

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021



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EAU CLAIRE, WISCONSIN
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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eau Claire Area School District, Wisconsin (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Eau Claire Area School District, Wisconsin as of June 30, 2021, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 5.K to the financial statement, in 2021, the District adopted new Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

As discussed in Note 5.K to the financial statements, during fiscal year ended June 30, 2021, the District adopted GASB Statement No. 87, *Leases*. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessor to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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 individual and combining fund statements and schedules, budgetary schedules and charter school authorizer annual report (section VI and VII only), as referenced in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis 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 *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, respectively, and are not a required part of the basic financial statements.

The individual and combining schedules, budgetary schedules, charter school authorizer annual report (section VI and VII only), and the schedule of expenditures of federal awards and schedule of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements and have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The charter school authorizer annual report, sections I through V, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021 on our consideration of 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
December 6, 2021

REQUIRED SUPPLEMENTARY INFORMATION

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, 2021. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which begin on page 15 following this narrative.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 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 \$55,601,728 (net position). Of this, amount, \$65,518,325 represents the net investment in capital assets, \$34,404,318 is for restricted purposes and the remaining deficit balance of \$44,320,915 is classified as unrestricted net position.
- Net position for the most recent fiscal year increased \$15,856,904 from the prior year. \$1,273,444 was due to restatement of the beginning net position due to a change in accounting principle and \$14,583,460 was due to current year activity.
- Net capital assets decreased by \$1,068,517 reflecting cost of acquisitions less than the depreciation expense.
- The District's general obligation debt, including the current portion, decreased by \$4,715,000 during the year. The District's other long-term obligations, including the current portions, increased \$2,001,473 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$24,310,592 of total revenues of \$164,786,789. General revenues accounted for \$140,476,197, including \$61,089,898 of property taxes and \$75,973,824 of state and federal aid. General revenues accounted for 85.2% of all revenues.
- The District had a total of \$150,203,329 of expenses, of which \$24,310,592 was financed with program revenues.
- The total fund balance of the District's governmental funds increased \$4,974,399. The general fund had an increase of \$5,261,089 with a decrease of \$49,807 in the debt service fund and a decrease of \$236,883 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
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, 2021.

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 and the debt service fund as these are considered to be major funds. Data for the donation fund, food service fund, community service fund, capital projects 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
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, 2021 compared to the prior fiscal year.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities		Percent Change 2020-2021
	2021	2020	
Current and Other Assets	\$ 88,166,895	\$ 72,850,103	21.0%
Capital Assets, Net of Depreciation/Amortization	124,881,207	124,676,280	0.2
Total Assets	213,048,102	197,526,383	7.9
Deferred Outflows of Resources	47,991,538	36,652,676	30.9
Current Liabilities	19,690,286	20,521,212	-4.0
Long-Term Liabilities	125,947,268	129,846,036	-3.0
Total Liabilities	145,637,554	150,367,248	-3.1
Deferred Inflows of Resources	59,800,358	44,066,987	35.7
Net Position			
Net Investment in Capital Assets	65,518,325	69,688,930	-6.0
Restricted	34,404,318	22,277,025	54.4
Unrestricted	(44,320,915)	(52,221,131)	15.1
Total Net Position	\$ 55,601,728	\$ 39,744,824	39.9

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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 \$2,666,735 is restricted for debt service along with \$960,194 for the donor specific purposes, \$1,564,773 for food service purposes, \$2,214,118 for community service programs, \$453,181 for capital projects, and \$26,545,317 for net pension asset.

Total liabilities decreased \$4,729,694 and total assets increased \$15,521,719 during the year. Net position increased \$15,856,904, including an increase of \$14,583,460 for current year activities and an increase of \$1,273,444 relating to a change in accounting principle.

At June 30, 2021, the District reported \$47,991,538 of deferred outflows of resources and \$59,800,358 of deferred inflows of resources.

Change in Net Position. Table 2 shows the change in net position for the fiscal years 2021 and 2020. As shown in Table 2, general revenues provided 85.2% of the funding required for governmental activities with property taxes providing 37.1% of the funding and general state formula aid providing 46.1% of total revenues. Program revenues, consisting of charges for services and operating grants and contributions, provided 14.8% 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 2020-2021
	2021	2020	
Revenues			
Program Revenues:			
Charges for Services	\$ 2,963,614	\$ 4,813,941	-38.4%
Operating Grants and Contributions	21,233,584	17,357,022	22.3
Capital Grants and Contributions	113,394	409,722	-72.3
General Revenues:			
Property Taxes	61,089,898	62,506,392	-2.3
State and Federal Aids	75,973,824	72,552,428	4.7
Other	3,412,475	2,906,493	17.4
Total Revenues	164,786,789	160,545,998	2.6
Expenses			
Instruction	81,986,172	81,830,117	0.2
Pupil and Instructional Services	12,774,119	12,859,052	-0.7
Administration and Central Services	28,539,941	33,563,022	-15.0
Other	26,903,097	23,030,136	16.8
Total Expenses	150,203,329	151,282,327	-0.7
Change in Net Position	14,583,460	9,263,671	57.4
Net Position - Beginning of Year	39,744,824	30,481,153	30.4
Change in Accounting Principle	1,273,444	-	100.0
Net Position - Beginning of Year, Restated	41,018,268	30,481,153	34.6
Net Position - End of Year	\$ 55,601,728	\$ 39,744,824	39.9

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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:

	2021	2020
Subject to Revenue Limit:		
General Fund	\$ 52,911,401	\$ 53,866,381
Debt Service	6,626,188	7,643,087
Not Subject to Revenue Limit:		
Community Service	744,782	923,626
	<u>\$ 60,282,371</u>	<u>\$ 62,433,094</u>

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 \$3,421,396 in 2021 from \$72,552,428 in 2020 to \$75,973,824 in 2021.

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**

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 81,986,172	\$ 65,397,545	\$ 81,830,117	\$ 65,778,324
Pupil and Instructional Services	12,774,119	10,172,831	12,859,052	11,183,562
Administration and Central Services	28,539,941	27,285,828	33,563,022	32,775,733
Other	26,903,097	23,036,533	23,030,136	18,964,023
Totals	<u>\$ 150,203,329</u>	<u>\$ 125,892,737</u>	<u>\$ 151,282,327</u>	<u>\$ 128,701,642</u>

- The cost of all governmental activities for the year was \$150,203,329, a decrease of \$1,078,998 (0.70%) from the prior year.
- Individuals who directly participated or benefited from a program offering paid for \$2,963,614 of costs.
- Federal and state governments subsidized certain programs with operating and capital grants and contributions of \$21,346,978.
- Net cost of governmental activities (\$125,892,737) was financed by general revenues, which are made up primarily of property taxes (\$61,089,898) and state and federal aid (\$75,973,824).

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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

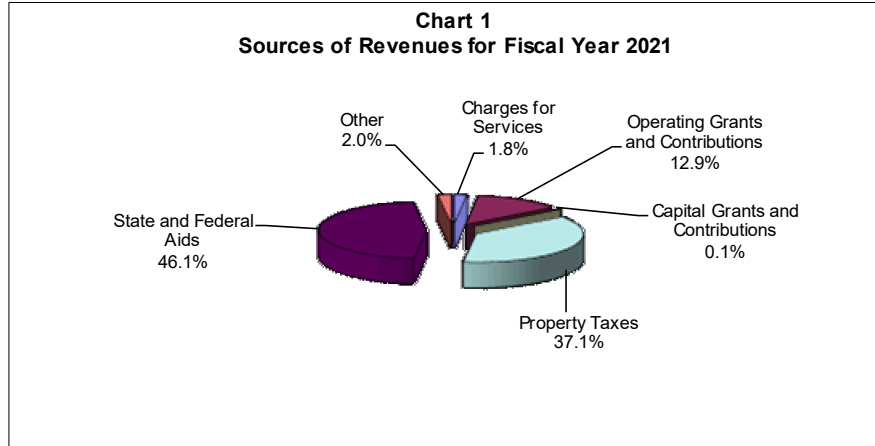
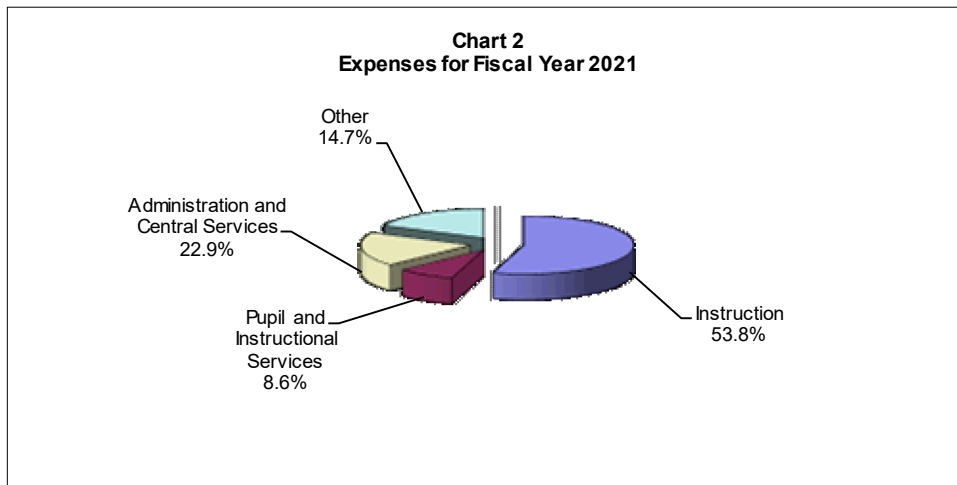


Chart 2 below displays the composition of expense by function:



**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Governmental Funds

Changes in the District's governmental funds for the year ended June 30, 2021 are reflected below:

	<u>Balance June 30, 2021</u>	<u>Balance June 30, 2020</u>	<u>Current Year Change</u>
General	\$ 40,703,515	\$ 35,442,426	\$ 5,261,089
Donations Fund	960,194	783,886	176,308
Debt Service	3,221,913	3,271,720	(49,807)
Capital Projects	453,181	728,497	(275,316)
Food Service	1,564,773	1,841,620	(276,847)
Community Service	2,214,118	2,075,146	138,972
	<u>\$ 49,117,694</u>	<u>\$ 44,143,295</u>	<u>\$ 4,974,399</u>

The general fund balance at year end totaled \$40,703,515. Of this amount, \$3,206,219 represents nonspendable funds, \$749,105 is assigned, and the remaining \$36,748,191 represents unassigned funds. The nonspendable funds consist of prepaid expenses and inventory.

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

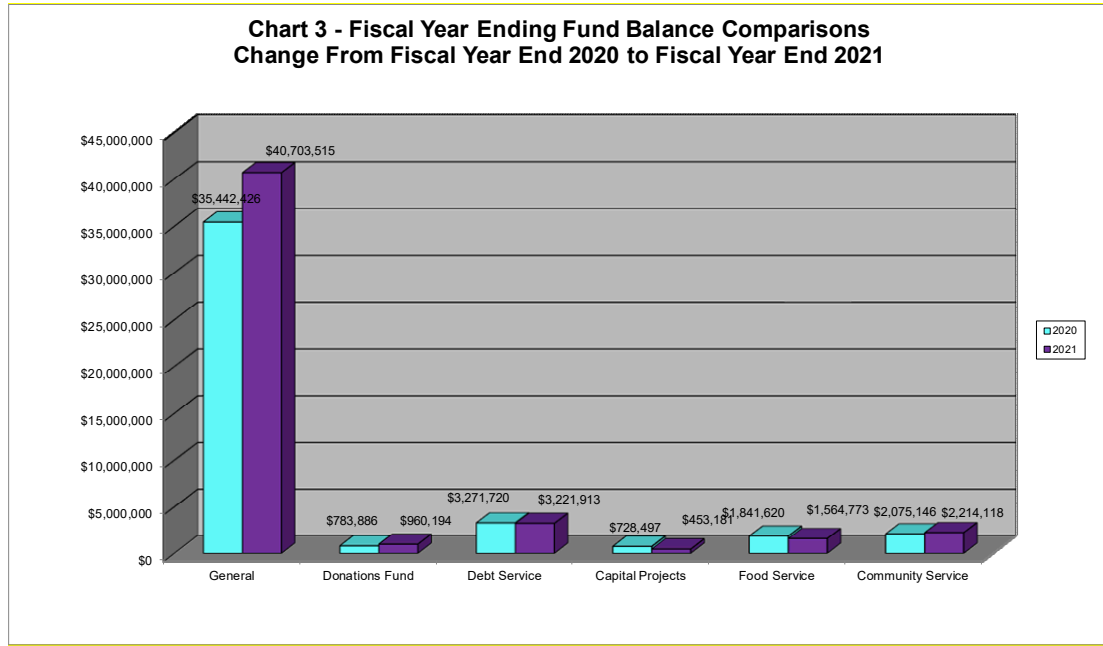
The balance in the debt service fund is to provide for the necessary accumulation of funds for debt retirement needs.

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
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Chart 3 below depicts the changes in ending fund balances graphically for each fund from fiscal year 2020 to fiscal year 2021.



**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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 2021 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 and vocational instruction were increased due to federal grant adjustments made to account for final grant award amounts.

The final budget for instructional staff services was decreased to account for the repurposing of staff to help in classrooms.

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
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2021, the District had invested approximately \$229.9 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 \$105,060,585. Net capital assets decreased by \$1,068,517 from the previous year.

**Table 4
Capital Assets**

	June 30,		Percent Change 2020-2021
	2021	2020	
Land	\$ 2,262,174	\$ 2,262,174	0.0%
Land Improvements	11,630,711	11,242,211	3.5
Buildings	197,194,070	194,846,622	1.2
Furniture and Equipment	17,749,239	12,609,962	40.8
Construction in Progress	768,068	1,670,799	-54.0
Leased Asset (Right of Use)	337,530	1,496,468	-77.4
Accumulated Depreciation/Amortization	(105,060,585)	(98,178,512)	7.0
Total	<u>\$ 124,881,207</u>	<u>\$ 125,949,724</u>	-0.8

- Asset acquisitions during the year totaled \$7,083,888.
- The District disposed of \$1,270,332 of capital assets during the year.
- The District recognized depreciation/amortization expense of \$8,083,837 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 \$45.6 million in net general obligation debt outstanding which is a decrease of 9.4% from the previous year. The District also had other long-term obligations outstanding of approximately \$87 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
EAU CLAIRE, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

**Table 5
Outstanding Long Term Obligations**

	June 30,		Percent Change 2020-2021
	2021	2020	
General Obligation Debt:			
General Obligation Bonds & Notes Payable	\$ 45,585,000	\$ 50,300,000	-9.4%
Other Long-Term Obligations			
Lease Liability - Right of Use	208,428	-	100.0
Lease Liability - Financed Purchase	3,641,175	952,344	282.3
Vested Employee Benefits	378,251	314,132	20.4
Other Postemployment Benefits Liabilities	75,956,123	76,755,532	-1.0
Pension Plan Liabilities	2,164,255	2,227,241	-2.8
Premiums	4,645,260	4,742,770	-2.1
Total	<u>\$ 132,578,492</u>	<u>\$ 135,292,019</u>	-2.0

- The District retired \$4,715,000 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 continues to project stable enrollment growth for at least the next 3 years. Enrollment projections are updated annually. In the 2021-2022 school year, the District saw a decrease in enrollment that is believed to be related to the COVID-19 pandemic. Enrollment increases have a positive impact on the revenue that a school can raise under the Revenue Limit Formula. Revenue Limits will continue to restrict the amount of revenue the District is allowed to receive from General State Aid, Property Taxes, and a categorical aid referred to as State Computer Aid. When other revenue received from State sources is taken into consideration, about 88.6% of the District's revenue stream is controlled by the State Legislature and Governor. Controlling expenditure increases to fit within available revenue continues to be an annual challenge. The 2021-2022 school year marks the beginning of the State's biennial budget. In the 2021-2022 budget, there was no change to the \$742 per-pupil aid amount. In November 2016, a referendum was passed to annually exceed the revenue limit by \$5,860,000 for the next 15 years for the purposes of staff, building maintenance, safety and security improvements, class size, 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
EAU CLAIRE, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Governmental Activities
ASSETS:	
Cash and Investments	\$ 33,770,077
Taxes Receivable	18,395,257
Accounts Receivable	931,352
Due from Other Governments	5,165,280
Inventories and Prepaid Items	3,359,612
Wisconsin Retirement System Net Pension Asset	26,545,317
Capital Assets Not Being Depreciated/Amortized:	
Land	2,262,174
Construction in Progress	768,068
Capital Assets Being Depreciated/Amortized:	
Land Improvements	11,630,711
Buildings and Building Improvements	197,194,070
Furniture and Equipment	17,749,239
Leased Asset (right of use)	337,530
Less - Accumulated Depreciation/Amortization	(105,060,585)
Total Assets	213,048,102
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Related	41,911,002
Other Postemployment Benefits Related	6,080,536
Total Deferred Outflows of Resources	47,991,538
LIABILITIES:	
Accounts Payable	2,978,862
Accrued Payroll and Related Liabilities	9,185,803
Accrued Interest Payable	555,178
Other Deposits Payable	5,628
Unearned Revenues	257,127
Health Benefit Claims Payable	76,464
Current Portion of Long-Term Obligations	6,631,224
Noncurrent Liabilities:	
General Obligation Bonds	45,341,525
Lease Liability	2,485,365
Net Other Postemployment Benefits Liability	69,732,403
State Life Insurance Net Other Postemployment Benefits Liability	6,223,720
Net Supplemental Pension Plan Liability	2,164,255
Total Liabilities	145,637,554
DEFERRED INFLOWS OF RESOURCES:	
Pension Related	58,900,434
Other Postemployment Benefits Related	899,924
Total Deferred Inflows of Resources	59,800,358
NET POSITION:	
Net Investment in Capital Assets	65,518,325
Restricted for:	
Donor Specifications	960,194
Debt Service	2,666,735
Food Service	1,564,773
Community Service	2,214,118
Capital Projects	453,181
Wisconsin Retirement System Pension Plan Asset	26,545,317
Unrestricted (Deficit)	(44,320,915)
Total Net Position	\$ 55,601,728

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Primary Government					
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 53,512,804	\$ 2,570,782	\$ 3,987,294	\$ -	\$ (46,954,728)
Vocational Instruction	3,387,167	-	123,795	66,882	(3,196,490)
Special Instruction	20,981,721	173,886	8,778,021	-	(12,029,814)
Other Instruction	4,104,480	74,562	813,405	-	(3,216,513)
Total Instruction	81,986,172	2,819,230	13,702,515	66,882	(65,397,545)
Support Service:					
Pupil Services	7,021,498	-	1,453,448	-	(5,568,050)
Instructional Staff Services	5,752,621	-	1,147,840	-	(4,604,781)
General Administration	752,429	-	-	-	(752,429)
Building Administration	5,986,857	-	260,364	-	(5,726,493)
Business Services	19,886,610	7,497	889,871	13,169	(18,976,073)
Central Services	1,914,045	-	83,212	-	(1,830,833)
Insurance and Judgments	1,281,707	-	-	-	(1,281,707)
Interest on Debt	1,963,822	-	-	-	(1,963,822)
Other Supporting Services	7,527,657	-	275,307	33,343	(7,219,007)
Food Services	3,622,996	136,203	3,421,027	-	(65,766)
Community Services	495,090	684	-	-	(494,406)
Total Support Services	56,205,332	144,384	7,531,069	46,512	(48,483,367)
Non-Program:					
Purchased Instructional Services	11,450,364	-	-	-	(11,450,364)
Other Non-Program Transactions	561,461	-	-	-	(561,461)
Total Non-Program	12,011,825	-	-	-	(12,011,825)
Total Primary Government	\$ 150,203,329	\$ 2,963,614	\$ 21,233,584	\$ 113,394	(125,892,737)
General Revenues					
Property Taxes:					
General Purposes					53,702,627
Debt Services					6,626,186
Community Services					744,782
Payment in Lieu of Taxes					16,303
State and Federal Aids Not Restricted to					
Specific Functions					75,973,824
Interest and Investment Earnings					47,482
Gain on Sale of Capital Assets					18,645
Miscellaneous					3,346,348
Total General Revenues					140,476,197
Change in Net Position					14,583,460
Net Position - Beginning of Year					39,744,824
Restatement (See Note 5.K)					1,273,444
Net Position - Beginning of Year As Restated					41,018,268
Net Position - End of Year					\$ 55,601,728

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 25,534,094	\$ 3,221,913	\$ 5,014,070	\$ 33,770,077
Receivables:				
Taxes	18,395,257	-	-	18,395,257
Accounts	760,036	-	171,316	931,352
Due from Other Governments	4,404,948	-	760,332	5,165,280
Due from Other Funds	162,993	-	-	162,993
Inventories and Prepaid Items	3,206,219	-	153,393	3,359,612
Total Assets	<u>\$ 52,463,547</u>	<u>\$ 3,221,913</u>	<u>\$ 6,099,111</u>	<u>\$ 61,784,571</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 2,553,334	\$ -	\$ 425,528	\$ 2,978,862
Accrued Liabilities:				
Payroll, Payroll Taxes, Insurance	9,122,485	-	63,318	9,185,803
Due to Other Funds	-	-	162,993	162,993
Other Deposits Payable	4,189	-	1,439	5,628
Unearned Revenue	3,560	-	253,567	257,127
Health Benefit Claims Payable	76,464	-	-	76,464
Total Liabilities	<u>11,760,032</u>	<u>-</u>	<u>906,845</u>	<u>12,666,877</u>
Fund Balances:				
Nonspendable	3,206,219	-	153,393	3,359,612
Restricted	-	3,221,913	5,038,982	8,260,895
Assigned	749,105	-	-	749,105
Unassigned	36,748,191	-	(109)	36,748,082
Total Fund Balances	<u>40,703,515</u>	<u>3,221,913</u>	<u>5,192,266</u>	<u>49,117,694</u>
Total Liabilities and Fund Balances	<u>\$ 52,463,547</u>	<u>\$ 3,221,913</u>	<u>\$ 6,099,111</u>	<u>\$ 61,784,571</u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021**

Total Fund Balance - Governmental Funds **\$ 49,117,694**

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	\$ 229,941,792	
Accumulated Depreciation	(105,060,585)	124,881,207

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)	26,545,317	
Net Supplemental Pension Plan Liability	(2,164,255)	
Deferred Outflows of Resources - Pension Related	41,911,002	
Deferred Inflows of Resources - Pension Related	(58,900,434)	7,391,630

Unused vacation pay is a liability of the governmental funds only if the employee has resigned or retired. (378,251)

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	50,230,260	
Lease Liability - Right-to-Use	208,428	
Lease Liability - Financed Purchase	3,641,175	
Accrued Interest Payable on General Obligation Debt	555,178	(54,635,041)

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	69,732,403	
State Life Insurance Net Other Postemployment Benefits Liability	6,223,720	
Deferred Outflows of Resources - Other Postemployment Benefits Related	(6,080,536)	
Deferred Inflows of Resources - Other Postemployment Benefits Related	899,924	(70,775,511)

Total Net Position - Governmental Activities **\$ 55,601,728**

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Local	\$ 53,995,282	\$ 6,645,980	\$ 1,910,694	\$ 62,551,956
Interdistrict	2,528,635	-	-	2,528,635
Intermediate	-	-	772,083	772,083
State	85,172,148	-	59,039	85,231,187
Federal	8,064,926	-	3,369,079	11,434,005
Other	2,229,232	-	42,701	2,271,933
Total Revenues	151,990,223	6,645,980	6,153,596	164,789,799
EXPENDITURES				
Instruction:				
Regular Instruction	56,134,676	-	645,299	56,779,975
Vocational Instruction	3,709,220	-	24,629	3,733,849
Special Instruction	22,708,928	-	390	22,709,318
Other Instruction	4,327,133	-	81,953	4,409,086
Total Instruction	86,879,957	-	752,271	87,632,228
Support Services:				
Pupil Services	7,590,392	-	16,235	7,606,627
Instructional Staff Services	6,014,037	-	141,254	6,155,291
General Administration	791,758	-	-	791,758
Building Administration	6,445,304	-	55,053	6,500,357
Business Services	19,527,768	-	1,077,111	20,604,879
Food Services	-	-	3,736,590	3,736,590
Central Services	1,563,689	-	3,665	1,567,354
Insurance and Judgments	1,274,772	-	4,565	1,279,337
Community Services	-	-	512,738	512,738
Debt Service:				
Principal	1,448,307	4,715,000	-	6,163,307
Interest	29,672	1,980,787	-	2,010,459
Paying Agent Fees	2,058	-	-	2,058
Other Support Services	7,553,929	-	32,229	7,586,158
Total Support Services	52,241,686	6,695,787	5,579,440	64,516,913
Non-Program:				
Purchased Instructional Services	11,428,719	-	21,645	11,450,364
Other Non-Program Transactions	524,338	-	37,123	561,461
Total Non-Program	11,953,057	-	58,768	12,011,825
Total Expenditures	151,074,700	6,695,787	6,390,479	164,160,966
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	915,523	(49,807)	(236,883)	628,833
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	4,345,566	-	-	4,345,566
NET CHANGE IN FUND BALANCES	5,261,089	(49,807)	(236,883)	4,974,399
Fund Balances - Beginning of Year	35,442,426	3,271,720	5,429,149	44,143,295
FUND BALANCES - END OF YEAR	<u>\$ 40,703,515</u>	<u>\$ 3,221,913</u>	<u>\$ 5,192,266</u>	<u>\$ 49,117,694</u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds **\$ 4,974,399**

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 expense in the statement of activities.

Capital outlays reported in the governmental fund statements	\$ 7,083,888	
Net book value of capital assets disposed of during the year	(68,568)	
Depreciation/Amortization expense reported in the statement of activities	<u>(8,083,837)</u>	
Net change in capital assets		(1,068,517)

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.

7,819,963

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.

1,055,298

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 in the current year	4,715,000	
The amount of right-to-use lease principal payments in the current year	71,037	
The amount of financed purchase lease principal payments in the current year	<u>1,377,270</u>	6,163,307

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 right-to-use lease proceeds in the current year	(279,465)	
The amount of financed purchase lease proceeds in the current year	<u>(4,066,101)</u>	(4,345,566)

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

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: \$ 97,510

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	1,980,787	
The amount of interest accrued during the current period	(2,029,602)	
	(2,029,602)	

Amount of interest paid less than interest accrued (48,815)

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 used (essentially the amounts actually paid).

Amount by which the liability for vacation pay changed in the current period	(64,119)
	(64,119)

Change in Net Position - Governmental Activities	\$ 14,583,460
	\$ 14,583,460

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	Employee Benefit Trust	Custodial Fund
ASSETS		
Cash and Investments	\$ 3,776,048	\$ 71,913
Accounts Receivable	5,024	-
Prepays	2,410,311	-
Total Assets	<u>6,191,383</u>	<u>71,913</u>
LIABILITIES		
Accounts Payable	277	232
Health Benefit Claims Payable	<u>3,667</u>	<u>-</u>
Total Liabilities	<u>3,944</u>	<u>232</u>
NET POSITION		
Restricted	<u><u>\$ 6,187,439</u></u>	<u><u>\$ 71,681</u></u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Employee Benefit Trust Funds	Custodial Fund
ADDITIONS		
Resale Income	\$ -	\$ 90
Donations	-	44,425
Investment Income	57,947	61
District Contributions	7,438,635	-
Plan Member Contributions	167,198	-
Miscellaneous	-	48,535
Total Additions	<u>7,663,780</u>	<u>93,111</u>
DEDUCTIONS		
Other Instruction	-	21,198
Administrative Expenses	23,976	-
Benefit Payments to Plan Members	7,097,925	-
Purchased Instructional Services	-	232
Other Adjustments	35,599	-
Total Deductions	<u>7,157,500</u>	<u>21,430</u>
CHANGE IN NET POSITION	506,280	71,681
Net Position - Beginning of Year	<u>5,681,159</u>	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ 6,187,439</u></u>	<u><u>\$ 71,681</u></u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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.

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
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 2020 tax levy is used to finance operations of the District's fiscal year ended June 30, 2021. 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
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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.

Capital assets are recorded in the government-wide financial statements but are not reported in the fund financial statements. Capital assets are depreciated 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 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.

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.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Deferred Outflows of Resources

The District reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The District reports deferred outflows of resources for pension and OPEB related items.

6. Deferred Inflows of Resources

The District reports increases in net position or fund balance that apply to a future period as deferred inflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. 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.

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 the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from 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 employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The District's collective OPEB liabilities for these two plans at June 30, 2021 was \$75,956,123 and total OPEB expense for 2020-2021 was \$5,704,383.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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). For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The District's pension liability for the single-employer plan was \$2,164,255 and the District's pension asset for the multiple-employer plan was \$26,545,317 at June 30, 2021. Total pension expense for the single-employer plan was \$147,305 and total pension income for the multiple-employer plan was \$2,961,398 for 2020-2021.

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.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

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, 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.

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 District Board prior to each year end. Based on resolution of the District 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
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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 governmental fund balances and changes thereto to the net position and revenues/expenses shown in the government-wide financial statements are presented on pages 18 and 20 respectively.

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.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 STEWARDSHIP AND ACCOUNTABILITY (CONTINUED)

Budgetary Accountability (Continued)

- 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.

NOTE 5 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, 2021 were shown in the financial statements as follows:

Governmental Funds	\$ 33,770,077
Fiduciary Funds:	
Employee Benefit Trust	3,776,048
Custodial Fund	71,913
	<u>\$ 37,618,038</u>

The above balances at June 30, 2021 consisted of the following:

Treasurer's Cash and Investments:	
Cash	\$ 300
Deposits at Financial Institutions	71,912
Fiscal Money Market	53
Insured Cash Sweep	32,109,462
PFM Funds Managed Money Market	691,727
Mutual Funds	46,000
OPEB Trust Money Market Fund	938,221
OPEB Mutual Funds	3,759,482
WISC Investment Series	3
Investments in State Local Government	
Pooled - Investment Fund	878
Total Cash and Investments	<u>\$ 37,618,038</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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 \$400,000 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.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2021, 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
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The District's investments at June 30, 2021 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, 2021 was approximately 47 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, 2021, the District's investments were rated as follows:

Type	Credit Rating	Amount
Fiscal Money Market	Not Rated	\$ 53
PFM Funds Managed Money Market	Not Rated	691,727
Mutual Funds	Not Rated	46,000
OPEB Trust Money Market Fund	Not Rated	938,221
OPEB Mutual Funds	Not Rated	3,759,482
WISC Investment Series	Not Rated	3
Local Government Investment Pool	Not Rated	878
Total		<u>\$ 5,436,364</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021, the District's investments maturities were as follows:

Type	Total	< 1 Year	1 to 3 years	> 3 Years
Fiscal Money Market	\$ 53	\$ 53	\$ -	\$ -
PFM Funds Managed Money Market	691,727	691,727	-	-
Mutual Funds	46,000	46,000	-	-
OPEB Trust Money Market Fund	938,221	938,221	-	-
OPEB Mutual Funds	3,759,482	3,759,482	-	-
WISC Investment Series	3	3	-	-
Local Government Investment Pool	878	878	-	-
Total	<u>\$ 5,436,364</u>	<u>\$ 5,436,364</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.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Fair Value Measurements (Continued)

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.

The District's assets as of June 30, 2021 were categorized as follows:

	Level 1	Level 2	Level 3	Total
Fiscal Money Market	\$ 53	\$ -	\$ -	\$ 53
PFM Funds Managed Money Market	691,727	-	-	691,727
Mutual Funds	46,000	-	-	46,000
OPEB Mutual Funds	3,759,482	-	-	3,759,482
Total	<u>\$ 4,497,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4,497,262</u>
Investments at Amortized Cost:				
OPEB Trust Money Market Fund				938,221
WISC Investment Series				3
Local Government Investment Pool				878
Total				<u>\$ 5,436,364</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Changes in the capital assets for the year ended June 30, 2021 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets:				
Land	\$ 2,262,174	\$ -	\$ -	\$ 2,262,174
Land Improvements	11,242,211	799,247	(410,747)	11,630,711
Buildings and Improvements	194,846,622	2,460,228	(112,780)	197,194,070
Furniture and Equipment	13,899,804	4,596,240	(746,805)	17,749,239
Leased Asset (Right of Use)	206,626 *	130,904	-	337,530
Work in Progress	1,670,799	768,066	(1,670,797)	768,068
Total Capital Assets	224,128,236	8,754,685	(2,941,129)	229,941,792
Accumulated Depreciation/Amortization:				
Land Improvements	4,515,396	489,812	(407,415)	4,597,793
Buildings and Improvements	84,696,999	5,762,413	(57,504)	90,401,908
Furniture and Equipment	8,904,324	1,763,486	(736,845)	9,930,965
Leased Asset (Right of Use)	61,793 *	68,126	-	129,919
Total Accumulated Depreciation/Amortization	98,178,512	8,083,837	(1,201,764)	105,060,585
Governmental Activities Capital Assets				
Net of Accumulated Depreciation/Amortization	<u>\$ 125,949,724</u>	<u>\$ 670,848</u>	<u>\$ (1,739,365)</u>	<u>\$ 124,881,207</u>

* This is the restated amount due to the implementation of GASB Statement No. 87.

Depreciation/amortization was charged to governmental functions as follows:

Instruction:

Regular Instruction	\$ 708,674
Vocational Instruction	14,721
Special Instruction	2,010
Other Instruction	16,488

Support Services:

Pupil Services	2,770
Instructional Staff Services	735
Business Services	6,528,670
Central Services	421,060
Insurance and Judgments	2,370
Food Services	52,916
Community Services	2,068
Other Support Services	331,355
Total Depreciation/Amortization for Governmental Activities	<u>\$ 8,083,837</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2021 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Special Projects Funds	<u>\$ 162,993</u>

This amount represents the general fund's financing of a cash overdraft in the other special projects fund.

D. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2021 were as follows:

	<u>Balances June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Long-Term Debt					
General Obligation Bonds and Notes	\$ 50,300,000	\$ -	\$ (4,715,000)	\$ 45,585,000	\$ 4,555,000
Add: Debt Premium	4,742,770	-	(97,510)	4,645,260	333,735
Subtotal	55,042,770	-	(4,812,510)	50,230,260	4,888,735
Other Long-Term Obligations:					
* Lease Liability - Right-to-Use	-	279,465	(71,037)	208,428	78,501
* Lease Liability - Financed Purchase	952,344	4,066,101	(1,377,270)	3,641,175	1,285,737
Vested Employee Benefits	314,132	101,542	(37,423)	378,251	378,251
Subtotal	1,266,476	4,447,108	(1,485,730)	4,227,854	1,742,489
Total	<u>\$ 56,309,246</u>	<u>\$ 4,447,108</u>	<u>\$ (6,298,240)</u>	<u>\$ 54,458,114</u>	<u>\$ 6,631,224</u>

* This includes restated amounts due to the implementation of GASB Statement No. 87.

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. Principal, interest, and fiscal charges paid for the current year was \$6,695,787 and the related tax levy was \$6,645,980.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations

General Obligation Debt

The individual long-term debt issues of the District outstanding at June 30, 2021 were as follows:

Description	Issue Date	Interest Rate	Final Maturity Date	Original Indebtedness	Amount Outstanding
2013 G.O. Promissory Notes	4/1/2013	2.0	4/1/2023	\$ 2,850,000	\$ 1,920,000
2017 G.O. School Improvement Bonds	4/17/2017	2.0-4.0	4/1/2031	25,000,000	18,675,000
2017 G.O. Refunding Bonds	12/28/2017	2.0-5.0	4/1/2028	25,150,000	24,990,000
Total General Obligation Debt					<u>\$ 45,585,000</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2021 follow:

Fiscal Year	Principal	Interest	Total
2022	\$ 4,555,000	\$ 1,841,588	\$ 6,396,588
2023	4,705,000	1,658,187	6,363,187
2024	3,890,000	1,497,000	5,387,000
2025	4,060,000	1,336,299	5,396,299
2026	4,230,000	1,150,800	5,380,800
2027	4,410,000	957,400	5,367,400
2028	4,610,000	774,500	5,384,500
2029	4,825,000	583,200	5,408,200
2030	5,045,000	382,750	5,427,750
2031	5,255,000	172,900	5,427,900
	<u>\$ 45,585,000</u>	<u>\$ 10,354,624</u>	<u>\$ 55,939,624</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

The 2020 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$8,246,844,019. The legal debt limit and margin of indebtedness as of June 30, 2021 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes is as follows:

Total Equalized Value (TIDIN)	\$ 8,246,844,019
	10.00%
Calculated Debt Limit	<u>824,684,402</u>
Deduct Long Term Debt Applicable to Debt Margin	45,585,000
Margin of Indebtedness	<u><u>\$ 779,099,402</u></u>

Lease Liability: Right-to-Use Asset Agreements

During the current year, the District entered into four new right-to-use lease arrangements with Enterprise FM Trust and Ken Vance Motors Inc. for the purchase of vehicles. An initial lease liability was recorded in the amount of \$110,414 during the current fiscal year for these new leases and an additional \$169,051 was added for leases from prior years. 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 vehicles for various terms under long-term, noncancelable lease arrangements. The leases expire at various dates through 2026.

The principal and interest costs for such leases for governmental funds was \$82,571 for the year ended June 30, 2021. The future minimum lease payments for these agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2022	\$ 87,999
2023	47,333
2024	47,333
2025	41,273
2026	<u>12,161</u>
Total Minimum Lease Payments	236,099
Less: Amount Representing Interest	<u>27,671</u>
Present Value Net Minimum Lease Payments	<u><u>\$ 208,428</u></u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Lease Liability: Right-to-Use Asset Agreements (Continued)

These lease agreements qualify as right-to-use assets for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception. The assets acquired through right-to-use asset lease agreements are as follows:

	Governmental Activities
Right-to-Use Assets:	
Leased Asset - Furniture and Equipment	\$ 337,530
Less: Accumulated Amortization	129,919
Total	<u>\$ 207,611</u>

Lease Liability: Financed Purchased

During the current fiscal year, the District entered into three financed purchase lease agreements as lessee for financing the acquisition of machinery and equipment for use by the District. An initial lease liability was recorded in the amount of \$4,066,101 during the current fiscal year. The District is required to make various monthly principal and interest payments. These leases have an interest rate of 0.89% to 2.77%. The machinery and equipment will have an estimated useful live of 4 years through 2024. The value of these financed purchased assets as of the end of the year was \$4,066,101 and the accumulated amortization was \$508,263.

These lease agreements qualify as a financed purchase for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception. The assets acquired through financed purchase leases are as follows:

	Governmental Activities
Assets:	
Furniture and Equipment	\$ 5,355,944
Less: Accumulated Amortization	991,954
Total	<u>\$ 4,363,990</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Lease Liability: Financed Purchased (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2022	\$ 1,395,422
2023	1,395,417
2024	1,057,910
Total Minimum Lease Payments	<u>3,848,749</u>
Less: Amount Representing Interest	207,574
Present Value Net Minimum Lease Payments	<u><u>\$ 3,641,175</u></u>

E. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2021 consisted of the following:

	<u>Total</u>	<u>Nondisposable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
Major Funds:					
General Fund:					
Nondisposable Prepaid Items and Inventory	\$ 3,206,219	\$ 3,206,219	\$ -	\$ -	\$ -
Assigned for Self Insurance	749,105	-	-	749,105	-
Unassigned	36,748,191	-	-	-	36,748,191
Debt Service Fund	3,221,913	-	3,221,913	-	-
Nonmajor Funds:					
Special Revenue Funds:					
Donor Restricted Purposes	960,194	16,458	943,736	-	-
Other Special Projects	-	109	-	-	(109)
Food Service Program	1,564,773	98,445	1,466,328	-	-
Community Service Programs	2,214,118	38,381	2,175,737	-	-
Capital Projects Fund	453,181	-	453,181	-	-
Subtotal Nonmajor Funds	<u>5,192,266</u>	<u>153,393</u>	<u>5,038,982</u>	<u>-</u>	<u>(109)</u>
Total Governmental Funds Balances at June 30, 2021	<u><u>\$ 49,117,694</u></u>	<u><u>\$ 3,359,612</u></u>	<u><u>\$ 8,260,895</u></u>	<u><u>\$ 749,105</u></u>	<u><u>\$ 36,748,082</u></u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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/publications/cafr.htm>.

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

Benefits Provided. Employees who retire at or after age 65 (54 for protective 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.

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.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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, 2020 through June 30, 2021, the WRS recognized \$4,747,153 in contributions from the employer.

Contribution rates as of June 30, 2021 are:

	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.75%	6.75%

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>
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

At June 30, 2021, the District reported an asset of \$26,545,317 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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 asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.42519186 percent, which was a decrease of 0.01326785 percent from its proportion measured as of December 31, 2019.

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, 2021, the District recognized pension income of \$2,961,398. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 38,419,225	\$ 8,275,431
Changes of Assumptions	602,099	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	49,836,671
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	6,891	256,424
District Contributions Subsequent to the Measurement Date	2,470,976	-
Total	<u>\$ 41,499,191</u>	<u>\$ 58,368,526</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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)

\$2,470,976 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended June 30, 2022. 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>
2022	\$ (4,986,418)
2023	(1,415,921)
2024	(9,087,092)
2025	(3,850,880)

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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:			
Global Equities	51%	7.2%	4.7%
Fixed Income	25%	3.2%	0.8%
Inflation Sensitive Assets	16%	2.0%	-0.4%
Real Estate	8%	5.6%	3.1%
Private Equity/Debt	11%	10.2%	7.6%
Multi-Asset	4%	5.8%	3.3%
Cash	-15%	0.9%	N/A
Total Core Fund	100%	6.6%	4.1%
Variable Fund Asset Class:			
Domestic Equities	70%	6.6%	4.1%
International Equities	30%	7.4%	4.9%
Total Variable Fund	100%	7.1%	4.6%

Discount rate. A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (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, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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)

Discount Rate (continued). Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 25,267,463	\$ (26,545,317)	\$ (64,601,419)

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, 2021, the District reported a payable of \$1,387,514 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2021.

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, 2021 was estimated at \$378,251.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

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, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	124
Inactive plan members entitled to but not yet receiving benefit payments	142
Active plan members	<u>1,338</u>
	<u><u>1,604</u></u>

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, 2021, the annual money-weighted rate of return, net of investment expense, was 0.38 percent.

The plan does not issue a stand-alone report.

Net OPEB Liability

Total OPEB Liability - Ending (a)	\$ 75,469,788
Plan Fiduciary Net Position - Ending (b)	<u>5,737,385</u>
District's Net OPEB Liability - Ending (a) - (b)	<u><u>\$ 69,732,403</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.60%

The District's total OPEB liability for June 30, 2021 is based upon a roll-forward of the liability calculated from the June 30, 2019 actuarial valuation.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability for June 30, 2021, 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	30 Years
Asset Valuation Method	Market Value
Inflation	2.00 Percent
Salary Increases	3.00 Percent, Average, Including Inflation
Investment Rate of Return	2.25 Percent
Discount Rate	2.25 Percent
Retirement Age	Early Retirement - Age 55 years Regular Retirement - Age 57 years (30 or more years of services)
	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale
Mortality	(multiplied 60%) 7.50% decreasing by 0.50% per year down to 6.50%, then by
Healthcare Cost Trend Rates	0.10% per year down to 5.0%, and thereafter

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 2.25 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 2.25 percent was used in calculating the District's OPEB liabilities.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances at June 30, 2020	\$ 77,269,027	\$ 5,270,073	\$ 71,998,954
Changes for the year:			
Service Cost	3,247,997	-	3,247,997
Interest	1,699,196	-	1,699,196
Contributions - Employer	-	7,215,255	(7,215,255)
Net Investment Income	-	20,730	(20,730)
Benefit Payments	(6,746,432)	(6,746,432)	-
Administrative Expense	-	(22,241)	22,241
Net Changes	(1,799,239)	467,312	(2,266,551)
Balances at June 30, 2021	<u>\$ 75,469,788</u>	<u>\$ 5,737,385</u>	<u>\$ 69,732,403</u>

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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

	1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	\$ 79,175,332	\$ 75,469,788	\$ 71,813,051
Fiduciary Net Position	5,737,385	5,737,385	5,737,385
Net OPEB Liability	<u>\$ 73,437,947</u>	<u>\$ 69,732,403</u>	<u>\$ 66,075,666</u>

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 (6.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB Liability	\$ 69,849,396	\$ 75,469,788	\$ 81,706,632
Fiduciary Net Position	5,737,385	5,737,385	5,737,385
Net OPEB Liability	<u>\$ 64,112,011</u>	<u>\$ 69,732,403</u>	<u>\$ 75,969,247</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$5,413,339 and reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,496,912	\$ -
Changes of Assumptions or Other Input	761,939	102,729
Net Difference Between Projected and Actual Earnings on OPEB Investments	206,502	-
Total	<u>\$ 3,465,353</u>	<u>\$ 102,729</u>

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
2022	\$ 567,505
2023	546,000
2024	520,075
2025	503,126
2026	482,551
Thereafter	743,367

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, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	30
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>333</u>
	<u>363</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Supplemental Pension Plan (Continued)

Plan Description (Continued)

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, 2021, the annual money-weighted rate of return, net of investment expense, was 0.38 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 2021, the District contributed an estimated \$223,380 to the plan.

Net Pension Liability

Total Pension Liability - Ending (a)	\$ 2,614,309
Plan Fiduciary Net Position - Ending (b)	<u>450,054</u>
District's Net Pension Liability - Ending (a) - (b)	<u><u>\$ 2,164,255</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	17.22%

The District's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2021.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Supplemental Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

Actuarial assumptions. The total pension liability for June 30, 2021, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level \$
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Inflation	2.00 Percent
Salary Increases	3.00 Percent, Average, Including Inflation
Investment Rate of Return	2.25 Percent
Discount Rate	2.25 Percent
Retirement Age	Early Retirement - Age 55 years Regular Retirement - Age 57 years (30 or more years of service)
Mortality Assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%)

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 2.25 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
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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	\$ 2,638,327	\$ 411,086	\$ 2,227,241
Changes for the Year:			
Service Cost	101,841	-	101,841
Interest	58,435	-	58,435
Contributions - Employer	-	223,380	(223,380)
Net Investment Income	-	1,617	(1,617)
Benefit Payments	(184,294)	(184,294)	-
Administrative Expense	-	(1,735)	1,735
Net Changes	<u>(24,018)</u>	<u>38,968</u>	<u>(62,986)</u>
Balances at End of Year	<u>\$ 2,614,309</u>	<u>\$ 450,054</u>	<u>\$ 2,164,255</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 2.25%, 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 (1.25%) or one percentage point higher (3.25% than the current rate):

	1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total Pension Liability	\$ 2,785,850	\$ 2,614,309	\$ 2,451,257
Fiduciary Net Position	450,054	450,054	450,054
Net Pension Liability	<u>\$ 2,335,796</u>	<u>\$ 2,164,255</u>	<u>\$ 2,001,203</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

For the year ended June 30, 2021, the District recognized pension expense of \$121,172. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources as related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 134,706	\$ 416,038
Changes of Assumptions	260,089	115,870
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	17,016	-
Total	<u>\$ 411,811</u>	<u>\$ 531,908</u>

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

Year Ended June 30:	Pension Expense Amount
2022	\$ (34,027)
2023	(36,169)
2024	(38,411)
2025	(39,734)
2026	20,274
Thereafter	7,970

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

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.

Contribution rates as of June 30, 2021 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, 2020 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 \$22,597 in contributions from the District.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

At June 30, 2021, the District reported a liability of \$6,223,720 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 and rolled forward to December 31, 2020. 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, 2020, the District's proportion was 1.131437 percent, which was an increase of 0.014396 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$769,124. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 296,973
Changes of Assumptions	2,421,115	427,031
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	90,613	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	92,225	73,191
District Contributions Subsequent to the Measurement Date	11,230	-
Total	<u>\$ 2,615,183</u>	<u>\$ 797,195</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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)

\$11,230 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, 2022. 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>	OPEB Expense Amount
2022	\$ 342,186
2023	332,387
2024	322,293
2025	288,048
2026	351,022
Thereafter	170,822

Actuarial assumptions. The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	January 1, 2020
Measurement Date of Net OPEB Liability (Asset)	December 31, 2020
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.12%
Long-Term Expected Rate of Return	4.25%
Discount Rate	2.25%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2019 actuarial valuation.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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)

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. Credit Bonds	Barclays Credit	50%	1.47%
U.S. Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

Single Discount rate. A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. 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.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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)

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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
District's Proportionate Share of the Net OPEB Liability	\$ 8,466,039	\$ 6,223,720	\$ 4,527,919

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/publications/cafr.htm>.

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.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

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, 2021	\$ 100,690	\$ 1,893,565	\$ (1,914,124)	\$ 80,131
Year Ended June 30, 2020	132,772	1,706,291	(1,738,373)	100,690

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, it is the opinion of management and the District's legal advisors that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

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, 2021 is \$1,447,093.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 OTHER INFORMATION (CONTINUED)

K. Other Policies – New Accounting Pronouncements

The District adopted GASB Statement No. 87, *Leases Activities*, as of June 30, 2020. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The previously reported governmental activities net position was restated as follows:

	<u>Governmental Activities</u>
Net Position, June 30, 2020, as Previously Reported	\$ 39,744,824
Implementation of GASB Statement No. 87	<u>1,273,444</u>
Net Position, June 30, 2020, as Restated	<u><u>\$ 41,018,268</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local	\$ 53,285,488	\$ 53,305,958	\$ 53,995,282	\$ 689,324
Interdistrict	2,598,302	2,598,302	2,528,635	(69,667)
State	84,164,098	85,124,968	85,172,148	47,180
Federal	6,603,589	8,134,253	8,064,926	(69,327)
Other	1,567,185	1,567,185	2,229,232	662,047
Total Revenues	148,218,662	150,730,666	151,990,223	1,259,557
EXPENDITURES:				
Instruction:				
Regular Instruction	55,618,562	57,708,790	56,134,676	1,574,114
Vocational Instruction	3,920,695	3,897,874	3,709,220	188,654
Special Instruction	24,041,179	24,212,273	22,708,928	1,503,345
Other Instruction	4,583,029	4,576,281	4,327,133	249,148
Total Instruction	88,163,465	90,395,218	86,879,957	3,515,261
Support Services:				
Pupil Services	7,613,390	7,951,606	7,590,392	361,214
Instructional Staff Services	8,283,691	7,037,955	6,014,037	1,023,918
General Administration	821,388	842,250	791,758	50,492
Building Administration	6,532,421	6,612,594	6,445,304	167,290
Business Services	20,416,354	20,740,964	19,527,768	1,213,196
Central Services	1,660,919	1,760,061	1,563,689	196,372
Insurance and Judgments	939,279	939,279	1,274,772	(335,493)
Debt Service:				
Principal	1,377,264	1,446,110	1,448,307	(2,197)
Interest	18,157	27,857	29,672	(1,815)
Paying Agent Fees	-	-	2,058	(2,058)
Other Support Services	7,437,318	7,466,564	7,553,929	(87,365)
Total Support Services	55,100,181	54,825,240	52,241,686	2,583,554
Non-Program:				
Purchased Instructional Services	10,760,686	10,932,638	11,428,719	(496,081)
Other Non-Program Transactions	26,086	26,086	524,338	(498,252)
Total Non-Program	10,786,772	10,958,724	11,953,057	(994,333)
Total Expenditures	154,050,418	156,179,182	151,074,700	5,104,482
EXCESS OF REVENUES OVER EXPENDITURES	(5,831,756)	(5,448,516)	915,523	6,364,039
OTHER FINANCING SOURCES (USES):				
Capital Lease Proceeds	4,066,142	4,194,802	4,345,566	150,764
NET CHANGE IN FUND BALANCE	(1,765,614)	(1,253,714)	5,261,089	6,514,803
Fund Balance - Beginning of Year	35,442,426	35,442,426	35,442,426	-
FUND BALANCE - End of Year	<u>\$ 33,676,812</u>	<u>\$ 34,188,712</u>	<u>\$ 40,703,515</u>	<u>\$ 6,514,803</u>

See accompanying Notes to Required Supplementary Information.

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

<u>Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
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
EAU CLAIRE, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO WISCONSIN
RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2021	\$ 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. No significant change in assumptions were noted from the prior year.

EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
SCHEDULE OF DISTRICT'S CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)

	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability							
Service Cost	\$ 507,366	\$ 114,111	\$ 114,111	\$ 121,617	\$ 92,607	\$ 97,045	\$ 101,841
Interest	504,170	477,691	95,030	91,451	100,608	93,765	58,435
Changes in Benefit Terms	-	(9,877,880)	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(509,293)	-	242,474	-	(283,093)	-
Changes in Assumptions	-	(106,912)	117,826	(131,584)	46,180	220,041	-
Benefit Payments	(1,610,706)	(327,952)	(276,078)	(227,845)	(251,114)	(239,834)	(184,294)
Net Change in Total Pension Liability	(599,170)	(10,230,235)	50,889	96,113	(11,719)	(112,076)	(24,018)
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
Total Pension Liability - End of Year	<u>\$ 12,845,355</u>	<u>\$ 2,615,120</u>	<u>\$ 2,666,009</u>	<u>\$ 2,762,122</u>	<u>\$ 2,750,403</u>	<u>\$ 2,638,327</u>	<u>\$ 2,614,309</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 1,691,241	\$ 344,349	\$ 289,882	\$ 239,237	\$ 251,114	\$ 223,072	\$ 223,380
Net Investment Income	103	668	518	4,570	4,404	7,852	1,617
Benefit Payments	(1,610,706)	(327,952)	(276,078)	(227,845)	(251,114)	(239,834)	(184,294)
Administrative Expense	(2,182)	(2,276)	(1,122)	(649)	(583)	(974)	(1,735)
Net Change in Plan Fiduciary Net Position	78,456	14,789	13,200	15,313	3,821	(9,884)	38,968
Plan Fiduciary Net Position Beginning of Year	295,391	373,847	388,636	401,836	417,149	420,970	411,086
Plan Fiduciary Net Position - End of Year	<u>373,847</u>	<u>388,636</u>	<u>401,836</u>	<u>417,149</u>	<u>420,970</u>	<u>411,086</u>	<u>450,054</u>
Net Pension Liability - End of Year	<u>\$ 12,471,508</u>	<u>\$ 2,226,484</u>	<u>\$ 2,264,173</u>	<u>\$ 2,344,973</u>	<u>\$ 2,329,433</u>	<u>\$ 2,227,241</u>	<u>\$ 2,164,255</u>
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%
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
Net Pension Liability as a Percentage of Covered Payroll	38.38%	7.96%	8.10%	8.78%	8.72%	9.60%	9.33%

See accompanying Notes to Required Supplementary Information.

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

	2015	2016	2017	2018	2019	2020	2021
Schedule of District Contributions							
Actuarially Determined Contribution	\$ 1,262,760	\$ 250,573	\$ 250,573	\$ 223,072	\$ 223,072	\$ 223,380	\$ 223,380
Contributions in Relation of the Actuarially Determined Contribution	1,691,241	344,349	289,882	239,237	251,114	223,072	223,380
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>
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
Contributions as a Percentage of Covered Payroll	5.21%	1.23%	1.04%	0.90%	0.94%	0.96%	0.96%

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
EAU CLAIRE, WISCONSIN
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
Total OPEB Liability					
Service Cost	\$ 3,461,943	\$ 3,461,943	\$ 3,103,092	\$ 3,236,033	\$ 3,247,997
Interest	2,630,746	2,613,503	2,859,600	2,679,021	1,699,196
Changes of Benefit Terms	-	-	-	(1,359,369)	-
Differences Between Expected and Actual Experience	-	2,285,167	-	1,447,473	-
Changes of Assumptions or Other Input	-	(67,878)	1,088,486	(79,717)	-
Benefit Payments	(6,613,794)	(6,556,952)	(6,500,664)	(7,159,716)	(6,746,432)
Net Change in Total OPEB Liability	(521,105)	1,735,783	550,514	(1,236,275)	(1,799,239)
Total OPEB Liability - Beginning	76,740,110	76,219,005	77,954,788	78,505,302	77,269,027
Total OPEB Liability - Ending (a)	\$ 76,219,005	\$ 77,954,788	\$ 78,505,302	\$ 77,269,027	\$ 75,469,788
Plan Fiduciary Net Position					
Contributions - Employer	\$ 7,221,315	\$ 7,254,737	\$ 7,166,333	\$ 7,291,413	\$ 7,215,255
Net Investment Income	4,023	41,162	45,946	94,306	20,730
Benefit Payments	(6,613,794)	(6,556,952)	(6,500,664)	(7,159,716)	(6,746,432)
Administrative Expense	(8,711)	(5,841)	(6,080)	(11,694)	(22,241)
Adjustment	-	-	(2,000)	-	-
Net Change in Plan Fiduciary Net Position	602,833	733,106	703,535	214,309	467,312
Plan Fiduciary Net Position - Beginning	3,016,290	3,619,123	4,352,229	5,055,764	5,270,073
Plan Fiduciary Net Position - Ending (b)	\$ 3,619,123	\$ 4,352,229	\$ 5,055,764	\$ 5,270,073	\$ 5,737,385
District's Net OPEB Liability - Ending (a) - (b)	\$ 72,599,882	\$ 73,602,559	\$ 73,449,538	\$ 71,998,954	\$ 69,732,403
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.75%	5.58%	6.44%	6.82%	7.60%
Covered Payroll	\$ 34,904,806	\$ 64,816,825	\$ 64,816,825	\$ 65,531,992	\$ 65,531,992
District's Net OPEB Liability as a Percentage of Covered Payroll	207.99%	113.55%	113.32%	109.87%	106.41%

See accompanying Notes to Required Supplementary Information.

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

Schedule of District Contributions	2017	2018	2019	2020	2021
Actuarially Determined Contribution (ADC)	\$ 7,860,920	\$ 7,291,413	\$ 7,291,413	\$ 7,215,255	\$ 7,215,255
Contributions in Relation to the Actuarially Determined Contribution	7,221,315	7,254,737	7,166,333	7,291,413	7,215,255
Contribution Deficiency (Excess)	<u>\$ 639,605</u>	<u>\$ 36,676</u>	<u>\$ 125,080</u>	<u>\$ (76,158)</u>	<u>\$ -</u>
Covered Payroll	\$ 34,904,806	\$ 64,816,825	\$ 64,816,825	\$ 65,531,992	\$ 65,531,992
Contributions as a Percentage of Covered Payroll	20.69%	11.19%	11.06%	11.13%	11.01%

See accompanying Notes to Required Supplementary Information.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
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

Year

2017	0.12%
2018	1.03%
2019	0.98%
2020	1.83%
2021	0.38%

See accompanying Notes to Required Supplementary Information.

EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
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)

<u>Measurement Date</u>	<u>Proportion of the Net OPEB Liability (Asset)</u>	<u>Proportionate Share of the Net OPEB Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
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
EAU CLAIRE, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN LOCAL RETIREE LIFE INSURANCE FUND OPEB PLAN
LAST TEN FISCAL YEARS
(SCHEDULE IS PRESENTED PROSPECTIVELY FROM IMPLEMENTATION)**

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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. Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section above for additional details.

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
COMBINING BUDGETARY COMPARISON SCHEDULE
FUND 10 AND FUND 27
YEAR ENDED JUNE 30, 2021**

	Original Budgets				Final Budgets				Actuals			
	Fund 10 General Fund	Fund 27 Special Education Fund	Eliminations	Combined	Fund 10 General Fund	Fund 27 Special Education Fund	Eliminations	Combined	Fund 10 General Fund	Fund 27 Special Education Fund	Eliminations	Combined
REVENUES												
Local	\$ 53,285,488	\$ -	\$ -	\$ 53,285,488	\$ 53,305,958	\$ -	\$ -	\$ 53,305,958	\$ 53,995,282	\$ -	\$ -	\$ 53,995,282
Interdistrict	2,295,937	302,365	-	2,598,302	2,295,937	302,365	-	2,598,302	2,224,633	304,002	-	2,528,635
State	78,757,771	5,406,327	-	84,164,098	79,718,641	5,406,327	-	85,124,968	79,052,124	6,120,024	-	85,172,148
Federal	3,551,555	3,052,034	-	6,603,589	5,199,348	2,934,905	-	8,134,253	5,110,210	2,954,716	-	8,064,926
Other	1,567,185	-	-	1,567,185	1,567,185	-	-	1,567,185	2,227,041	2,191	-	2,229,232
Total Revenues	139,457,936	8,760,726	-	148,218,662	142,087,069	8,643,597	-	150,730,666	142,609,290	9,380,933	-	151,990,223
EXPENDITURES:												
Instruction:												
Regular Instruction	55,618,562	-	-	55,618,562	57,708,790	-	-	57,708,790	56,134,676	-	-	56,134,676
Vocational Instruction	3,566,252	354,443	-	3,920,695	3,638,745	259,129	-	3,897,874	3,451,916	257,304	-	3,709,220
Special Instruction	3,157,815	20,883,364	-	24,041,179	3,009,177	21,203,096	-	24,212,273	2,611,263	20,097,665	-	22,708,928
Other Instruction	4,583,029	-	-	4,583,029	4,576,281	-	-	4,576,281	4,327,133	-	-	4,327,133
Total Instruction	66,925,658	21,237,807	-	88,163,465	68,932,993	21,462,225	-	90,395,218	66,524,988	20,354,969	-	86,879,957
Support Services:												
Pupil Services	5,069,077	2,544,313	-	7,613,390	5,400,548	2,551,058	-	7,951,606	5,120,497	2,469,895	-	7,590,392
Instructional Staff Services	7,389,021	894,670	-	8,283,691	6,106,940	931,015	-	7,037,955	5,201,657	812,380	-	6,014,037
General Administration	821,388	-	-	821,388	842,250	-	-	842,250	791,758	-	-	791,758
Building Administration	6,532,421	-	-	6,532,421	6,612,594	-	-	6,612,594	6,445,304	-	-	6,445,304
Business Services	19,284,964	1,131,390	-	20,416,354	19,829,074	911,890	-	20,740,964	18,634,708	893,060	-	19,527,768
Central Services	1,642,297	18,622	-	1,660,919	1,738,939	21,122	-	1,760,061	1,557,288	6,401	-	1,563,689
Insurance and Judgments	939,279	-	-	939,279	939,279	-	-	939,279	1,274,772	-	-	1,274,772
Debt Service:												
Principal	1,377,264	-	-	1,377,264	1,446,110	-	-	1,446,110	1,448,307	-	-	1,448,307
Interest	18,157	-	-	18,157	27,857	-	-	27,857	29,672	-	-	29,672
Paying Agent Fees	-	-	-	-	-	-	-	-	2,058	-	-	2,058
Other Support Services	7,423,518	13,800	-	7,437,318	7,452,764	13,800	-	7,466,564	7,540,129	13,800	-	7,553,929
Total Support Services	50,497,386	4,602,795	-	55,100,181	50,396,355	4,428,885	-	54,825,240	48,046,150	4,195,536	-	52,241,686
Non-Program:												
Purchased Instructional Services	10,013,607	747,079	-	10,760,686	10,352,894	579,744	-	10,932,638	10,716,573	712,146	-	11,428,719
Other Non-Program Transactions	-	26,086	-	26,086	-	26,086	-	26,086	372,560	151,778	-	524,338
Total Non-Program	10,013,607	773,165	-	10,786,772	10,352,894	605,830	-	10,958,724	11,089,133	863,924	-	11,953,057
Total Expenditures	127,436,651	26,613,767	-	154,050,418	129,682,242	26,496,940	-	156,179,182	125,660,271	25,414,429	-	151,074,700
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,021,285	(17,853,041)	-	(5,831,756)	12,404,827	(17,853,343)	-	(5,448,516)	16,949,019	(16,033,496)	-	915,523
OTHER FINANCING SOURCES (USES):												
Capital Lease Proceeds	4,066,142	-	-	4,066,142	4,194,802	-	-	4,194,802	4,345,566	-	-	4,345,566
Transfers In	-	17,853,041	(17,853,041)	-	-	17,853,343	(17,853,343)	-	-	16,033,496	(16,033,496)	-
Transfers Out	(17,853,041)	-	17,853,041	-	(17,853,343)	-	17,853,343	-	(16,033,496)	-	16,033,496	-
Total Other Financing Sources (Uses)	(13,786,899)	17,853,041	-	4,066,142	(13,658,541)	17,853,343	-	4,194,802	(11,687,930)	16,033,496	-	4,345,566
NET CHANGE IN FUND BALANCE	(1,765,614)	-	-	(1,765,614)	(1,253,714)	-	-	(1,253,714)	5,261,089	-	-	5,261,089
Fund Balance - Beginning of Year	35,442,426	-	-	35,442,426	35,442,426	-	-	35,442,426	35,442,426	-	-	35,442,426
FUND BALANCE - End of Year	\$ 33,676,812	\$ -	\$ -	\$ 33,676,812	\$ 34,188,712	\$ -	\$ -	\$ 34,188,712	\$ 40,703,515	\$ -	\$ -	\$ 40,703,515

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FUND 10
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local	\$ 53,285,488	\$ 53,305,958	\$ 53,995,282	\$ 689,324
Interdistrict	2,295,937	2,295,937	2,224,633	(71,304)
State	78,757,771	79,718,641	79,052,124	(666,517)
Federal	3,551,555	5,199,348	5,110,210	(89,138)
Other	1,567,185	1,567,185	2,227,041	659,856
Total Revenues	139,457,936	142,087,069	142,609,290	522,221
EXPENDITURES:				
Instruction:				
Regular Instruction	55,618,562	57,708,790	56,134,676	1,574,114
Vocational Instruction	3,566,252	3,638,745	3,451,916	186,829
Special Instruction	3,157,815	3,009,177	2,611,263	397,914
Other Instruction	4,583,029	4,576,281	4,327,133	249,148
Total Instruction	66,925,658	68,932,993	66,524,988	2,408,005
Support Services:				
Pupil Services	5,069,077	5,400,548	5,120,497	280,051
Instructional Staff Services	7,389,021	6,106,940	5,201,657	905,283
General Administration	821,388	842,250	791,758	50,492
Building Administration	6,532,421	6,612,594	6,445,304	167,290
Business Services	19,284,964	19,829,074	18,634,708	1,194,366
Central Services	1,642,297	1,738,939	1,557,288	181,651
Insurance and Judgments	939,279	939,279	1,274,772	(335,493)
Debt Service:				
Principal	1,377,264	1,446,110	1,448,307	(2,197)
Interest	18,157	27,857	29,672	(1,815)
Paying Agent Fees	-	-	2,058	(2,058)
Other Support Services	7,423,518	7,452,764	7,540,129	(87,365)
Total Support Services	50,497,386	50,396,355	48,046,150	2,350,205
Non-Program:				
Purchased Instructional Services	10,013,607	10,352,894	10,716,573	(363,679)
Other Non-Program Transactions	-	-	372,560	(372,560)
Total Non-Program	10,013,607	10,352,894	11,089,133	(736,239)
Total Expenditures	127,436,651	129,682,242	125,660,271	4,021,971
EXCESS OF REVENUES OVER EXPENDITURES	12,021,285	12,404,827	16,949,019	4,544,192
OTHER FINANCING SOURCES (USES):				
Capital Lease Proceeds	4,066,142	4,194,802	4,345,566	150,764
Transfer to Special Education Fund	(17,853,041)	(17,853,343)	(16,033,496)	1,819,847
Total Other Financing Sources (Uses)	(13,786,899)	(13,658,541)	(11,687,930)	1,970,611
NET CHANGE IN FUND BALANCE	(1,765,614)	(1,253,714)	5,261,089	6,514,803
Fund Balance - Beginning of Year	35,442,426	35,442,426	35,442,426	-
FUND BALANCE - End of Year	<u>\$ 33,676,812</u>	<u>\$ 34,188,712</u>	<u>\$ 40,703,515</u>	<u>\$ 6,514,803</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FUND 27
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interdistrict Sources	\$ 302,365	\$ 302,365	\$ 304,002	\$ 1,637
State Sources	5,406,327	5,406,327	6,120,024	713,697
Federal Sources	3,052,034	2,934,905	2,954,716	19,811
Other	-	-	2,191	2,191
Total Revenues	8,760,726	8,643,597	9,380,933	737,336
EXPENDITURES:				
Instruction:				
Vocational Instruction	354,443	259,129	257,304	1,825
Special Instruction	20,883,364	21,203,096	20,097,665	1,105,431
Total Instruction	21,237,807	21,462,225	20,354,969	1,107,256
Support Services:				
Pupil Services	2,544,313	2,551,058	2,469,895	81,163
Instructional Staff Services	894,670	931,015	812,380	118,635
Business Services	1,131,390	911,890	893,060	18,830
Central Services	18,622	21,122	6,401	14,721
Other Support Services	13,800	13,800	13,800	-
Total Support Services	4,602,795	4,428,885	4,195,536	233,349
Non-Program:				
Purchased Instructional Services	747,079	579,744	712,146	(132,402)
Other Non-Program Transactions	26,086	26,086	151,778	(125,692)
Total Non-Program	773,165	605,830	863,924	(258,094)
Total Expenditures	26,613,767	26,496,940	25,414,429	1,082,511
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,853,041)	(17,853,343)	(16,033,496)	1,819,847
Transfer from General Fund	17,853,041	17,853,343	16,033,496	(1,819,847)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021**

	Special Revenue Funds					
	Donations Fund	Other Special Projects	Food Service	Community Service	Capital Projects	Totals
ASSETS						
Cash and Investments	\$ 806,906	\$ -	\$ 1,191,784	\$ 2,323,949	\$ 691,431	\$ 5,014,070
Accounts Receivable	159,264	-	10,417	1,635	-	171,316
Due from Other Governments	-	188,626	571,706	-	-	760,332
Inventories and Prepaid Items	16,458	109	98,445	38,381	-	153,393
Total Assets	<u>\$ 982,628</u>	<u>\$ 188,735</u>	<u>\$ 1,872,352</u>	<u>\$ 2,363,965</u>	<u>\$ 691,431</u>	<u>\$ 6,099,111</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 19,715	\$ 1,245	\$ 20,549	\$ 145,769	\$ 238,250	\$ 425,528
Accrued Salaries and Withholding	669	24,485	34,243	3,921	-	63,318
Due to Other Funds	-	162,993	-	-	-	162,993
Other Deposits Payable	1,080	12	190	157	-	1,439
Unearned Revenue	970	-	252,597	-	-	253,567
Total Liabilities	<u>22,434</u>	<u>188,735</u>	<u>307,579</u>	<u>149,847</u>	<u>238,250</u>	<u>906,845</u>
Fund Balances:						
Nonspendable	16,458	109	98,445	38,381	-	153,393
Restricted	943,736	-	1,466,328	2,175,737	453,181	5,038,982
Unassigned	-	(109)	-	-	-	(109)
Total Fund Balances	<u>960,194</u>	<u>-</u>	<u>1,564,773</u>	<u>2,214,118</u>	<u>453,181</u>	<u>5,192,266</u>
Total Liabilities and Fund Balances	<u>\$ 982,628</u>	<u>\$ 188,735</u>	<u>\$ 1,872,352</u>	<u>\$ 2,363,965</u>	<u>\$ 691,431</u>	<u>\$ 6,099,111</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds				Capital	
	Donations	Other Special	Food	Community	Projects	Totals
	Fund	Projects	Service	Service		
REVENUES						
Local	\$ 1,024,852	\$ -	\$ 137,793	\$ 747,803	\$ 246	\$ 1,910,694
Intermediate	-	772,083	-	-	-	772,083
State	-	-	59,039	-	-	59,039
Federal	-	9,251	3,359,828	-	-	3,369,079
Other	36,738	-	5,699	264	-	42,701
Total Revenues	1,061,590	781,334	3,562,359	748,067	246	6,153,596
EXPENDITURES:						
Instruction:						
Regular Instruction	179,484	465,815	-	-	-	645,299
Vocational Instruction	24,629	-	-	-	-	24,629
Special instruction	390	-	-	-	-	390
Other Instruction	81,953	-	-	-	-	81,953
Total Instruction	286,456	465,815	-	-	-	752,271
Support Services:						
Pupil Services	15,039	1,196	-	-	-	16,235
Instructional Staff Services	24,964	116,290	-	-	-	141,254
Building Administration	10,818	44,235	-	-	-	55,053
Business Services	508,521	130,636	78,687	83,705	275,562	1,077,111
Food Services	-	-	3,736,590	-	-	3,736,590
Central Services	2,517	1,148	-	-	-	3,665
Insurance and Judgments	-	369	4,196	-	-	4,565
Community Services	-	-	-	512,738	-	512,738
Other Support Services	7	-	19,689	12,533	-	32,229
Total Support Services	561,866	293,874	3,839,162	608,976	275,562	5,579,440
Non-Program:						
Purchased Instructional Services	-	21,645	-	-	-	21,645
Other Non-Program Transactions	36,960	-	44	119	-	37,123
Total Non-Program	36,960	21,645	44	119	-	58,768
Total Expenditures	885,282	781,334	3,839,206	609,095	275,562	6,390,479
NET CHANGE IN FUND BALANCES	176,308	-	(276,847)	138,972	(275,316)	(236,883)
Fund Balances - Beginning of Year	783,886	-	1,841,620	2,075,146	728,497	5,429,149
FUND BALANCES - End of Year	<u>\$ 960,194</u>	<u>\$ -</u>	<u>\$ 1,564,773</u>	<u>\$ 2,214,118</u>	<u>\$ 453,181</u>	<u>\$ 5,192,266</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2021**

SECTION I: AUTHORIZER INFORMATION

Authorizing Entity: Eau Claire Area School District
 Authorizer Address: 500 Main Street, Eau Claire, WI 54701
 Authorizer Contact Person: Abby Johnson
 Contact Person Title: Executive Director of Business Services
 Contact Person Phone: 715-852-3017
 Contact Person Email: ajohnson2@ecasd.us

SECTION II: CHARTER SCHOOL INFORMATION

Charter Schools Currently Under Contract:

	Contract	Contract	Grades
School Name:	Start Date:	Expiration Date:	Served:
Chippewa Valley Montessori	7/1/2015	6/30/2020	PK-5
McKinley Charter School	7/1/2019	6/30/2021	6-12
Eau Claire Virtual School	7/1/2019	6/30/2024	6-12

SECTION III: ACADEMIC PERFORMANCE OF CHARTER SCHOOLS

Chippewa Valley Montessori

The Wisconsin Forward Exam provides the following information relevant to the performance of Montessori Charter school:

Forward Exam ELA	Montessori Grades 3-5	ECASD Grades 3-5	State Grades 3-5	Montessori Grade 3	ECASD Grade 3	State Grade 3	Montessori Grade 4	ECASD Grade 4	State Grade 4	Montessori Grade 5	ECASD Grade 5	State Grade 5
Below Basic	10.5%	22.8%	23.4%	12.9%	27.3%	23.5%	11.8%	19.4%	23.0%	6.7%	21.8%	23.5%
Basic	27.4%	34.0%	30.9%	12.9%	32.9%	33.5%	32.4%	33.9%	28.6%	36.7%	35.0%	30.6%
Proficient	50.5%	32.1%	28.5%	64.5%	30.0%	26.9%	47.1%	32.3%	29.3%	40.0%	33.9%	29.1%
Advanced	11.6%	7.5%	5.4%	9.7%	5.5%	4.7%	8.8%	10.3%	6.7%	16.7%	6.4%	4.6%

Forward Exam Math	Montessori Grades 3-5	ECASD Grades 3-5	State Grades 3-5	Montessori Grade 3	ECASD Grade 3	State Grade 3	Montessori Grade 4	ECASD Grade 4	State Grade 4	Montessori Grade 5	ECASD Grade 5	State Grade 5
Below Basic	16.8%	23.2%	21.0%	22.6%	25.4%	19.9%	11.8%	19.1%	18.5%	16.7%	25.3%	24.6%
Basic	28.4%	34.0%	28.1%	22.6%	31.0%	27.4%	38.2%	38.6%	31.6%	23.3%	32.1%	25.3%
Proficient	42.1%	32.0%	29.5%	48.4%	32.5%	31.4%	38.2%	32.8%	27.9%	40.0%	30.7%	29.0%
Advanced	12.6%	7.1%	9.4%	6.5%	6.7%	9.9%	11.8%	5.6%	9.5%	20.0%	8.9%	8.8%

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	Grades 4-8	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8
Below Basic	10.5%	0.0%	20.0%	0.0%	33.3%	0.0%
Basic	26.3%	0.0%	20.0%	0.0%	33.3%	33.3%
Proficient	47.4%	100.0%	60.0%	100.0%	33.3%	33.3%

**EAU CLAIRE AREA SCHOOL DISTRICT
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Advanced	15.8%	0.0%	0.0%	0.0%	0.0%	33.3%
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Forward Exam ELA	ECASD Grades 4-8	State Grades 4-8	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
Below Basic	19.6%	21.7%	19.4%	23.0%	21.8%	23.5%	17.5%	21.2%	17.4%	19.4%	22.3%	21.7%
Basic	34.3%	30.5%	33.9%	28.6%	35.0%	30.6%	32.7%	31.5%	31.6%	29.1%	38.4%	32.6%
Proficient	32.0%	27.9%	32.3%	29.3%	33.9%	29.1%	33.2%	27.2%	33.5%	29.9%	27.4%	24.3%
Advanced	7.4%	6.6%	10.3%	6.7%	6.4%	4.6%	7.4%	7.0%	8.5%	7.8%	4.5%	6.6%

Forward Exam Math	Grades 4-8	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8
Below Basic	31.6%	0.0%	20.0%	0.0%	66.7%	66.7%
Basic	36.8%	50.0%	80.0%	0.0%	0.0%	0.0%
Proficient	21.1%	50.0%	0.0%	100.0%	33.3%	0.0%
Advanced	10.5%	0.0%	0.0%	0.0%	0.0%	33.3%

Forward Exam Math	ECASD Grades 4-8	State Grades 4-8	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
Below Basic	23.9%	25.4%	19.1%	18.5%	25.3%	24.6%	25.6%	27.3%	22.0%	29.1%	27.5%	26.7%
Basic	34.9%	28.6%	38.6%	31.6%	32.1%	25.3%	31.0%	27.6%	31.6%	26.1%	41.0%	32.2%
Proficient	29.1%	26.5%	32.8%	27.9%	30.7%	29.0%	30.1%	27.6%	34.5%	27.9%	17.9%	20.7%
Advanced	5.6%	6.2%	5.6%	9.5%	8.9%	8.8%	4.5%	4.3%	3.4%	3.1%	6.0%	5.7%

ECVS								
Subjects	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

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	
2019-2020	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
2020-2021	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

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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. Sixty-four students in the competency component passed the reading, language arts and mathematics exams prior to graduating.

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. Sixty-four students graduated from the McKinley competency component in 2019-20.

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 APEX, an online course option. This goal is measured by the number of students completing the English/Language Arts and Mathematics credits toward graduation. Two students completed on-line classes to meet their English/Language Arts credit requirements towards graduation. Four students completed online classes to meet their Mathematics credit 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. All 12 students in the 180 program earned credit toward graduation while in the Detention Center. One student completed all requirements for graduation and received their high school diploma.

**EAU CLAIRE AREA SCHOOL DISTRICT
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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 and 5K enrollment of 80.

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 2020-21 the CVMCS budget was \$ 2,457,342 the actual amount spent was \$ 2,478,668.

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 Credit 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 2020-21, the MCS budget was \$ 1,390,797, the actual amount spent was \$ 1,279,116.

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 2020-21 the ECVS budget was \$ 363,841, the actual amount spent was \$ 345,667

**EAU CLAIRE AREA SCHOOL DISTRICT
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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	\$ 1,918,067
REGULAR CURRICULUM	120000	135,752
PHYSICAL EDUCATION	143000	50,054
SPECIAL EDUCATION	150000	740,323
CO-CIRRICULAR	160000	1,151
PUPIL SERVICES	160000	230
GUIDANCE	213000	139,873
OTHER PUPIL SERVICES	219000	27,894
CURRICULUM DEVELOPMENT	221200	4,366
INSTRUCTIONAL STAFF TRAINING	221300	31,729
LIBRARY	222200	82,092
GENERAL ADMINISTRATION	230000	140
BUILDING ADMINISTRATION	240000	441,007
GENERAL OPERATIONS	253000	210,385
EQUIPMENT MAINTENANCE	254000	6,489
FACILITIES	255000	15,423
PUPIL TRANSPORTATION	256000	19,968
INTERNAL SERVICES	258000	442
CENTRAL SERVICES	260000	2,153
ADMIN TECHNOLOGY SERVICES	295000	30,236
TUITION NON-OPEN ENROLLMENT	431000	245,203
ADJUSTMENTS	492000	474
TOTAL		\$ 4,103,451

SINGLE AUDIT SECTION

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

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, 2020	Federal Expenditures	Receipts Grant Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2021
<u>U.S. Department of Agriculture</u>								
Food Distribution - Commodities: July 1, 2020 to June 30, 2021	{a} 10.555	WI DPI	2021-181554-CHC-101	\$ -	\$ -	\$ 322,966	\$ 322,966	\$ -
National School Lunch Program: July 1, 2020 to June 30, 2021	{a} 10.555	WI DPI	2021-181554-DPI-NSL-547, 2021-181554-DPI-NSLAE-566	-	-	3,092	1,907	1,185
COVID 19 - Summer Food Service Program for Children: July 1, 2020 to June 30, 2021	{a} 10.559	WI DPI	2021-181554-DPI-SFSP-566	-	-	2,872,742	2,438,595	434,147
July 1, 2019 to June 30, 2020				-	212,779	-	212,779	-
Fresh Fruits and Vegetable Program: July 1, 2020 to June 30, 2021	10.582	WI DPI	2021-181554-DPI-FFVPOCTPUB-376,	-	-	25,892	24,654	1,238
Total Department of Agriculture				-	212,779	3,224,692	3,000,901	436,570
{a} Child Nutrition Cluster (\$3,198,800)								
Total ALN 10.555 (\$326,058)								

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

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal ALN #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) July 1, 2020	Federal Expenditures	Receipts Grant Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2021
<u>U.S. Department of Education</u>								
Title I Basic Grant:	84.010	WI DPI	2021-181554-TIA-141, 2021-181554-DPI-TI-D-Delin-140					
July 1, 2020 to June 30, 2021				\$ -	\$ -	\$ 705,640	\$ 489,506	\$ 216,134
July 1, 2019 to June 30, 2020				-	194,363	-	194,363	-
PL 94-142 (Flow Through):	{b} 84.027	WI DPI	2021-181554-DPHIDEA-FT-341					
July 1, 2020 to June 30, 2021				-	-	2,710,362	1,863,645	846,717
July 1, 2019 to June 30, 2020				-	62,971	-	62,971	-
PL 94-142 (Universal Design Grant)	{b} 84.027	WI DPI	2021-181554-DPI-UDLSUP-342					
July 1, 2020 to June 30, 2021				-	-	9,884	-	9,884
July 1, 2019 to June 30, 2020				-	1,024	-	1,024	-
Vocational Education - Basic Grants to States (Carl Perkins):	84.048	WI DPI	2021-181554-DPI-CTE-400					
July 1, 2020 to June 30, 2021				-	-	86,219	64,461	21,758
July 1, 2019 to June 30, 2020				-	3,797	-	3,797	-
Indian Education - Grants to Local Agencies:	84.060	Direct	S060A190554					
July 1, 2020 to June 30, 2021				-	-	9,251	2,830	6,421
PL 99-457 Pre School Entitlement:	{b} 84.173	WI DPI	2021-181554-DPHIDEA-P-347					
July 1, 2020 to June 30, 2021				-	-	153,200	138,506	14,694
July 1, 2019 to June 30, 2020				-	2,216	-	2,216	-
ESEA Title X-C Homeless Children	84.196	WI DPI	2021-181554-DPI-EHCY-335					
July 1, 2020 to June 30, 2021				-	-	41,936	12,085	29,851
July 1, 2019 to June 30, 2020				-	1,231	-	1,231	-
{b} Special Education Cluster (\$2,873,446)								
Total ALN 84.027 (\$2,720,246)								

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

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal ALN #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) July 1, 2020	Federal Expenditures	Receipts Grant Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2021
<u>U.S. Department of Education (Continued)</u>								
ESEA Title III - A English Language Acquisition Grants: July 1, 2020 to June 30, 2021 July 1, 2019 to June 30, 2020	84.365	WI DPI	2021-181554-DPI-TIIIA-391	\$ -	\$ - 9,771	\$ 43,700 -	\$ 29,141 9,771	\$ 14,559 -
ESEA Title II - A Teacher/Principal Training: July 1, 2020 to June 30, 2021 July 1, 2019 to June 30, 2020	84.367	WI DPI	2021-181554-DPI-TIIA-365	- -	- 40,649	265,227 -	247,017 40,649	18,210 -
ESEA Title IVA - Student Support & Academic Enrichment Grants: July 1, 2020 to June 30, 2021 July 1, 2019 to June 30, 2020	84.424	WI DPI	2021-181554-DPI-TIV-381	- -	- 1,213	181,014 -	137,554 1,213	43,460 -
COVID 19 - Elementary & Secondary School Emergency Relief Fund I: July 1, 2020 to June 30, 2021	84.425D	WI DPI	2021-181554-DPI-ESSERF-160	-	-	1,488,474	1,074,882	413,592
COVID 19 - Elementary & Secondary School Emergency Relief Fund II: July 1, 2020 to June 30, 2021 Total Department of Education	84.425D	WI DPI	2021-181554-DPI-ESSERFII-163	- -	- 317,235	1,222,289 6,917,196	- 4,376,862	1,222,289 2,857,569
<u>U.S. Department of Health and Human Services</u>								
Drug Free Communities Support Program Grant: July 1, 2019 to June 30, 2020	93.243	EC HEALTH	5H79SP0158685-05	-	-	7,089	4,994	2,095
Medical Assistance School Based Services Revenue: July 1, 2020 to June 30, 2021 July 1, 2019 to June 30, 2020	93.778	WI DHS	Provider #44201900	- -	- 69,112	1,285,025 -	1,247,303 69,112	37,722 -
Head Start: May 1, 2021 to April 30, 2022 May 1, 2020 to April 30, 2021 May 1, 2019 to April 30, 2020 COVID - July 1, 2020 to June 30, 2020 Total Department of Health and Human Services	93.600	Western Wisconsin Dairyland Agency	FY2021/FY2022 FY2020/FY2021 FY2019/FY2020 0-G050900	- - - -	- 56,379 153,819 -	73,050 680,429 - 18,604	- 628,152 153,819 18,105	73,050 108,656 - 499
Total Expenditures of Federal Awards				-	279,310	2,064,197	2,121,485	222,022
				\$ -	\$ 809,324	\$ 12,206,085	\$ 9,499,248	\$ 3,516,161
Total ALN 84.425 (\$2,710,763)								
Total ALN 93.600 (\$772,083)								

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

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Receivable (Unearned Revenue) July 1, 2020	Prior Years Adjustments	Expenditures	State Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2021
<u>Wisconsin Department Workforce Development</u>							
Wisconsin Fast Forward Grant	445.109						
July 1, 2020 to June 30, 2021		FY2021	\$ -	\$ -	\$ 23,356	\$ 17,193	\$ 6,163
July 1, 2019 to June 30, 2020		FY2020	3,607	-	-	3,607	-
Youth Apprenticeship Grant:	445.107						
July 1, 2020 to June 30, 2021		Eau Claire Chamber of Commerce	-	-	20,925	-	20,925
July 1, 2019 to June 30, 2020		CESA 10	8,100	-	-	8,100	-
Total Department of Workforce Development			11,707	-	44,281	28,900	27,088
<u>Wisconsin Department of Public Instruction</u>							
Special Education and School Age Parents:	255.101	[1] 181554-100					
District Programs			-	-	6,053,038	6,053,038	-
State Lunch	255.102	181554-107	-	-	40,782	40,782	-
Common School Fund Library Aid	255.103	181554-104	-	-	478,500	478,500	-
Bilingual/Bicultural Aid	255.106	181554-111	-	-	188,308	188,308	-
Pupil Transportation	255.107	181554-102	-	-	275,521	275,521	-
General Equalization	255.201	181554-116	1,033,830	-	66,664,242	66,628,492	1,069,580
Supplemental Per Pupil Aid	255.245	181554-181	-	-	34,494	34,494	-
Special Education Readiness Grant	255.257	181554-174	78,500	-	-	78,500	-
School Based Mental Health Services	255.297	181554-177	73,249	-	79,149	73,249	79,149
School Breakfast Program	255.344	181554-108	-	-	18,257	18,257	-
Tuition Payments by State	255.401	181554-157	-	-	263,430	263,430	-
Early College Credit Program	255.445	181554-178	-	-	1,252	1,252	-
SAGE / Achievement Gap Reduction	255.504	181554-160	-	-	1,567,391	1,567,391	-
Educator Effectiveness Grant	255.940	181554-154	-	-	70,560	70,560	-
Per Pupil Aid	255.945	181554-113	-	-	8,422,442	8,422,442	-
Career and Technical Education Incentive Grants	255.950	181554-152	-	-	51,049	51,049	-
Assessments of Reading Readiness	255.956	181554-166	-	-	31,373	31,373	-
Aid for Special Education Transition Grant BBL	255.960	181554-168	-	-	36,000	36,000	-
Total Department of Public Instruction			1,185,579	-	84,275,788	84,312,638	1,148,729
<u>Wisconsin Department of Justice</u>							
Safety Initiative Grants	455.206	13248, 14189					
July 1, 2020 to June 30, 2021			-	(14,738)	18,420	3,682	-
July 1, 2019 to June 30, 2020			379,365	-	-	379,365	-
Total Department of Justice			379,365	(14,738)	18,420	383,047	-
Total State Financial Assistance			\$ 1,576,651	\$ (14,738)	\$ 84,338,489	\$ 84,724,585	\$ 1,175,817

[1] District's 2020-2021 Net Aidable Costs Reported to DPI Totaled \$22,179,171.

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

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2020**

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, 2021. 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.

NOTE 5 MEDICAL ASSISTANCE

Expenditures presented for the Medicaid School Based Services (SBS) Benefit represent only the federal funds for the program that the District receives from the Department of Health Services (DHS). District records should be consulted to determine the total amount expended for this program.



**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 auditing standards generally accepted in the United States of America and 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 6, 2021.

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) to determine the 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.

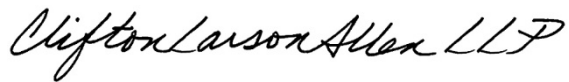
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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 determination of financial statement amounts. 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 test 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 result 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
December 6, 2021



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

We have audited the Eau Claire Area School District, Wisconsin's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. We have also audited the District's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The District's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, the Uniform Guidance, and state guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state programs. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal and State Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on to each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of the *Uniform Guidance* and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
December 6, 2021

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

PART I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- | | | |
|---|-----------------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |

Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no
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Federal Awards

Internal control over major programs:

- | | | |
|---|-----------------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |

Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> yes	<u> X </u> no
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Identification of major Federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027 & 84.173
84.425D

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?	<u> X </u> yes	<u> </u> no
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State Awards

Internal control over major programs:

- | | | |
|---|-----------------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |

Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>
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Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	<u> </u> yes	<u> X </u> no
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**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

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

State Awards (Continued)

Identification of major State programs:

<u>State ID Number(s)</u>	<u>Name of State Program or Cluster</u>
255.101	Special Education and School Age Parents Program
255.201	General Aids
255.401	Tuition Payments by State

Dollar threshold used to distinguish between type A and type B programs: \$250,000

Auditee qualified as low-risk auditee? X yes no

OTHER ISSUES

1. Do 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 *State Single Audit Guidelines*:

Department of Public Instruction	No
Department of Health Services	No
Department of Justice	No
Department of Workforce Development	No
3. Was a management letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of Principal



April L. Anderson, CPA

5. Date of Report

December 6, 2021

**EAU CLAIRE AREA SCHOOL DISTRICT
EAU CLAIRE, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

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

None

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None

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

None

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

None