</u>	<u>1,735,783</u>	<u>550,514</u>	<u>(1,236,275)</u>	<u>(1,799,239)</u>	<u>(19,289,931)</u>	<u>(2,896,047)</u>	<u>(7,046,466)</u>
<b>Total OPEB Liability - Beginning</b>	<u>76,740,110</u>	<u>76,219,005</u>	<u>77,954,788</u>	<u>78,505,302</u>	<u>77,269,027</u>	<u>75,469,788</u>	<u>56,179,857</u>	<u>53,283,810</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 76,219,005</u>	<u>\$ 77,954,788</u>	<u>\$ 78,505,302</u>	<u>\$ 77,269,027</u>	<u>\$ 75,469,788</u>	<u>\$ 56,179,857</u>	<u>\$ 53,283,810</u>	<u>\$ 46,237,344</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 7,221,315	\$ 7,254,737	\$ 7,166,333	\$ 7,291,413	\$ 7,215,255	\$ 7,215,255	\$ 4,514,570	\$ 5,162,326
Net Investment Income	4,023	41,162	45,946	94,306	20,730	16,957	123,479	134,287
Benefit Payments	(6,613,794)	(6,556,952)	(6,500,664)	(7,159,716)	(6,746,432)	(7,529,536)	(5,744,333)	(5,523,142)
Administrative Expense	(8,711)	(5,841)	(6,080)	(11,694)	(22,241)	(116,592)	(38,328)	(10,827)
Adjustment	-	-	(2,000)	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>602,833</u>	<u>733,106</u>	<u>703,535</u>	<u>214,309</u>	<u>467,312</u>	<u>(413,916)</u>	<u>(1,144,612)</u>	<u>(237,356)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>3,016,290</u>	<u>3,619,123</u>	<u>4,352,229</u>	<u>5,055,764</u>	<u>5,270,073</u>	<u>5,737,385</u>	<u>5,323,469</u>	<u>4,178,857</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 3,619,123</u>	<u>\$ 4,352,229</u>	<u>\$ 5,055,764</u>	<u>\$ 5,270,073</u>	<u>\$ 5,737,385</u>	<u>\$ 5,323,469</u>	<u>\$ 4,178,857</u>	<u>\$ 3,941,501</u>
<b>District's Net OPEB Liability - Ending (a) - (b)</b>	<u>\$ 72,599,882</u>	<u>\$ 73,602,559</u>	<u>\$ 73,449,538</u>	<u>\$ 71,998,954</u>	<u>\$ 69,732,403</u>	<u>\$ 50,856,388</u>	<u>\$ 49,104,953</u>	<u>\$ 42,295,843</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	4.75%	5.58%	6.44%	6.82%	7.60%	9.48%	7.84%	8.52%
<b>Covered Payroll</b>	\$ 34,904,806	\$ 64,816,825	\$ 64,816,825	\$ 65,531,992	\$ 65,531,992	24,971,071	25,720,203	22,452,712
<b>District's Net OPEB Liability as a Percentage of Covered Payroll</b>	207.99%	113.55%	113.32%	109.87%	106.41%	203.66%	190.92%	188.38%

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO OPEB PLAN  
LAST TEN FISCAL YEARS  
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

<b>Schedule of District Contributions</b>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially Determined Contribution (ADC)	\$ 7,860,920	\$ 7,291,413	\$ 7,291,413	\$ 7,215,255	\$ 7,215,255	\$ 7,366,376	\$ 4,935,189	\$ 5,162,326
Contributions in Relation to the Actuarially Determined Contribution	<u>7,221,315</u>	<u>7,254,737</u>	<u>7,166,333</u>	<u>7,291,413</u>	<u>7,215,255</u>	<u>7,215,255</u>	<u>4,514,570</u>	<u>5,162,326</u>
Contribution Deficiency (Excess)	<u>\$ 639,605</u>	<u>\$ 36,676</u>	<u>\$ 125,080</u>	<u>\$ (76,158)</u>	<u>\$ -</u>	<u>\$ 151,121</u>	<u>\$ 420,619</u>	<u>\$ -</u>
Covered Payroll	\$ 34,904,806	\$ 64,816,825	\$ 64,816,825	\$ 65,531,992	\$ 65,531,992	24,971,071	25,720,203	22,452,712
Contributions as a Percentage of Covered Payroll	20.69%	11.19%	11.06%	11.13%	11.01%	28.89%	17.55%	22.99%

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE AREA SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT'S INVESTMENT RETURNS ON OPEB AND PENSION PLAN ASSETS**  
**LAST TEN FISCAL YEARS**  
**(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Annual Money-Weighted Rate of Return,  
Net of Investment Expense

<u>Year</u>	
2017	0.12%
2018	1.03%
2019	0.98%
2020	1.83%
2021	0.38%
2022	0.31%
2023	2.60%
2024	3.31%

*See accompanying Notes to Required Supplementary Information.*

**EAU CLAIRE AREA SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN**  
**LAST TEN MEASUREMENT PERIODS**  
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

Plan Measurement Date	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2023	1.11522400%	\$ 5,130,760	\$ 62,898,000	8.16%	33.90%
12/31/2022	1.09746000%	4,181,133	61,713,000	6.78%	38.81%
12/31/2021	1.11000900%	6,560,563	59,152,000	11.09%	29.57%
12/31/2020	1.13143700%	6,223,720	59,367,000	10.48%	31.36%
12/31/2019	1.11704100%	4,756,578	56,860,000	8.37%	37.58%
12/31/2018	1.15145200%	2,971,135	58,535,000	5.08%	48.69%
12/31/2017	1.13657400%	3,419,474	47,796,188	7.15%	44.81%

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO  
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN  
LAST TEN FISCAL YEARS  
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

District Fiscal Year Ended	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2024	\$ 23,493	\$ (23,493)	\$ -	\$ 62,898,000	0.04%
6/30/2023	22,358	(22,358)	-	61,713,000	0.04%
6/30/2022	20,928	(20,928)	-	59,152,000	0.04%
6/30/2021	22,597	(22,597)	-	59,367,000	0.04%
6/30/2020	22,338	(22,338)	-	56,860,000	0.04%
6/30/2019	22,279	(22,279)	-	58,535,000	0.04%
6/30/2018	22,017	(22,017)	-	47,796,188	0.05%

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

*Changes of Assumptions.* The ETF 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 there 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 Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.



**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

**BUDGETARY INFORMATION**

GASB Statement No. 34 requires the presentation of budgetary comparison schedules for the General Fund and for each major special revenue fund. Budgetary information for the general fund is derived from the District's annual operating budget.

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The District's legally adopted budget and budgetary expenditure control is exercised at the function level in the general fund and at the fund level for all other funds. Reported budget amounts are as originally adopted or as amended by 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 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 the 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.

Budget amounts in the financial statements include both original adopted and final budgets.

**EXCESS OF EXPENDITURES OVER BUDGET**

Comparisons of actual revenues and expenditures to budgeted amounts for the District's general fund and each major fund are presented as required supplementary information following the notes to the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of these funds are shown in those schedules.

## **SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**EAU CLAIRE AREA SCHOOL DISTRICT  
COMBINING BUDGETARY COMPARISON SCHEDULE – FUND 10 AND FUND 27  
YEAR ENDED JUNE 30, 2024**

	Original Budgets				Final Budgets				Actuals			
	Fund 10 General	Fund 27 Special	Eliminations	Combined	Fund 10 General	Fund 27 Special	Eliminations	Combined	Fund 10 General	Fund 27 Special	Eliminations	Combined
	Fund	Education Fund			Fund	Education Fund			Fund	Education Fund		
<b>REVENUES</b>												
Local	\$ 55,673,377	\$ -	\$ -	\$ 55,673,377	\$ 55,726,733	\$ -	\$ -	\$ 55,726,733	\$ 55,825,964	\$ -	\$ -	\$ 55,825,964
Interdistrict	3,002,454	308,740	-	3,311,194	3,002,454	308,740	-	3,311,194	2,881,138	304,375	-	3,185,513
Intermediate	-	-	-	-	44,339	-	-	44,339	44,339	3,000	-	47,339
State	84,094,827	8,757,805	-	92,852,632	85,281,270	8,757,805	-	94,039,075	85,249,306	8,651,105	-	93,900,411
Federal	9,261,694	2,713,105	-	11,974,799	11,544,409	2,912,878	-	14,457,287	11,572,422	3,006,599	-	14,579,021
Other	1,484,536	-	-	1,484,536	1,484,536	-	-	1,484,536	1,970,507	-	-	1,970,507
Total Revenues	153,516,888	11,779,650	-	165,296,538	157,083,741	11,979,423	-	169,063,164	157,543,676	11,965,079	-	169,508,755
<b>EXPENDITURES:</b>												
Instruction:												
Regular Instruction	57,868,086	-	-	57,868,086	58,006,496	-	-	58,006,496	56,255,703	-	-	56,255,703
Vocational Instruction	3,956,325	312,486	-	4,268,811	4,152,392	312,486	-	4,464,878	4,054,304	309,672	-	4,363,976
Special Instruction	3,557,907	25,092,271	-	28,650,178	3,583,357	25,292,044	-	28,875,401	3,572,982	25,313,801	-	28,886,783
Other Instruction	5,122,768	-	-	5,122,768	5,122,568	-	-	5,122,568	4,933,074	19,339	-	4,952,413
Total Instruction	70,505,086	25,404,757	-	95,909,843	70,864,813	25,604,530	-	96,469,343	68,816,063	25,642,812	-	94,458,875
Support Services:												
Pupil Services	7,646,698	2,890,971	-	10,537,669	8,231,192	2,890,971	-	11,122,163	7,997,192	2,949,584	-	10,946,776
Instructional Staff Services	12,076,407	1,259,337	-	13,335,744	12,907,275	1,259,337	-	14,166,612	13,184,673	1,161,127	-	14,345,800
General Administration	1,097,542	-	-	1,097,542	1,097,542	-	-	1,097,542	997,432	-	-	997,432
Building Administration	7,788,748	-	-	7,788,748	7,790,594	-	-	7,790,594	8,098,361	-	-	8,098,361
Direction of Business	317,164	-	-	317,164	317,164	-	-	317,164	328,933	-	-	328,933
Fiscal	882,213	-	-	882,213	882,213	-	-	882,213	837,803	-	-	837,803
Operations and Maintenance	12,099,673	660	-	12,100,333	12,194,489	660	-	12,195,149	12,212,511	1,160	-	12,213,671
Facilities Acquisition and Remodeling	1,411,215	-	-	1,411,215	1,831,816	-	-	1,831,816	1,496,896	251	-	1,497,147
Pupil Transportation	5,716,325	1,066,625	-	6,782,950	5,813,115	1,066,625	-	6,879,740	5,921,821	1,150,126	-	7,071,947
Internal Services	358,973	-	-	358,973	358,973	-	-	358,973	329,899	-	-	329,899
Central Services	1,855,906	439	-	1,856,345	1,920,041	439	-	1,920,480	1,983,007	42,610	-	2,025,617
Insurance and Judgements	1,136,146	-	-	1,136,146	1,136,146	-	-	1,136,146	1,076,559	-	-	1,076,559
Debt Services:												
Principal	1,116,036	40,486	-	1,156,522	1,116,036	40,486	-	1,156,522	1,111,561	45,516	-	1,157,077
Interest	40,384	16,430	-	56,814	40,384	16,430	-	56,814	47,122	16,998	-	64,120
Paying Agent Fees	-	-	-	-	-	-	-	-	1,425	-	-	1,425
Other Support Services	6,837,249	18,500	-	6,855,749	6,852,391	18,500	-	6,870,891	6,881,796	17,000	-	6,898,796
Total Support Services	60,380,679	5,293,448	-	65,674,127	62,489,371	5,293,448	-	67,782,819	62,506,991	5,384,372	-	67,891,363
Non-Program:												
Purchased Instructional Services	12,807,629	305,000	-	13,112,629	12,871,640	305,000	-	13,176,640	13,601,987	880,130	-	14,482,117
Other Non-Program Transactions	16,467	-	-	16,467	15,195	-	-	15,195	185,317	-	-	185,317
Total Non-Program	12,824,096	305,000	-	13,129,096	12,886,835	305,000	-	13,191,835	13,787,304	880,130	-	14,667,434
Total Expenditures	143,709,861	31,003,205	-	174,713,066	146,241,019	31,202,978	-	177,443,997	145,110,358	31,907,314	-	177,017,672
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	9,807,027	(19,223,555)	-	(9,416,528)	10,842,722	(19,223,555)	-	(8,380,833)	12,433,318	(19,942,235)	-	(7,508,917)
<b>OTHER FINANCING SOURCES (USES):</b>												
Capital Lease Proceeds	-	-	-	-	-	-	-	-	196,682	-	-	196,682
Transfers In	-	19,223,555	(19,223,555)	-	-	19,223,555	(19,223,555)	-	-	19,942,235	(19,942,235)	-
Transfers Out	(19,223,555)	-	19,223,555	-	(19,223,555)	-	19,223,555	-	(19,942,235)	-	19,942,235	-
Total Other Financing Sources (Uses)	(19,223,555)	19,223,555	-	-	(19,223,555)	19,223,555	-	-	(19,745,553)	19,942,235	-	196,682
<b>NET CHANGE IN FUND BALANCE</b>	(9,416,528)	-	-	(9,416,528)	(8,380,833)	-	-	(8,380,833)	(7,312,235)	-	-	(7,312,235)
Fund Balance - Beginning of Year	40,703,515	-	-	40,703,515	40,703,515	-	-	40,703,515	41,074,247	-	-	41,074,247
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 31,286,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,286,987</u>	<u>\$ 32,322,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,322,682</u>	<u>\$ 33,762,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,762,012</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE – FUND 10  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Local	\$ 55,673,377	\$ 55,726,733	\$ 55,825,964	\$ 99,231
Interdistrict	3,002,454	3,002,454	2,881,138	(121,316)
Intermediate	-	44,339	44,339	-
State	84,094,827	85,281,270	85,249,306	(31,964)
Federal	9,261,694	11,544,409	11,572,422	28,013
Other	1,484,536	1,484,536	1,970,507	485,971
Total Revenues	<u>153,516,888</u>	<u>157,083,741</u>	<u>157,543,676</u>	<u>459,935</u>
<b>EXPENDITURES:</b>				
Instruction:				
Regular Instruction	57,868,086	58,006,496	56,255,703	1,750,793
Vocational Instruction	3,956,325	4,152,392	4,054,304	98,088
Special Instruction	3,557,907	3,583,357	3,572,982	10,375
Other Instruction	5,122,768	5,122,568	4,933,074	189,494
Total Instruction	<u>70,505,086</u>	<u>70,864,813</u>	<u>68,816,063</u>	<u>2,048,750</u>
Support Services:				
Pupil Services	7,646,698	8,231,192	7,997,192	234,000
Instructional Staff Services	12,076,407	12,907,275	13,184,673	(277,398)
General Administration	1,097,542	1,097,542	997,432	100,110
Building Administration	7,788,748	7,790,594	8,098,361	(307,767)
Direction of Business	317,164	317,164	328,933	(11,769)
Fiscal	882,213	882,213	837,803	44,410
Operations and Maintenance	12,099,673	12,194,489	12,212,511	(18,022)
Facilities Acquisition and Remodeling	1,411,215	1,831,816	1,496,896	334,920
Pupil Transportation	5,716,325	5,813,115	5,921,821	(108,706)
Internal Services	358,973	358,973	329,899	29,074
Central Services	1,855,906	1,920,041	1,983,007	(62,966)
Insurance and Judgements	1,136,146	1,136,146	1,076,559	59,587
Debt Services:				
Principal	1,116,036	1,116,036	1,111,561	4,475
Interest	40,384	40,384	47,122	(6,738)
Paying Agent Fees	-	-	1,425	(1,425)
Other Support Services	6,837,249	6,852,391	6,881,796	(29,405)
Total Support Services	<u>60,380,679</u>	<u>62,489,371</u>	<u>62,506,991</u>	<u>(17,620)</u>
Non-Program:				
Purchased Instructional Services	12,807,629	12,871,640	13,601,987	(730,347)
Other Non-Program Transactions	16,467	15,195	185,317	(170,122)
Total Non-Program	<u>12,824,096</u>	<u>12,886,835</u>	<u>13,787,304</u>	<u>(900,469)</u>
Total Expenditures	<u>143,709,861</u>	<u>146,241,019</u>	<u>145,110,358</u>	<u>1,130,661</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	9,807,027	10,842,722	12,433,318	1,590,596
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital Lease Proceeds	-	-	196,682	196,682
Transfer to Special Education Fund	(19,223,555)	(19,223,555)	(19,942,235)	(718,680)
Total Other Financing Sources (Uses)	<u>(19,223,555)</u>	<u>(19,223,555)</u>	<u>(19,745,553)</u>	<u>(521,998)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(9,416,528)	(8,380,833)	(7,312,235)	1,068,598
Fund Balance - Beginning of Year	<u>40,703,515</u>	<u>40,703,515</u>	<u>41,074,247</u>	<u>370,732</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 31,286,987</u>	<u>\$ 32,322,682</u>	<u>\$ 33,762,012</u>	<u>\$ 1,439,330</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE – FUND 27  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interdistrict Sources	\$ 308,740	\$ 308,740	\$ 304,375	\$ (4,365)
Intermediate Sources	-	-	3,000	3,000
State Sources	8,757,805	8,757,805	8,651,105	(106,700)
Federal Sources	2,713,105	2,912,878	3,006,599	93,721
Total Revenues	<u>11,779,650</u>	<u>11,979,423</u>	<u>11,965,079</u>	<u>(14,344)</u>
<b>EXPENDITURES:</b>				
Instruction:				
Vocational Instruction	312,486	312,486	309,672	2,814
Special Instruction	25,092,271	25,292,044	25,313,801	(21,757)
Other Instruction	-	-	19,339	(19,339)
Total Instruction	<u>25,404,757</u>	<u>25,604,530</u>	<u>25,642,812</u>	<u>(38,282)</u>
Support Services:				
Pupil Services	2,890,971	2,890,971	2,949,584	(58,613)
Instructional Staff Services	1,259,337	1,259,337	1,161,127	98,210
Operations and Maintenance	660	660	1,160	(500)
Facilities Acquisition and Remodeling	-	-	251	(251)
Pupil Transportation	1,066,625	1,066,625	1,150,126	(83,501)
Central Services	439	439	42,610	(42,171)
Debt Services:				
Principal	40,486	40,486	45,516	(5,030)
Interest	16,430	16,430	16,998	(568)
Other Support Services	18,500	18,500	17,000	1,500
Total Support Services	<u>5,293,448</u>	<u>5,293,448</u>	<u>5,384,372</u>	<u>(90,924)</u>
Non-Program:				
Purchased Instructional Services	305,000	305,000	880,130	(575,130)
Total Non-Program	<u>305,000</u>	<u>305,000</u>	<u>880,130</u>	<u>(575,130)</u>
Total Expenditures	<u>31,003,205</u>	<u>31,202,978</u>	<u>31,907,314</u>	<u>(704,336)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(19,223,555)	(19,223,555)	(19,942,235)	(718,680)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer from General Fund	19,223,555	19,223,555	19,942,235	718,680
<b>NET CHANGE IN FUND BALANCE</b>				
	-	-	-	-
Fund Balance - Beginning of Year				
	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUNDS – COMBINING BALANCE SHEET  
JUNE 30, 2024**

	Special Revenue Funds				Totals
	Donations Fund	Other Special Projects	Food Service	Community Service	
<b>ASSETS</b>					
Cash and Investments	\$ 1,339,626	\$ -	\$ 3,865,767	\$ 2,088,176	\$ 7,293,569
Accounts Receivable	25,457	-	-	10,120	35,577
Due from Other Governments	-	127,091	400,306	-	527,397
Inventories and Prepaid Items	40,964	369	77,046	578	118,957
<b>Total Assets</b>	<b><u>\$ 1,406,047</u></b>	<b><u>\$ 127,460</u></b>	<b><u>\$ 4,343,119</u></b>	<b><u>\$ 2,098,874</u></b>	<b><u>\$ 7,975,500</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 30,432	\$ 451	\$ 9,595	\$ 192,518	\$ 232,996
Accrued Salaries and Withholding	443	48,640	70,527	12,962	132,572
Due to Other Funds	-	78,369	214,122	3,958	296,449
Other Deposits Payable	1,356	-	352	43	1,751
Unearned Revenue	-	-	252,611	-	252,611
<b>Total Liabilities</b>	<b><u>32,231</u></b>	<b><u>127,460</u></b>	<b><u>547,207</u></b>	<b><u>209,481</u></b>	<b><u>916,379</u></b>
<b>FUND BALANCES</b>					
Nonspendable	40,964	369	77,046	578	118,957
Restricted	1,332,852	-	3,718,866	1,888,815	6,940,533
Unassigned	-	(369)	-	-	(369)
<b>Total Fund Balances</b>	<b><u>1,373,816</u></b>	<b><u>-</u></b>	<b><u>3,795,912</u></b>	<b><u>1,889,393</u></b>	<b><u>7,059,121</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,406,047</u></b>	<b><u>\$ 127,460</u></b>	<b><u>\$ 4,343,119</u></b>	<b><u>\$ 2,098,874</u></b>	<b><u>\$ 7,975,500</u></b>

**EAU CLAIRE AREA SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds				Totals
	Donations Fund	Other Special Projects	Food Service	Community Service	
<b>REVENUES</b>					
Local	\$ 1,623,629	\$ -	\$ 2,202,426	\$ 1,114,954	\$ 4,941,009
Intermediate	-	942,598	-	-	942,598
State	-	-	65,098	-	65,098
Federal	-	18,352	3,608,415	-	3,626,767
Other	12,852	-	2,050	-	14,902
<b>Total Revenues</b>	<u>1,636,481</u>	<u>960,950</u>	<u>5,877,989</u>	<u>1,114,954</u>	<u>9,590,374</u>
<b>EXPENDITURES:</b>					
Instruction:					
Regular Instruction	468,073	378,864	-	-	846,937
Co-curricular Activities	166,454	-	-	-	166,454
<b>Total Instruction</b>	<u>634,527</u>	<u>378,864</u>	<u>-</u>	<u>-</u>	<u>1,013,391</u>
Support Services:					
Pupil Services	92,244	1,005	-	-	93,249
Instructional Staff Services	4,525	175,441	-	-	179,966
General Administration	-	-	-	37,055	37,055
Building Administration	28,870	36,917	-	-	65,787
Operation and Maintenance of Plant	10,195	-	142,946	11,777	164,918
Pupil Transportation	311,215	320,539	-	42,755	674,509
Facilities Acquisition / Remodeling	126,356	47,120	-	160	173,636
Food Services	-	-	5,690,892	-	5,690,892
Central Services	484	-	2,445	-	2,929
Insurance and Judgments	-	369	-	-	369
Community Services	-	-	-	1,163,262	1,163,262
Other Support Services	13,114	-	45,109	12,533	70,756
<b>Total Support Services</b>	<u>587,003</u>	<u>581,391</u>	<u>5,881,392</u>	<u>1,267,542</u>	<u>8,317,328</u>
Non-Program:					
Purchased Instructional Services	3,098	695	-	-	3,793
Other Non-Program Transactions	19,436	-	-	2,842	22,278
<b>Total Non-Program</b>	<u>22,534</u>	<u>695</u>	<u>-</u>	<u>2,842</u>	<u>26,071</u>
<b>Total Expenditures</b>	<u>1,244,064</u>	<u>960,950</u>	<u>5,881,392</u>	<u>1,270,384</u>	<u>9,356,790</u>
<b>NET CHANGE IN FUND BALANCES</b>	392,417	-	(3,403)	(155,430)	233,584
Fund Balances - Beginning of Year	981,399	-	3,799,315	2,044,823	6,825,537
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,373,816</u>	<u>\$ -</u>	<u>\$ 3,795,912</u>	<u>\$ 1,889,393</u>	<u>\$ 7,059,121</u>



**EAU CLAIRE AREA SCHOOL DISTRICT  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2024**

**SECTION I: AUTHORIZER INFORMATION**

Authorizing Entity: Eau Claire Area School District  
 Authorizer Address: 500 Main Street, Eau Claire, WI 54701  
 Authorizer Contact Person: Mark Elworthy  
 Contact Person Title: Executive Director of Business Services  
 Contact Person Phone: 715-852-3017  
 Contact Person Email: [melworthy1@ecasd.us](mailto:melworthy1@ecasd.us)

**SECTION II: CHARTER SCHOOL INFORMATION**

**Charter Schools Currently Under Contract:**

School Name:	Contract Start Date:	Contract Expiration Date:	Grades Served:
Chippewa Valley Montessori	7/1/2023	6/30/2026	PK-5
McKinley Charter School	7/1/2021	6/30/2026	6-12
Eau Claire Virtual School	7/1/2019	6/30/2024	6-12

**SECTION III: ACADEMIC PERFORMANCE OF CHARTER SCHOOLS**

**Chippewa Valley Montessori Charter School**

The Wisconsin Forward Exam provides the following information relevant to the performance of Montessori Charter School 2023-2024:

Forward Exam ELA 2023-24	CV Montessori Grades 3-5	ECASD Grades 3-5	State Grades 3-5	CV Montessori Grade 3	ECASD Grade 3	State Grade 3	CV Montessori Grade 4	ECASD Grade 4	State Grade 4	CV Montessori Grade 5	ECASD Grade 5	State Grade 5
Developing	7.5%	13.5%	16.5%	14.9%	12.3%	16.5%	6.7%	14.6%	17.2%	0.0%	13.6%	15.7%
Approaching	20.1%	29.1%	29.2%	23.4%	31.1%	30.2%	11.1%	28.6%	28.0%	26.2%	27.7%	29.3%
Meeting	50.7%	43.5%	40.8%	42.6%	42.6%	39.3%	60.0%	44.4%	42.0%	50.0%	43.4%	41.1%
Advanced	20.1%	12.6%	12.0%	19.1%	12.8%	12.6%	20.0%	11.1%	11.0%	21.4%	13.9%	12.3%
No Test	1.5%	1.2%	1.6%	0.0%	1.2%	1.4%	2.2%	1.2%	1.7%	2.4%	1.3%	1.5%

Forward Exam Math 2023-24	CV Montessori Grades 3-5	ECASD Grades 3-5	State Grades 3-5	CV Montessori Grade 3	ECASD Grade 3	State Grade 3	CV Montessori Grade 4	ECASD Grade 4	State Grade 4	CV Montessori Grade 5	ECASD Grade 5	State Grade 5
Developing	9.7%	13.9%	17.8%	14.9%	14.4%	17.7%	4.4%	12.4%	17.0%	9.5%	14.8%	18.5%
Approaching	25.4%	27.3%	25.5%	25.5%	25.4%	24.2%	31.1%	28.4%	26.3%	19.0%	28.2%	25.9%
Meeting	41.0%	37.5%	35.4%	42.6%	39.5%	37.4%	42.2%	39.1%	36.8%	38.1%	33.8%	32.1%
Advanced	22.4%	20.3%	19.9%	17.0%	19.9%	19.3%	20.0%	18.7%	18.4%	31.0%	22.1%	22.1%
No Test	1.5%	1.1%	1.4%	0.0%	0.8%	1.3%	2.2%	1.3%	1.5%	2.4%	1.1%	1.4%

**EAU CLAIRE AREA SCHOOL DISTRICT  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2024**

**Eau Claire Virtual Charter School**

The Wisconsin Forward Exam as well as the ACT provides the following information relevant to the performance of Eau Claire Virtual Charter school:

Forward Exam ELA 2023-24	ECVS Grades 3-8	ECVS Grade 3	ECVS Grade 4	ECVS Grade 5	ECVS Grade 6	ECVS Grade 7	ECVS Grade 8
Developing	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%
Approaching	25.0%	50.0%	0.0%	33.3%	0.0%	33.3%	22.2%
Meeting	28.6%	25.0%	100.0%	16.7%	25.0%	66.7%	0.0%
Advanced	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%
No Test	42.9%	25.0%	0.0%	50.0%	75.0%	0.0%	55.6%

Forward Exam ELA 2023-24	ECASD Grades 3-8	State Grades 3-8	ECASD Grade 3	State Grade 3	ECASD Grade 4	State Grade 4	ECASD Grade 5	State Grade 5	ECASD Grade 6	State Grade 6	ECASD Grade 7	State Grade 7	ECASD Grade 8	State Grade 8
Developing	14.2%	16.7%	12.3%	16.5%	14.6%	17.2%	13.6%	15.7%	14.9%	17.0%	13.9%	16.0%	16.1%	17.9%
Approaching	28.7%	29.1%	31.1%	30.2%	28.6%	28.0%	27.7%	29.3%	25.7%	27.4%	29.7%	30.3%	29.0%	29.4%
Meeting	42.5%	40.3%	42.6%	39.3%	44.4%	42.0%	43.4%	41.1%	40.1%	40.6%	43.5%	40.8%	40.4%	38.0%
Advanced	13.1%	11.9%	12.8%	12.6%	11.1%	11.0%	13.9%	12.3%	17.6%	13.2%	10.6%	10.6%	12.6%	11.6%
No Test	1.6%	2.0%	1.2%	1.4%	1.2%	1.7%	1.3%	1.5%	1.6%	1.8%	2.3%	2.3%	1.8%	3.0%

Forward Exam Math 2023-24	ECVS Grades 3-8	ECVS Grade 3	ECVS Grade 4	ECVS Grade 5	ECVS Grade 6	ECVS Grade 7	ECVS Grade 8
Developing	28.6%	75.0%	0.0%	33.3%	0.0%	66.7%	11.1%
Approaching	17.9%	0.0%	50.0%	16.7%	0.0%	33.3%	22.2%
Meeting	7.1%	0.0%	50.0%	0.0%	25.0%	0.0%	0.0%
Advanced	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%
No Test	42.9%	25.0%	0.0%	50.0%	75.0%	0.0%	55.6%

Forward Exam Math 2023-24	ECASD Grades 3-8	State Grades 3-8	ECASD Grade 3	State Grade 3	ECASD Grade 4	State Grade 4	ECASD Grade 5	State Grade 5	ECASD Grade 6	State Grade 6	ECASD Grade 7	State Grade 7	ECASD Grade 8	State Grade 8
Developing	14.3%	18.5%	14.4%	17.7%	12.4%	17.0%	14.8%	18.5%	17.4%	20.3%	15.5%	19.8%	11.7%	17.7%
Approaching	26.9%	25.3%	25.4%	24.2%	28.4%	26.3%	28.2%	25.9%	25.0%	24.3%	23.6%	24.7%	30.7%	26.5%
Meeting	37.3%	34.0%	39.5%	37.4%	39.1%	36.8%	33.8%	32.1%	34.3%	31.8%	39.8%	33.9%	37.4%	32.1%
Advanced	20.1%	20.3%	19.9%	19.3%	18.7%	18.4%	22.1%	22.1%	22.1%	21.9%	19.0%	19.5%	18.6%	20.8%
No Test	1.4%	1.8%	0.8%	1.3%	1.3%	1.5%	1.1%	1.4%	1.3%	1.6%	2.1%	2.2%	1.7%	2.9%

Subjects	ECVS ACT							
	ELA	English	Reading	Writing	Mathematics	Science	STEM	Composite
2019-2020	23.0	19.0	22.0	10.0	21.0	21.0	21.0	21.0
2020-2021	19.9	18.1	21.3	7.4	17.3	19.1	18.4	19.0
2021-2022	16.3	15.3	18.7	5.9	17.0	18.1	17.8	17.4
2022-2023	19.7	19.7	21.5	6.7	17.8	18.9	18.6	19.8
2023-2024	17.1	16.4	17.5	6.4	15.1	18.0	16.7	16.3

Subjects	ECASD	State	ECASD	State	ECASD	State	ECASD	State	ECASD	State	ECASD	State	ECASD	State	ECASD	State
	ELA		English		Reading		Writing		Mathematics		Science		STEM		Composite	
2019-20	19.2	18.3	19.6	18.8	21.3	20.1	6.4	6.3	21.3	19.9	21.3	20.4	21.6	20.4	21.0	19.9
2020-21	20.1	18.0	19.3	17.9	21.0	19.4	7.1	6.3	21.2	19.2	21.4	19.7	21.5	19.7	20.9	19.2
2021-22	19.1	18.0	19.2	18.1	20.3	19.7	6.8	6.3	20.6	19.2	20.8	19.8	21.0	19.7	20.3	19.3
2022-23	19.6	18.4	19.3	18.4	20.4	19.6	6.9	6.3	20.3	19.1	20.7	19.9	20.7	19.8	20.3	19.4
2023-24	19.8	18.1	19.6	18.3	20.9	19.5	7.0	6.4	20.4	19.2	20.9	19.9	20.9	19.8	20.6	19.4

**EAU CLAIRE AREA SCHOOL DISTRICT  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2024**

McKinley Charter School

McKinley Component:

Students will pass the Stanford 10 Achievement Test Series reading, language arts and mathematics exams before graduating. All students are required to take a pre-test before they were able to take the final Stanford 10 exam anticipating a higher success rate on students meeting the requirement. Ninety-seven students in the competency component passed the reading, language arts and mathematics exams prior to graduating in June 2024.

All students complete an Individualized Learning Plan at the time of enrollment. Students will identify their preferred learning styles, set goals for graduation and post-secondary, and self-reflect on their current academic abilities. Student plans were reviewed quarterly by staff and then with students when needed. Ninety-seven students graduated from the McKinley competency component in 2023-24.

Detention Center Component:

All students enrolled in the 180 program develop educational plans which will include earning credits toward graduation. Students may pursue a diploma from McKinley Charter School or their credits could transfer back to their school of origin. Curriculum may be designed by the instructor or students can utilize Edgenuity, an online course option. This goal is measured by the number of students completing the English/Language Arts and Mathematics credits toward graduation.

Educational plans were developed for 100% of the students placed in the 180 program to monitor students to ensure they are on schedule to graduate. Academic plans were reviewed, monitored and adjusted throughout the year. Fifteen students in the 180 program earned English and/or Math credit toward graduation while in the Detention Center. Two students completed all requirements for graduation and received their high school diploma.

**EAU CLAIRE AREA SCHOOL DISTRICT  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2024**

**SECTION IV: FINANCIAL PERFORMANCE OF CHARTER SCHOOLS**

*Chippewa Valley Montessori*

Chippewa Valley Montessori Charter School (CVMCS) was created as an independent institution in order to provide an opportunity for students to learn utilizing the Montessori principles of education. The founders of CVMCS and ECASD Board recognized the ability of a charter school to provide a high-quality educational experience for students. CVMCS will enroll ECASD and non-district open enrolled students, with a targeted 4K-5th grade enrollment of roughly 300 students.

Staffing units shall be determined by ECASD administration annually based on enrollment, alignment with post-secondary readiness criteria, and annual revenue limit increases as provided for by state statute and/or legislative action.

In 2023-24 the CVMCS budget was \$ 3,270,003 the actual amount spent was \$ 3,294,505.19.

*McKinley Charter School*

McKinley Charter School (MCS) is a separate institution with its own policy setting Governance Board. It provides a contracted service to the ECASD and Altoona School District. A funding allocation for up to 20 students at a time in the Competency Component and one student in the Competency Component from the Altoona School District shall be established through a 66.0301 Agreement between the Altoona School District, McKinley Charter School Governance Board, and the ECASD Board of Education.

The Governance Board shall develop an annual budget based on programmatic need and submit it to the ECASD through the district's budgeting process. Once approved, the MCS Governance Board has control over the annual budget. The cost of all ECASD staff shall be paid by ECASD. Staffing assignments for MCS shall be set at levels to ensure safety for both the students and the staff and to best meet the academic goals of each student. The library/periodical/common fund allocation shall be determined by the state or district formula utilized for that year and shall be the same percentage as that allocated to other schools in the ECASD.

In 2023-24, the MCS budget was \$ 1,711,436 the actual amount spent was \$ 1,394,443.46.

*Eau Claire Virtual School*

The Eau Claire Virtual Charter School (ECVS) was created as an independent institution to provide an innovative educational path that allows for the creative blend of opportunities to continually build the strengths of each learner. ECVS serves grades K through 12.

The cost of all ECASD staff and other program costs shall be paid by ECASD and will be determined annually based on enrollment and meeting student academic goals.

In 2023-24 the ECVS budget was \$ 1,218,805, the actual amount spent was \$ 1,250,680.13.

**EAU CLAIRE AREA SCHOOL DISTRICT  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2024**

**SECTION V: OTHER CONTRACT TERMS AND EXPECTATIONS (OPTIONAL)**

None.

**SECTION VI: AUTHORIZER OPERATING COSTS**

None.

**SECTION VII: SERVICES PROVIDED TO CHARTER SCHOOLS**

SERVICES PROVIDED	FUNCTION CODE	COST
UNDIFFERENTIATED	110000	\$ 2,089,329
REGULAR CURRICULUM	120000	346,207
PHYSICAL EDUCATION	143000	57,685
SPECIAL EDUCATION	150000	1,040,501
CO-CURRICULAR	160000	1,242
OTHER SPECIAL NEEDS	170000	114,400
SCHOOL COUNSELING	213000	277,150
OTHER PUPIL SERVICES	219000	41,714
CURRICULUM DEVELOPMENT	221200	415
INSTRUCTIONAL STAFF TRAINING	221300	30,081
OTHER IMPROVEMENT OF INSTRUCTION	221900	43,649
LIBRARY	222200	135,709
OTHER INST. STAFF SUPERVISION/COORDIN	223900	90,977
GENERAL ADMINISTRATION	230000	149
BUILDING ADMINISTRATION	240000	647,568
GENERAL OPERATIONS	253000	238,441
MAINTENANCE	254000	10,070
FACILITIES	255000	51,181
PUPIL TRANSPORTATION	256000	76,142
INTERNAL SERVICES	258000	1,520
NONINSTRUCTIONAL STAFF TRAINING	260000	6,037
ADMIN TECHNOLOGY SERVICES	295000	12,209
GENERAL CONTRACTED INSTRUCTION	431000	614,700
SPECIAL EDUCATION CONTRACTED INSTRU	436000	12,551
TOTAL		<u>\$ 5,939,627</u>

**SINGLE AUDIT SECTION**

**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) July 1, 2023	Federal Expenditures	Grant Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2024
<u>U.S. Department of Agriculture</u>								
Child Nutrition Cluster:								
National School Breakfast Program	10.553	WI DPI	2024-181554-DPI-SB-546	\$ -	\$ 76,709	\$ 576,617	\$ 568,500	\$ 84,826
National School Lunch Program:	10.555	WI DPI						
Food Distribution - Commodities			2024-181554-CHC-101	-	-	413,260	413,260	-
National School Lunch Program			2024-181554-DPI-NSL-547, 2024-181554-DPI_NSLAE-566	-	349,384	2,418,776	2,453,394	314,766
Total National School Lunch Program (#10.555)				-	349,384	2,832,036	2,866,654	314,766
Summer Food Service Program for Children	10.559	WI DPI	2024-181554-DPI-SFSP-561	-	-	93,514	93,514	-
Fresh Fruits and Vegetable Program	10.582	WI DPI	2024-181554-DPI-FFVPOCTPUB-376, 2024-181554-DPI-FFVP-July-594	-	-	107,864	107,151	713
Total Child Nutrition Cluster				-	426,093	3,610,031	3,635,819	400,305
Total Department of Agriculture				-	426,093	3,610,031	3,635,819	400,305
<u>Federal Communications Commission</u>								
Emergency Connectivity Fund Program	32.009	Direct	N/A	-	363,803	17,000	380,211	592
<u>U.S. Department of Education</u>								
Title I Basic Grant	84.010	WI DPI	2024-181554-DPI-TI-A-141, 2024-181554-DPI-TID-144, 2024-181554-DPI-CSI-148	-	649,475	1,852,889	1,641,683	860,681
Special Education Cluster:								
PL 94-142 (Flow Through)	84.027	WI DPI	2024-181554-DPI-FLOW-341, 2024-181554-DPI-UDLSUP-342, 2024-181554-DPI-WCCA-342	-	553,258	2,751,788	2,356,305	948,741
PL 99-457 Pre School Entitlement	84.173	WI DPI	2024-181554-DPI-PRESCH-347, 2024-181554-DPI-ELIMG-348	-	26,342	113,763	106,601	33,504
Total Special Education Cluster				-	579,600	2,865,551	2,462,906	982,245
Vocational Education - Basic Grants to States (Carl Perkins)	84.048	WI DPI	2024-181554-DPI-CTE-400	-	86,528	104,915	147,502	43,941
Indian Education - Grants to Local Agencies	84.060	Direct	S060A190554	-	3,740	18,352	16,663	5,429
School Based Mental Health Professional Grant	84.184	WI DPI	2024-181554-DPI-SBMHP-386	-	25,334	100,579	72,664	53,249
ESEA Title X-C Homeless Children	84.196	WI DPI	2024-181554-DPI-EHCY-335	-	27,832	46,047	56,221	17,658

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal Assistance Listing Number (ALN)	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) July 1, 2023	Federal Expenditures	Grant Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2024
<u>U.S. Department of Education (Continued)</u>								
ESEA Title III - A English Language Acquisition Grants	84.365	WI DPI	2024-181554-DPI-TIIIA-391	\$ -	\$ 21,119	\$ 37,079	\$ 44,812	\$ 13,386
ESEA Title II - A Teacher/Principal Training	84.367	WI DPI	2024-181554-DPI-TIIA-365	-	141,376	240,989	348,822	33,543
ESEA Title IVA - Student Support & Academic Enrichment Grants	84.424	WI DPI	2024-181554-DPI-TIVA-381	-	38,430	118,686	124,811	32,305
COVID-19 Education Stabilization Fund:								
COVID-19 - ARPA - Homeless Children and Youth	84.425A	WI DPI	2022-181554-DPI-EHCY-335	-	57	69,336	3,386	66,007
COVID 19 - ARPA - Evidence-Based After School Program	84.425D	WI DPI	2023-181554-DPI-ESF-Af-Sch165	-	-	233,580	116,078	117,502
COVID 19 - ARPA - Summer Enrichment Program	84.425D	WI DPI	2023-181554-DPI-ESF-Summer-165	-	-	76,565	57,108	19,457
COVID 19 - ARPA - LETRS	84.425D	WI DPI	2024-181554-DPI-LETRS-165	-	-	43,785	-	43,785
COVID 19 - Elementary & Secondary School Emergency Relief Fund III	84.425U	WI DPI	2022-181554-DPI-ESSERFIII-165	-	2,816,323	7,015,616	7,576,001	2,255,938
Total COVID-19 Education Stabilization Fund (#84.425)				-	2,816,380	7,438,882	7,752,573	2,502,689
Total Department of Education				-	4,389,814	12,823,969	12,668,657	4,545,126
<u>U.S. Department of Health and Human Services</u>								
Drug Free Communities Support Program Grant	93.243	EC HEALTH	5H79SP0158685-05	-	2,336	7,367	7,514	2,189
COVID-19 - Child Care Stabilization Funds (CDC Cluster)	93.575	WI DCF	FY 2024	-	(36,292)	97,634	61,342	-
Medicaid Cluster - School Based Services Revenue	93.778	WI DHS	Provider #44201900	-	20,923	1,647,403	1,511,064	157,262
School Health Services - Nursing Grant	93.354	CESA #10	FY 2024	-	36,079	44,339	80,418	-
		Western Wisconsin Dairyland Agency						
Head Start	93.600		Not Available	-	341,049	942,598	1,161,985	121,662
Total Department of Health and Human Services				-	364,095	2,739,341	2,822,323	281,113
Total Expenditures of Federal Awards				\$ -	\$ 5,543,805	\$ 19,190,341	\$ 19,507,010	\$ 5,227,136

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.



**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2024**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Receivable (Unearned Revenue) July 1, 2023	Expenditures	State Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2024
<u>Wisconsin Department Workforce Development</u>						
Cooperative Educational Service Agency 10: Wisconsin Fast Forward Grant	445.109	FY2024	\$ -	\$ 12,635	\$ 12,635	\$ -
Youth Apprenticeship Grant:	445.107	Eau Claire Chamber of Commerce	-	37,950	37,950	-
Total Department of Workforce Development			-	50,585	50,585	-
<u>Wisconsin Department of Justice</u>						
School Safety Initiative	455.206	FY2024	-	77,044	-	77,044
<u>Wisconsin Department of Health Services</u>						
Opioid Prevention Grant	435.833	181554-188	-	23,333	-	23,333
<u>Wisconsin Department of Public Instruction</u>						
Special Education and School Age Parents: District Programs	255.101	181554-100	-	8,365,873	8,365,873	-
State Lunch	255.102	181554-107	-	45,038	45,038	-
Common School Fund Library Aid	255.103	181554-104	-	810,739	810,739	-
Bilingual/Bicultural Aid	255.106	181554-111	-	231,517	231,517	-
Pupil Transportation	255.107	181554-102	-	303,322	303,322	-
General Equalization Aid	255.201	181554-116	-	72,277,234	72,277,234	-
High Cost Special Education Aid	255.210	181554-119	-	161,390	161,390	-
School Mental Health	255.227	181554-176	-	322,589	322,589	-
Special Education Readiness Grant	255.257	181554-174	86,903	-	86,903	-
School Based Mental Health Services	255.297	181554-177	45,776	363,820	410,707	(1,111)
Alcohol and Other Drug Abuse	255.306	181554-143	23,605	24,825	45,645	2,785
School Breakfast Program	255.344	181554-108	-	20,059	20,059	-
Tuition Payments by State	255.401	181554-157	-	236,162	236,162	-
Early College Credit Program	255.445	181554-178	-	625	625	-
Achievement Gap Reduction (AGR)	255.504	181554-160	-	1,335,001	1,335,001	-
Educator Effectiveness Grant	255.940	181554-154	-	80,400	80,400	-
Per Pupil Aid	255.945	181554-113	-	8,205,036	8,205,036	-
Career and Technical Education Incentive Grants	255.950	181554-152	-	57,097	57,097	-
Assessments of Reading Readiness	255.956	181554-166	-	10,666	10,666	-
Aid for Special Education Transition Grant BBL	255.960	181554-168	-	50,325	50,325	-
Total Department of Public Instruction			156,284	92,901,718	93,056,328	1,674
Total State Financial Assistance			<u>\$ 156,284</u>	<u>\$ 93,052,680</u>	<u>\$ 93,106,913</u>	<u>\$ 102,051</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**EAU CLAIRE AREA SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2024**

**NOTE 1 GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance (the Schedules) include the federal and state award activity of the Eau Claire Area School District, Wisconsin (the District) under programs of the federal and state governments for the year ended June 30, 2024. The information in these Schedules is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the Wisconsin *State Single Audit Guidelines*. Because the Schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements.

**NOTE 3 FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed for the USDA Commodities Program (ALN 10.555).

**NOTE 4 INDIRECT COSTS AND PASSED-THROUGH AMOUNTS**

The District has not elected to use the 10% de minimis indirect cost rate. The District did not pass-through any amounts to subrecipients during the year.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education  
Eau Claire Area School District  
Eau Claire, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Eau Claire Area School District, Wisconsin (District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 25, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
November 25, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES**

Board of Education  
Eau Claire Area School District  
Eau Claire, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited Eau Claire Area School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Guidelines* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
November 25, 2024

**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**PART I: SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

- |  |            |                  |            |
|--|------------|------------------|------------|
| 1. Type of auditors' report issued                       | Unmodified |                  |            |
| 2. Internal control over financial reporting:            |            |                  |            |
| * Material weakness(es) identified?                      | _____ Yes  | _____ X _____ No |            |
| * Significant deficiency(es) identified?                 | _____ Yes  | _____ X _____    | None Noted |
| 3. Noncompliance material to financial statements noted? | _____ Yes  | _____ X _____ No |            |

**Federal Awards**

- |   |            |                  |            |
|---|------------|------------------|------------|
| 1. Internal control over major programs:  |            |                  |            |
| * Material weakness(es) identified?   | _____ Yes  | _____ X _____ No |            |
| * Significant deficiency(es) identified?  | _____ Yes  | _____ X _____    | None Noted |
| 2. Type of auditors' report issued on compliance for major programs                                   | Unmodified |                  |            |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 516(a)? | _____ Yes  | _____ X _____ No |            |

**Identification of Major Federal Program**

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.027, 84.173 84.425D, 84.425U	Special Education Cluster COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ X \_\_\_\_\_ Yes \_\_\_\_\_ \_\_\_\_\_ No

**State Financial Assistance**

- |  |           |                  |               |
|--|-----------|------------------|---------------|
| 1. Internal control over major programs: |           |                  |               |
| * Material weakness(es) identified?      | _____ Yes | _____ X _____ No |               |
| * Significant deficiency(es) identified? | _____ Yes | _____ X _____    | None Reported |

Type of auditors' report issued on compliance for major projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with state requirements? \_\_\_\_\_ Yes \_\_\_\_\_ X \_\_\_\_\_ No

**Identification of Major State Projects**

<b>State ID Number(s)</b>	<b>Name of State Project</b>
255.201 255.227 255.297	General Equalization Aid Aid for School Mental Health Mental Health Services Grant


Dollar threshold used to distinguish between Type A and Type B state projects: \$1,000,000



**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**PART I: SUMMARY OF AUDITORS' RESULTS (CONTINUED):**

**OTHER ISSUES**

- |    |   |  |
|----|---|--|
| 1. | Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?  | No   |
| 2. | Does the auditors' report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the <i>Wisconsin State Single Audit Guidelines</i> : |  |
|    | Department of Public Instruction  | No   |
|    | Department of Health Services   | No   |
|    | Department of Workforce Development   | No   |
| 3. | Was a management letter or other document conveying audit comments issued as a result of this letter?   | No   |
| 4. | Name and signature of Principal   | <br>April L. Anderson, CPA |
| 5. | Date of Report  | November 25, 2024  |

**EAU CLAIRE AREA SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**PART II: FINDINGS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING:**

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:**

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**PART IV: FINDINGS RELATED TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS:**

None

**PART V: FINDINGS RELATED TO STATE GENERAL AND PROGRAM REQUIREMENTS:**

None



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