

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2020**



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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, 2020, 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 entity'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 entity'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, 2020, 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.

**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, 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.

Board of Education  
Eau Claire Area School District

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020 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 Eau Claire Area School District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
November 20, 2020

**REQUIRED SUPPLEMENTARY INFORMATION**



**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

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, 2020. 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 2019-2020 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 \$39,744,824 (net position). Of this, amount, \$69,688,930 represents the net investment in capital assets, \$22,277,025 is for restricted purposes and the remaining deficit balance of \$52,221,131 is classified as unrestricted net position.
- Net position for the most recent fiscal year increased \$9,263,671 from the prior year.
- Net capital assets increased by \$449,566 reflecting cost of acquisitions greater than the depreciation expense.
- The District's general obligation debt, including the current portion, decreased by \$5,570,000 during the year. The District's other long-term obligations, including the current portions, decreased \$14,698,506 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$22,580,685 of total revenues of \$160,545,998. General revenues accounted for \$137,965,313, including \$62,506,392 of property taxes and \$72,552,428 of state and federal aid. General revenues accounted for 85.9% of all revenues.
- The District had a total of \$151,282,327 of expenses, of which \$22,580,685 was financed with program revenues.
- The total fund balance of the District's governmental funds increased \$2,751,864. The general fund had an increase of \$7,719,503 with a decrease of \$71,200 in the debt service fund and a decrease of \$4,896,439 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, 2020**

**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, 2020.

**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, 2020**

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 three fiduciary funds. One of the fiduciary funds serves as an agency fund for student organizations. Another fiduciary fund is a private purpose trust fund, which accounts for donations for scholarships and other bequests. The third is an employee benefit trust fund which accounts for resources used to fund formally established employee benefit plans. Trust and agency funds are used to account for assets held by the District in a trustee capacity or as an agent for student organizations and for scholarship donations. The assets of these organizations and scholarships 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, 2020 compared to the prior fiscal year.

**Table 1  
Condensed Statement of Net Position**

	Governmental Activities		Percent Change 2019-2020
	2020	2019	
Current and Other Assets	\$ 72,850,103	\$ 54,914,704	32.7%
Capital Assets, Net of Depreciation	124,676,280	124,226,714	0.4
Total Assets	<u>197,526,383</u>	<u>179,141,418</u>	10.3
Deferred Outflows of Resources	36,652,676	44,070,783	-16.8
Current Liabilities	20,521,212	20,075,901	2.2
Long-Term Liabilities	129,846,036	149,546,285	-13.2
Total Liabilities	<u>150,367,248</u>	<u>169,622,186</u>	-11.4
Deferred Inflows of Resources	<u>44,066,987</u>	<u>23,108,862</u>	90.7
Net Position			
Net Investment in Capital Assets	69,688,930	69,575,073	0.2
Restricted	22,277,025	8,162,105	172.9
Unrestricted	(52,221,131)	(47,256,025)	-10.5
Total Net Position	<u>\$ 39,744,824</u>	<u>\$ 30,481,153</u>	-30.4

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

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 \$2,765,357 is restricted for debt service along with \$783,886 for the donor specific purposes, \$1,841,620 for food service purposes, \$2,075,146 for community service programs and \$673,074 for capital projects.

Total liabilities decreased \$19,254,938 and total assets increased \$18,384,965 during the year. Net position increased \$9,263,671.

At June 30, 2020, the District reported \$36,652,676 of deferred outflows of resources and \$44,066,987 of deferred inflows of resources.

**Change in Net Position.** Table 2 shows the change in net position for the fiscal years 2020 and 2019. As shown in Table 2, general revenues provided 85.9% of the funding required for governmental activities with property taxes providing 38.9% of the funding and general state formula aid providing 45.2% of total revenues. Program revenues, consisting of charges for services and operating grants and contributions, provided 14.1% 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 2019-2020
	2020	2019	
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 4,813,941	\$ 5,239,820	-8.1%
Operating Grants and Contributions	17,357,022	17,695,560	-1.9
Capital Grants and Contributions	409,722	46,201	786.8
General Revenues:			
Property Taxes	62,506,392	61,188,061	2.2
State and Federal Aids	72,552,428	69,084,388	5.0
Other	2,906,493	3,571,788	-18.6
Total Revenues	<u>160,545,998</u>	<u>156,825,818</u>	2.4
<b>Expenses</b>			
Instruction	81,830,117	85,887,263	-4.7
Pupil and Instructional Services	12,859,052	13,813,606	-6.9
Administration and Central Services	33,563,022	36,486,769	-8.0
Other	23,030,136	23,436,246	-1.7
Total Expenses	<u>151,282,327</u>	<u>159,623,884</u>	-5.2
<b>Change in Net Position</b>	9,263,671	(2,798,066)	-431.1
<b>Net Position - Beginning of Year</b>	<u>30,481,153</u>	<u>33,279,219</u>	-8.4
<b>Net Position - End of Year</b>	<u>\$ 39,744,824</u>	<u>\$ 30,481,153</u>	30.4

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

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:

	2020	2019
Subject to Revenue Limit:		
General Fund	\$ 53,866,381	\$ 52,624,377
Debt Service	7,643,087	7,635,464
Not Subject to Revenue Limit:		
Community Service	923,626	904,506
	\$ 62,433,094	\$ 61,164,347

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 \$3,468,040 in 2020 from \$69,084,388 in 2019 to \$72,552,428 in 2020.

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**

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 81,830,117	\$ 65,778,324	\$ 85,887,263	\$ 69,958,799
Pupil and Instructional Services	12,859,052	11,183,562	13,813,606	12,277,055
Administration and Central Services	33,563,022	32,775,733	36,486,769	35,687,438
Other	23,030,136	18,964,023	23,436,246	18,719,011
Totals	\$ 151,282,327	\$ 128,701,642	\$ 159,623,884	\$ 136,642,303

- The cost of all governmental activities for the year was \$151,282,327, a decrease of \$8,341,557 (5.2%) from the prior year.
- Individuals who directly participated or benefited from a program offering paid for \$4,813,941 of costs.
- Federal and state governments subsidized certain programs with operating and capital grants and contributions of \$17,766,744.
- Net cost of governmental activities (\$128,701,642) was financed by general revenues, which are made up primarily of property taxes (\$62,506,392) and state and federal aid (\$72,552,428).

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

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

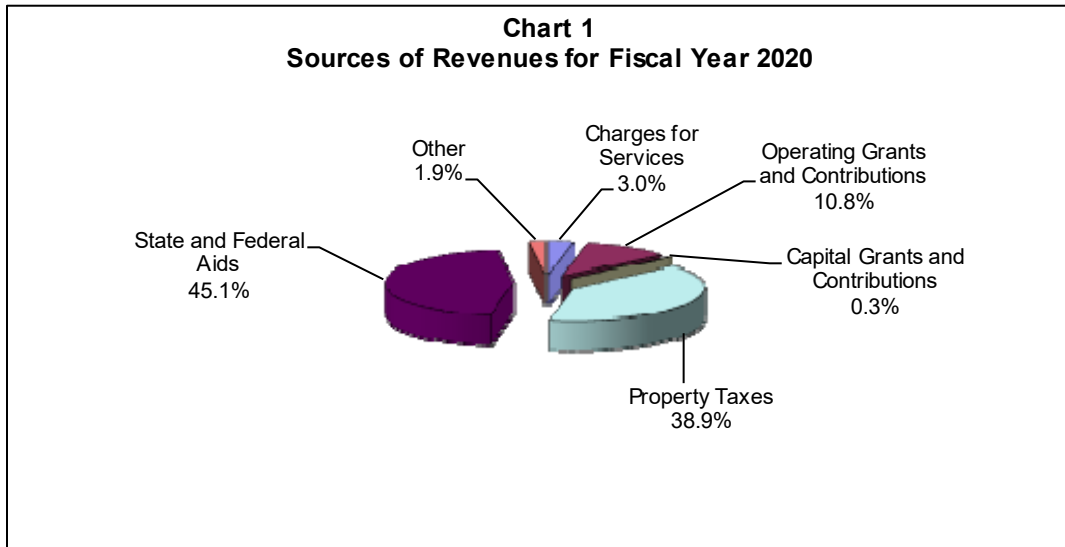
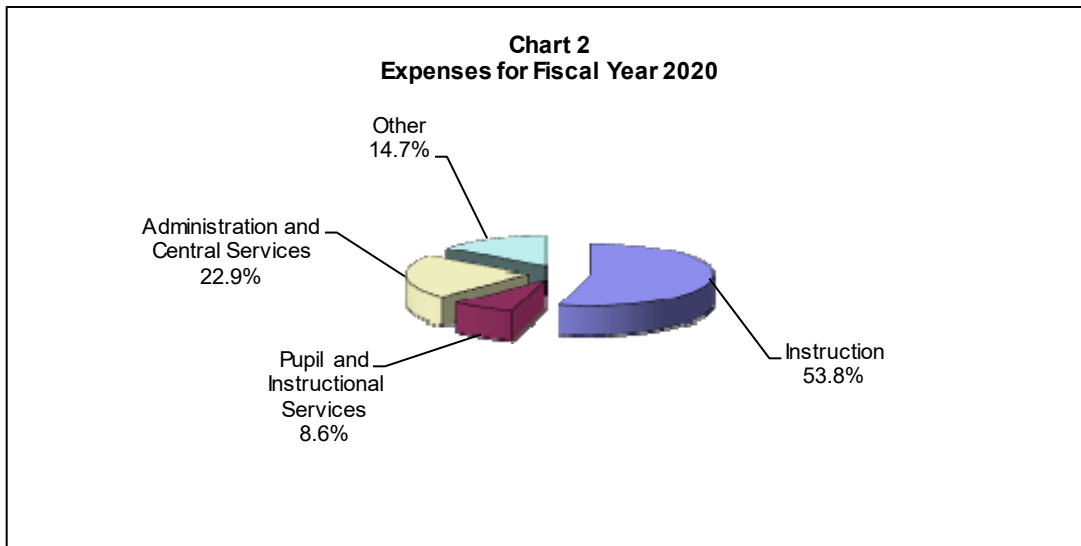


Chart 2 below displays the composition of expense by function:



**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**Governmental Funds**

Changes in the District's governmental funds for the year ended June 30, 2020 are reflected below:

	Balance June 30, 2020	Balance June 30, 2019	Current Year Change
General	\$ 35,442,426	\$ 27,722,923	\$ 7,719,503
Donations Fund	783,886	615,196	168,690
Debt Service	3,271,720	3,342,920	(71,200)
Capital Projects	728,497	5,524,447	(4,795,950)
Food Service	1,841,620	2,151,190	(309,570)
Community Service	2,075,146	2,034,755	40,391
	<u>\$ 44,143,295</u>	<u>\$ 41,391,431</u>	<u>\$ 2,751,864</u>

The general fund balance at year end totaled \$35,442,426. Of this amount, \$2,961,759 represents nonspendable funds, \$580,165 is assigned, and the remaining \$31,900,502 represents unassigned funds. The nonspendable funds consist of prepaid assets and inventory.

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

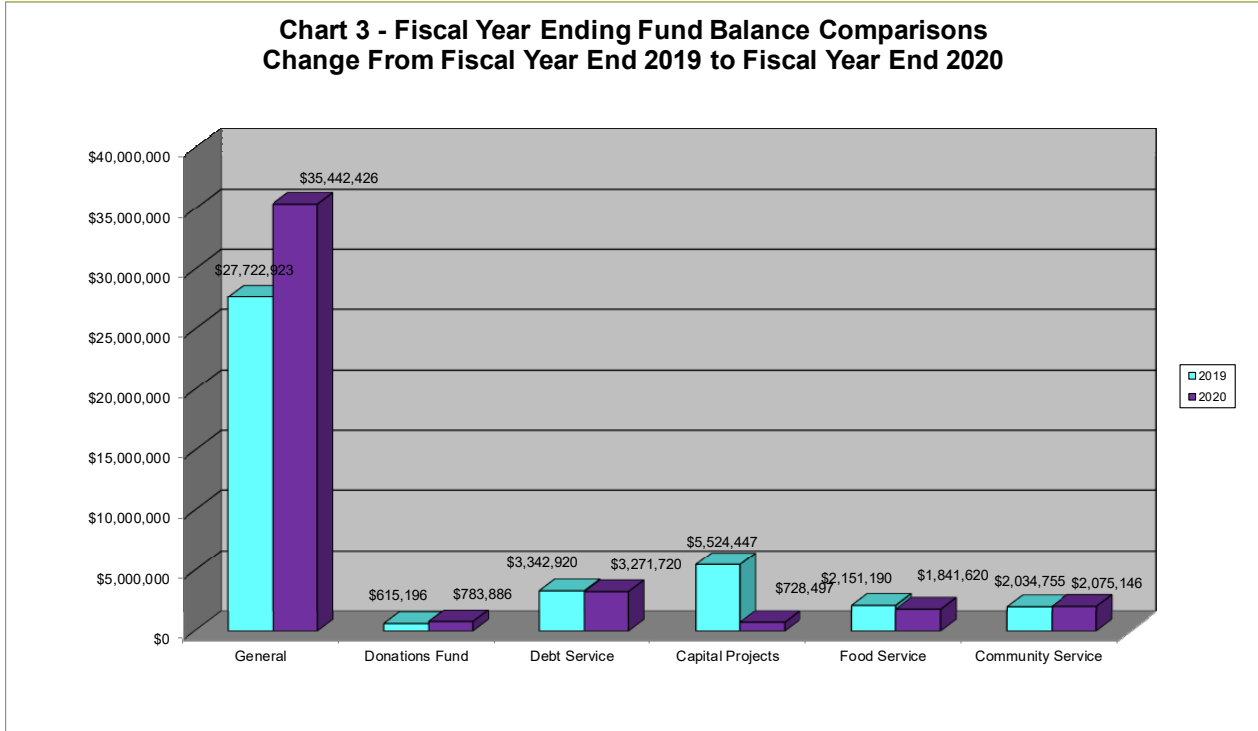
The balance in the debt service fund is to provide for the necessary accumulation of funds for debt retirement needs.

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, 2020**

Chart 3 below depicts the changes in ending fund balances graphically for each fund from fiscal year 2019 to fiscal year 2020.





**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**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 2020 as shown in the budgetary comparison schedule for the general fund under *Required Supplementary Information*. The adjustments made to the original budget were to account for the receipts and related expenditures of grants, gifts, and/or other revenues as listed below:

**Property Taxes**

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

**State and Federal Grants**

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

**Gifts**

Budget adjustments were made to adjust budgets for gifts received.

**Revenues**

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

**Expenditures**

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of the end of fiscal year 2020, the District had invested approximately \$222.6 million in a broad range of capital assets, including buildings, sites, equipment and construction in progress (see Table 4). Accumulated depreciation on these assets totaled \$97,955,488. Net capital assets increased by \$449,566 from the previous year.

**Table 4  
Capital Assets**

	June 30,		Percent Change 2019-2020
	2020	2019	
Land	\$ 2,262,174	\$ 2,262,174	0.0%
Land Improvements	11,242,211	10,526,403	6.8
Buildings	194,846,622	186,864,158	4.3
Furniture and Equipment	12,609,962	11,341,406	11.2
Construction in Progress	1,670,799	5,559,483	-69.9
Accumulated Depreciation	(97,955,488)	(92,326,910)	6.1
Total	\$ 124,676,280	\$ 124,226,714	0.4

- Asset acquisitions during the year totaled \$8,123,057.
- The District disposed of \$2,044,913 of capital assets during the year.
- The District recognized depreciation expense of \$6,803,356 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 \$50.3 million in net general obligation debt outstanding which is a decrease of 10.0% from the previous year. The District also had other long-term obligations outstanding of approximately \$84.0 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, 2020**

**Table 5  
Outstanding Long Term Obligations**

	June 30,		Percent Change 2019-2020
	2020	2019	
<b>General Obligation Debt:</b>			
General Obligation Bonds & Notes Payable	\$ 50,300,000	\$ 55,870,000	-10.0%
<b>Other Long-Term Obligations</b>			
Capital Leases	952,344	-	100.0
Vested Employee Benefits	314,132	302,354	3.9
Other Postemployment Benefits Liabilities	76,755,532	76,420,673	0.4
Pension Plan Liabilities	2,227,241	18,082,842	-87.7
Premiums	4,742,770	4,884,656	-2.9
Total	<u>\$ 135,292,019</u>	<u>\$ 155,560,525</u>	-13.0

- The District retired \$5,570,000 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 2020-2021 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 83.8% 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 2020-2021 school year marks the end of the State's biennial budget. In the 2020-2021 budget, the state added a \$179 per pupil increase in the revenue limit that significantly impacted the budget. 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, 2020**

	Governmental Activities
<b>ASSETS:</b>	
Cash and Investments	\$ 32,376,913
Taxes Receivable	19,651,486
Accounts Receivable	670,303
Due from Other Governments	2,837,926
Inventories and Prepaid Items	3,175,533
Wisconsin Retirement System Net Pension Asset	14,137,942
Capital Assets Not Being Depreciated:	
Land	2,262,174
Construction in Progress	1,670,799
Capital Assets Being Depreciated:	
Land Improvements	11,242,211
Buildings and Building Improvements	194,846,622
Furniture and Equipment	12,609,962
Less - Accumulated Depreciation	<u>(97,955,488)</u>
Total Assets	197,526,383
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Pension Related	30,785,733
Other Postemployment Benefits Related	5,866,943
Total Deferred Outflows of Resources	<u>36,652,676</u>
<b>LIABILITIES:</b>	
Accounts Payable	3,952,977
Accrued Payroll and Related Liabilities	10,055,543
Accrued Interest Payable	506,363
Other Deposits Payable	45,949
Unearned Revenues	436,028
Health Benefit Claims Payable	78,369
Current Portion of Long-Term Obligations	5,445,983
Noncurrent Liabilities:	
General Obligation Bonds	50,230,260
Capital Lease	633,003
Net Other Postemployment Benefits Liability	71,998,954
State Life Insurance Net Other Postemployment Benefits Liability	4,756,578
Net Supplemental Pension Plan Liability	<u>2,227,241</u>
Total Liabilities	150,367,248
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Pension Related	43,124,767
Other Postemployment Benefits Related	942,220
Total Deferred Inflows of Resources	<u>44,066,987</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	69,688,930
Restricted for:	
Donor Specifications	783,886
Debt Service	2,765,357
Food Service	1,841,620
Community Service	2,075,146
Capital Projects	673,074
Wisconsin Retirement System Pension Plan Asset	14,137,942
Unrestricted (Deficit)	<u>(52,221,131)</u>
Total Net Position	<u>\$ 39,744,824</u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		Net (Expense)	
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position	
			Capital Grants and Contributions	Total Governmental Activities	
<b>Primary Government</b>					
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 51,306,791	\$ 2,768,811	\$ 4,245,119	\$ -	\$ (44,292,861)
Vocational Instruction	3,454,941	-	37,831	70,371	(3,346,739)
Special Instruction	22,089,903	50,082	7,780,890	-	(14,258,931)
Other Instruction	4,978,482	404,349	694,340	-	(3,879,793)
Total Instruction	<u>81,830,117</u>	<u>3,223,242</u>	<u>12,758,180</u>	<u>70,371</u>	<u>(65,778,324)</u>
Support Service:					
Pupil Services	7,051,662	-	1,111,780	-	(5,939,882)
Instructional Staff Services	5,807,390	-	563,710	-	(5,243,680)
General Administration	834,848	-	-	-	(834,848)
Building Administration	6,597,877	-	-	-	(6,597,877)
Business Services	24,078,221	5,409	442,529	339,351	(23,290,932)
Central Services	2,052,076	-	-	-	(2,052,076)
Insurance and Judgments	1,051,059	-	-	-	(1,051,059)
Interest on Debt	1,994,680	-	-	-	(1,994,680)
Other Supporting Services	4,667,118	-	-	-	(4,667,118)
Food Services	4,110,954	1,511,425	2,480,823	-	(118,706)
Community Services	869,940	73,865	-	-	(796,075)
Total Support Services	<u>59,115,825</u>	<u>1,590,699</u>	<u>4,598,842</u>	<u>339,351</u>	<u>(52,586,933)</u>
Non-Program:					
Purchased Instructional Services	10,189,316	-	-	-	(10,189,316)
Other Non-Program Transactions	147,069	-	-	-	(147,069)
Total Non-Program	<u>10,336,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,336,385)</u>
Total Primary Government	<u>\$ 151,282,327</u>	<u>\$ 4,813,941</u>	<u>\$ 17,357,022</u>	<u>\$ 409,722</u>	<u>(128,701,642)</u>
General Revenues					
Property Taxes:					
General Purposes					53,923,062
Debt Services					7,643,087
Community Services					923,626
Payment in Lieu of Taxes					16,617
State and Federal Aids Not Restricted to					
Specific Functions					72,552,428
Interest and Investment Earnings					198,757
Sale of Assets					190,276
Miscellaneous					2,517,460
Total General Revenues					<u>137,965,313</u>
<b>Change in Net Position</b>					9,263,671
Net Position - Beginning of Year					<u>30,481,153</u>
<b>Net Position - End of Year</b>					<u>\$ 39,744,824</u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 23,404,434	\$ 3,271,720	\$ 5,700,759	\$ 32,376,913
Receivables:				
Taxes	19,651,486	-	-	19,651,486
Accounts	537,674	-	132,629	670,303
Due from Other Governments	2,414,886	-	423,040	2,837,926
Due from Other Funds	188,771	-	-	188,771
Inventories and Prepaid Items	2,961,759	-	213,774	3,175,533
Total Assets	<u>\$ 49,159,010</u>	<u>\$ 3,271,720</u>	<u>\$ 6,470,202</u>	<u>\$ 58,900,932</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 3,473,898	\$ -	\$ 479,079	\$ 3,952,977
Accrued Liabilities:				
Payroll, Payroll Taxes, Insurance	9,945,718	-	109,825	10,055,543
Due to Other Funds	-	-	188,771	188,771
Other Deposits Payable	44,847	-	1,102	45,949
Unearned Revenue	173,752	-	262,276	436,028
Health Benefit Claims Payable	78,369	-	-	78,369
Total Liabilities	<u>13,716,584</u>	<u>-</u>	<u>1,041,053</u>	<u>14,757,637</u>
<b>Fund Balances:</b>				
Nonspendable	2,961,759	-	213,774	3,175,533
Restricted	-	3,271,720	5,215,725	8,487,445
Assigned	580,165	-	-	580,165
Unassigned	31,900,502	-	(350)	31,900,152
Total Fund Balances	<u>35,442,426</u>	<u>3,271,720</u>	<u>5,429,149</u>	<u>44,143,295</u>
Total Liabilities and Fund Balances	<u>\$ 49,159,010</u>	<u>\$ 3,271,720</u>	<u>\$ 6,470,202</u>	<u>\$ 58,900,932</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, 2020**

**Total Fund Balance - Governmental Funds** \$ 44,143,295

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	\$ 222,631,768	
Accumulated Depreciation	(97,955,488)	124,676,280

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)	14,137,942	
Net Supplemental Pension Plan Liability	(2,227,241)	
Deferred Outflows of Resources - Pension Related	30,785,733	
Deferred Inflows of Resources - Pension Related	(43,124,767)	(428,333)

Unused vacation pay is a liability of the governmental funds only if the employee has resigned or retired. (314,132)

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	55,042,770	
Capital Lease	952,344	
Accrued Interest Payable on General Obligation Debt	506,363	(56,501,477)

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	71,998,954	
State Life Insurance Net Other Postemployment Benefits Liability	4,756,578	
Deferred Outflows of Resources - Other Postemployment Benefits Related	(5,866,943)	
Deferred Inflows of Resources - Other Postemployment Benefits Related	942,220	(71,830,809)

**Total Net Position - Governmental Activities** \$ 39,744,824



**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Local	\$ 54,688,558	\$ 7,664,185	\$ 3,522,840	\$ 65,875,583
Interdistrict	2,641,626	-	-	2,641,626
Intermediate	15,120	-	687,728	702,848
State	81,558,355	-	64,091	81,622,446
Federal	5,627,532	-	2,423,331	8,050,863
Other	1,948,588	-	140,436	2,089,024
Total Revenues	<u>146,479,779</u>	<u>7,664,185</u>	<u>6,838,426</u>	<u>160,982,390</u>
<b>EXPENDITURES</b>				
<b>Instruction:</b>				
Regular Instruction	51,005,459	-	903,760	51,909,219
Vocational Instruction	3,625,162	-	-	3,625,162
Special Instruction	22,354,874	-	-	22,354,874
Other Instruction	4,945,235	-	61,475	5,006,710
Total Instruction	<u>81,930,730</u>	<u>-</u>	<u>965,235</u>	<u>82,895,965</u>
<b>Support Services:</b>				
Pupil Services	7,128,338	-	1,899	7,130,237
Instructional Staff Services	5,826,974	-	26,929	5,853,903
General Administration	825,492	-	-	825,492
Building Administration	6,696,997	-	-	6,696,997
Business Services	18,910,593	-	5,649,659	24,560,252
Food Services	-	-	4,136,803	4,136,803
Central Services	1,591,611	-	7,197	1,598,808
Insurance and Judgments	1,045,302	-	3,387	1,048,689
Community Services	-	-	864,493	864,493
<b>Debt Service:</b>				
Principal	337,498	5,570,000	-	5,907,498
Interest	-	2,165,385	-	2,165,385
Paying Agent Fees	3,206	-	-	3,206
Other Support Services	5,431,073	-	65,182	5,496,255
Total Support Services	<u>47,797,084</u>	<u>7,735,385</u>	<u>10,755,549</u>	<u>66,288,018</u>
<b>Non-Program:</b>				
Purchased Instructional Services	10,185,162	-	4,154	10,189,316
Other Non-Program Transactions	137,142	-	9,927	147,069
Total Non-Program	<u>10,322,304</u>	<u>-</u>	<u>14,081</u>	<u>10,336,385</u>
Total Expenditures	<u>140,050,118</u>	<u>7,735,385</u>	<u>11,734,865</u>	<u>159,520,368</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	6,429,661	(71,200)	(4,896,439)	1,462,022
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Lease Proceeds	1,289,842	-	-	1,289,842
<b>NET CHANGE IN FUND BALANCES</b>	7,719,503	(71,200)	(4,896,439)	2,751,864
Fund Balances - Beginning of Year	27,722,923	3,342,920	10,325,588	41,391,431
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 35,442,426</u>	<u>\$ 3,271,720</u>	<u>\$ 5,429,149</u>	<u>\$ 44,143,295</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, 2020**

**Total Net Change in Fund Balances - Governmental Funds** \$ 2,751,864

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	\$	8,123,057
Net book value of capital assets disposed of during the year		(870,135)
Depreciation expense reported in the statement of activities		<u>(6,803,356)</u>

Net change in capital assets		449,566
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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. (735,648)

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. 2,018,100

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		5,907,498
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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 long-term debt proceeds in the current year		(1,289,842)
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**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 (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**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: \$ 141,886

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	2,165,385
The amount of interest accrued during the current period	<u>(2,133,360)</u>

Amount of interest paid greater than interest accrued 32,025

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	<u>(11,778)</u>
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<b>Change in Net Position - Governmental Activities</b>	<b><u><u>\$ 9,263,671</u></u></b>
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**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2020**

	Employee Benefit Trust	Agency Funds
<b>ASSETS</b>		
Cash and Investments	\$ 3,669,322	\$ 48,535
Accounts Receivable	5,988	-
Prepays	2,028,170	-
Total Assets	5,703,480	\$ 48,535
<b>LIABILITIES</b>		
Due to Student Organizations	\$ -	\$ 48,535
Health Benefit Claims Payable	22,321	-
Total Liabilities	22,321	\$ 48,535
<b>NET POSITION</b>		
Restricted	\$ 5,681,159	

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, 2020**

	Private Purpose Trust Funds	Employee Benefit Trust Funds
	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>		
Investment Income	\$ -	\$ 102,159
District Contributions	-	7,514,485
Plan Member Contributions	-	193,180
Total Additions	<u>-</u>	<u>7,809,824</u>
<b>DEDUCTIONS</b>		
Administrative Expenses	-	12,670
Benefit Payments to Plan Members	-	7,592,729
Other Adjustments	10,095	-
Total Deductions	<u>10,095</u>	<u>7,605,399</u>
<b>CHANGE IN NET POSITION</b>	(10,095)	204,425
Net Position - Beginning of Year	<u>10,095</u>	<u>5,476,734</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 5,681,159</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, 2020**

**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 Eau Claire Area School 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, 2020**

**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:

**Private-Purpose Trust Funds** – The Private-Purpose Trust Funds are used to account for scholarship assets held by the District in a trustee capacity.

**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.

**Agency Fund** – The Agency Fund is used to account for assets held by the District as an agent. Activities of student organizations are accounted for in the agency fund.



**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

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

The government-wide and fiduciary trust fund 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. Fiduciary agency funds do not have a measurement focus.

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 acquisitions under capital 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, 2020**

**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 2019 tax levy is used to finance operations of the District's fiscal year ended June 30, 2020. 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, 2020**

**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, 2020**

**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, 2020 was \$76,755,532 and total OPEB expense for 2019-2020 was \$5,438,338.

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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 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, 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 \$2,227,241 and the District's pension asset for the multiple-employer plan was \$14,137,942 at June 30, 2020. Total pension expense for 2019-20 was \$5,529,999.

**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, 2020**

**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, 2020**

**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.
- Once the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.
- Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a reserved fund balance.

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

The Debt Service Fund and Capital Projects Fund account for their transactions through separate and distinct bank and investment accounts as recommended by the Department of Public Instruction. In addition, agency 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, 2020 were shown in the financial statements as follows:

Governmental Funds	\$ 32,376,913
Fiduciary Funds	3,717,857
	<u>\$ 36,094,770</u>

The above balances at June 30, 2020 consisted of the following:

Treasurer's Cash and Investments:	
Cash	\$ 300
Deposits at Financial Institutions	48,574
Insured Cash Sweep	7,157,284
PFM Funds Managed Money Market	808,479
OPEB Trust Money Market Fund	704,071
OPEB Mutual Funds	2,817,338
WISC Investment Series	24,557,848
Investments in State Local Government	
Pooled - Investment Fund	876
Total Cash and Investments	<u>\$ 36,094,770</u>



**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2020, 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, 2020**

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

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

**Investments**

The District's investments at June 30, 2020 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, 2020 was approximately 22 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 Cash Management 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, 2020, the District's investments were rated as follows:

<u>Type</u>	<u>Credit Rating</u>	<u>Amount</u>
PFM Funds Managed Money Market	Not Rated	\$ 808,479
OPEB Trust Money Market Fund	Not Rated	704,071
OPEB Mutual Funds	Not Rated	2,817,338
WISC Investment Series	Not Rated	24,557,848
Local Government Investment Pool	Not Rated	876
Total		<u>\$ 28,888,612</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2020, the District's investments maturities were as follows:

<u>Type</u>	<u>Total</u>	<u>&lt; 1 Year</u>	<u>1 to 3 years</u>	<u>&gt; 3 Years</u>
PFM Funds Managed Money Market	\$ 808,479	\$ 808,479	\$ -	\$ -
OPEB Trust Money Market Fund	704,071	704,071	-	-
OPEB Mutual Funds	2,817,338	2,817,338	-	-
WISC Investment Series	24,557,848	24,557,848	-	-
Local Government Investment Pool	876	876	-	-
Total	<u>\$ 28,888,612</u>	<u>\$ 28,888,612</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, 2020**

**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, 2020 were categorized as follows:

	Level 1	Level 2	Level 3	Total
PFM Funds Managed Money Market	\$ 808,479	\$ -	\$ -	\$ 808,479
OPEB Mutual Funds	2,817,338	-	-	2,817,338
Total	\$ 3,625,817	\$ -	\$ -	3,625,817
Investments at Amortized Cost:				
OPEB Trust Money Market Fund				704,071
WISC Investment Series				24,557,848
Local Government Investment Pool				876
Total				\$28,888,612

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**B. Capital Assets**

Changes in the capital assets for the year ended June 30, 2020 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets:				
Land	\$ 2,262,174	\$ -	\$ -	\$ 2,262,174
Land Improvements	10,526,403	715,808	-	11,242,211
Buildings and Improvements	186,864,158	9,825,516	(1,843,052)	194,846,622
Furniture and Equipment	11,341,406	1,470,417	(201,861)	12,609,962
Work in Progress	5,559,483	1,670,797	(5,559,481)	1,670,799
Total Capital Assets	<u>216,553,624</u>	<u>13,682,538</u>	<u>(7,604,394)</u>	<u>222,631,768</u>
Accumulated Depreciation:				
Land Improvements	4,063,073	452,323	-	4,515,396
Buildings and Improvements	80,205,487	5,512,862	(1,021,350)	84,696,999
Furniture and Equipment	8,058,350	838,171	(153,428)	8,743,093
Total Accumulated Depreciation	<u>92,326,910</u>	<u>6,803,356</u>	<u>(1,174,778)</u>	<u>97,955,488</u>
Governmental Activities Capital Assets Net of Accumulated Depreciation	<u>\$ 124,226,714</u>	<u>\$ 6,879,182</u>	<u>\$ (6,429,616)</u>	<u>\$ 124,676,280</u>

Depreciation was charged to governmental functions as follows:

<b>Instruction:</b>	
Regular Instruction	\$ 16,903
Vocational Instruction	7,738
Special Instruction	2,010
Other Instruction	16,996
<b>Support Services:</b>	
Pupil Services	2,770
Instructional Staff Services	735
Building Administrative Services	550
Business Services	6,165,343
Central Services	444,535
Insurance and Judgments	2,370
Food Services	52,241
Community Services	1,622
Other Support Services	89,543
Total Depreciation for Governmental Activities	<u>\$ 6,803,356</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

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

The composition of interfund balances as of June 30, 2020 was as follows:

**Due to/from Other Funds**

Receivable Fund	Payable Fund	Amount
General Fund	Other Special Projects Funds	\$ 188,771

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, 2020 were as follows:

	Balances			Balances	
	June 30, 2019	Additions	Reductions	June 30, 2020	Amounts Due Within One Year
Long-Term Debt					
General Obligation Bonds and Notes	\$ 55,870,000	\$ -	\$ (5,570,000)	\$ 50,300,000	\$ 4,715,000
Add: Debt Premium	4,884,656	-	(141,886)	4,742,770	97,510
Subtotal	60,754,656	-	(5,711,886)	55,042,770	4,812,510
Other Long-Term Obligations:					
Capital Leases	-	1,289,842	(337,498)	952,344	319,341
Vested Employee Benefits	302,354	93,004	(81,226)	314,132	314,132
Subtotal	302,354	1,382,846	(418,724)	1,266,476	633,473
Total	\$ 61,057,010	\$ 1,382,846	\$ (6,130,610)	\$ 56,309,246	\$ 5,445,983

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.

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2020 were as follows:

Description	Issue Date	Interest Rate	Final Maturity Date	Original Indebtedness	Amount Outstanding
2011 G.O. Bonds	11/7/2011	3.5-4.125	4/1/2021	\$ 31,000,000	\$ 2,245,000
2013 G.O. Promissory Notes	4/1/2013	2.0	4/1/2023	2,850,000	2,850,000
2017 G.O. School Improvement Bonds	4/17/2017	2.0-4.0	4/1/2031	25,000,000	20,215,000
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>\$ 50,300,000</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2020 follow:

Fiscal Year	Principal	Interest	Total
2021	\$ 4,715,000	\$ 1,980,787	\$ 6,695,787
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>\$ 50,300,000</u>	<u>\$ 12,335,411</u>	<u>\$ 62,635,411</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

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

**General Obligation Debt (Continued)**

The 2019 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$7,662,908,117. The legal debt limit and margin of indebtedness as of June 30, 2020 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes is as follows:

Total Equalized Value (TIDIN)	\$ 7,662,908,117
	10.00%
Calculated Debt Limit	<u>766,290,812</u>
Deduct Long Term Debt Applicable to Debt Margin	50,300,000
Margin of Indebtedness	<u><u>\$ 715,990,812</u></u>

**Capital Lease Payable**

The District entered into a capital lease agreements with Apple Inc. for the purchase of iPads and Dell Financial Services for the purchase of laptops. The annual repayment schedule is as follows:

	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital Lease, \$382,200, dated 8/22/19, payable in annual installments with final maturity on 8/22/22, interest payable at 1.79%	2021	\$ 93,022	\$ 5,085	\$ 98,107
	2022	94,688	3,420	98,108
	2023	96,382	1,725	98,107
		<u>284,092</u>	<u>10,230</u>	<u>294,322</u>
Capital Lease, \$102,900, dated 11/30/19 payable in annual installments with final maturity on 11/30/22, interest payable at 1.99%	2021	24,970	1,521	26,491
	2022	25,467	1,024	26,491
	2023	25,973	517	26,490
		<u>76,410</u>	<u>3,062</u>	<u>79,472</u>
Capital Lease, \$603,557, dated 10/15/19 payable in annual installments with final maturity on 8/21/22, interest payable at 2.70%	2021	151,007	8,503	159,510
	2022	142,353	17,157	159,510
	2023	150,687	8,823	159,510
		<u>444,047</u>	<u>34,483</u>	<u>478,530</u>
Capital Lease, \$201,185, dated 10/15/19 payable in annual installments with final maturity on 8/21/22, interest payable at 2.70%	2021	50,342	3,048	53,390
	2022	47,235	6,157	53,392
	2023	50,218	3,172	53,390
		<u>147,795</u>	<u>12,377</u>	<u>160,172</u>
Total Capital Leases		<u><u>\$ 952,344</u></u>	<u><u>\$ 60,152</u></u>	<u><u>\$ 1,012,496</u></u>



**EAU CLAIRE AREA SCHOOL DISTRICT  
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**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Short-Term Borrowing**

On November 13, 2019, the District issued a Taxable Revolving Line of Credit with a maximum outstanding principal amount of \$7,000,000 for cash flow borrowing purposes. The borrowing accrues interest at prime minus 1.00 percent, adjusted monthly and will not exceed 4.00 percent. The line of credit matures November 1, 2020. The District did not draw on this line of credit during the 2019-2020 fiscal year and there was no outstanding balance at June 30, 2020.

**F. Operating Leases**

The District entered into several operating lease agreements. The details and future lease payments under these agreements are as follows:

	Fiscal Year	Payment
Operating Leases, eight student transportation vans, dated 8/16/18, interest rate of 4.4%, payable in annual installments of \$40,666, final payment on 8/16/21	2021	\$ 40,666
Operating Lease, Chevrolet Colorado, dated 12/10/19, interest rate of 3.9%, payable in monthly installments of \$489, final payment on 1/4/2025	2021	5,868
	2022	5,868
	2023	5,868
	2024	5,868
	2025	3,423
		26,895
Operating Lease, Chevrolet Colorado, dated 11/7/19, interest rate of 4.6%, payable in monthly installments of \$507, final payment on 1/4/2025	2021	6,084
	2022	6,084
	2023	6,084
	2024	6,084
	2025	3,549
		27,885
Operating Lease, Chevrolet Silverado, dated 12/17/19, interest rate of 3.9%, payable in monthly installments of \$522, final payment on 6/3/2025	2021	6,264
	2022	6,264
	2023	6,264
	2024	6,264
	2025	6,264
		31,320
Operating Lease, Chevrolet Silverado, dated 12/17/19, interest rate of 3.9%, payable in monthly installments of \$509, final payment on 6/3/2025	2021	6,108
	2022	6,108
	2023	6,108
	2024	6,108
	2025	6,108
		30,540
Total Operating Leases		\$ 157,306

**EAU CLAIRE AREA SCHOOL DISTRICT  
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NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at June 30, 2020 consisted of the following:

	Total	Nonspendable	Restricted	Assigned	Unassigned
<b>Major Funds:</b>					
General Fund:					
Nonspendable Prepaid Items and Inventory	\$ 2,961,759	\$ 2,961,759	\$ -	\$ -	\$ -
Assigned for Self Insurance	580,165	-	-	580,165	-
Unassigned	31,900,502	-	-	-	31,900,502
Debt Service Fund	3,271,720	-	3,271,720	-	-
<b>Nonmajor Funds:</b>					
Special Revenue Funds:					
Donor Restricted Purposes	783,886	22,977	760,909	-	-
Food Service Program	1,841,620	138,565	1,703,055	-	-
Community Service Programs	2,075,146	51,882	2,023,264	-	-
Capital Projects Fund	728,497	-	728,497	-	-
Subtotal Nonmajor Funds	5,429,149	213,774	5,215,725	-	(350)
Total Governmental Funds Balances at June 30, 2020	<u>\$ 44,143,295</u>	<u>\$ 3,175,533</u>	<u>\$ 8,487,445</u>	<u>\$ 580,165</u>	<u>\$ 31,900,152</u>

**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 Comprehensive Annual Financial Report (CAFR), 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.

**EAU CLAIRE AREA SCHOOL DISTRICT  
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**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

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

*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.

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, 2019 through June 30, 2020, the WRS recognized \$4,563,600 in contributions from the employer.

Contribution rates as of June 30, 2020 are:

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

**EAU CLAIRE AREA SCHOOL DISTRICT  
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**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

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

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

<u>Year</u>	<u>Core Fund Adjustment (%)</u>	<u>Variable Fund Adjustment (%)</u>
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)

At June 30, 2020, the District reported an asset of \$14,137,972 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 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, 2019, the District's proportion was 0.43845971 percent, which was a decrease of 0.00433954 percent from its proportion measured as of December 31, 2018.

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**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

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

For the year ended June 30, 2020, the District recognized pension expense of \$5,382,694. At June 30, 2020, 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	\$ 26,837,047	\$ 13,430,146
Changes of Assumptions	1,101,721	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	28,902,982
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	27,211	148,104
District Contributions Subsequent to the Measurement Date	2,335,538	-
Total	<u>\$ 30,301,517</u>	<u>\$ 42,481,232</u>

\$2,335,538 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, 2021. Other 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
2021	\$ (4,306,276)
2022	(3,220,611)
2023	461,456
2024	(7,449,822)

**EAU CLAIRE AREA SCHOOL DISTRICT  
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**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

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

*Actuarial assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	3.1% to 8.6% including inflation
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*:	1.9%

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

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

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:

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EAU CLAIRE, WISCONSIN  
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**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

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

Asset Class	Core Asset Allocation	
	Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	49%	5.1%
Fixed Income	24.5%	2.1%
Inflation Sensitive Assets	15.5%	1.2%
Real Estate	9%	3.5%
Private Equity/Debt	8%	7.6%
Multi-Asset	4%	4.0%
Cash	-10%	0.9%
Totals	100%	

Asset Class	Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	70%	4.6%
International Equity	30%	5.3%
Totals	100%	

*Discount rate.* A single discount rate of 7.00% was used to measure the Total Pension Liability. 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 2.75%. 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. 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.

**EAU CLAIRE AREA SCHOOL DISTRICT  
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**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

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

*Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 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)	\$ 36,407,729	\$ (14,137,942)	\$ (51,926,645)

*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>.

**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, 2020 was estimated at \$314,132.

**C. Other Postemployment Benefit Plan – Single-Employer 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, 2020, 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	1,338
	1,604



**EAU CLAIRE AREA SCHOOL DISTRICT  
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**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

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

***Investments***

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

*Rate of Return.* For the year ended June 30, 2020, the annual money-weighted rate of return, net of investment expense, was 1.83 percent.

The plan does not issue a stand-alone report.

**Net OPEB Liability**

Total OPEB Liability - Ending (a)	\$ 77,269,027
Plan Fiduciary Net Position - Ending (b)	<u>5,270,073</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 71,998,954</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.82%

The District's total OPEB liability for June 30, 2020 is based upon a roll-forward of the liability calculated from the June 30, 2019 actuarial valuation.

***Actuarial Assumptions***

The total OPEB liability for June 30, 2020, 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)
Mortality	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%) 7.50% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0%, and thereafter
Healthcare Cost Trend Rates	0.10% per year down to 5.0%, and thereafter

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**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

**Net OPEB Liability (Continued)**

***Actuarial Assumptions (Continued)***

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

***Discount Rate***

The discount rate used to measure the total OPEB liability was 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.

**Changes in the Net OPEB Liability**

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances at June 30, 2019	\$ 78,505,302	\$ 5,055,764	\$ 73,449,538
Changes for the year:			
Service Cost	3,236,033	-	3,236,033
Interest	2,679,021	-	2,679,021
Changes of Benefit Terms	(1,359,369)	-	(1,359,369)
Differences Between Expected and Actual Experience	1,447,473	-	1,447,473
Changes of Assumptions or Other Input	(79,717)	-	(79,717)
Contributions - Employer	-	7,291,413	(7,291,413)
Net Investment Income	-	94,306	(94,306)
Benefit Payments	(7,159,716)	(7,159,716)	-
Administrative Expense	-	(11,694)	11,694
Net Changes	<u>(1,236,275)</u>	<u>214,309</u>	<u>(1,450,584)</u>
Balances at June 30, 2020	<u>\$ 77,269,027</u>	<u>\$ 5,270,073</u>	<u>\$ 71,998,954</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
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**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

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

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (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	\$ 81,154,561	\$ 77,269,027	\$ 73,452,455
Fiduciary Net Position	5,270,073	5,270,073	5,270,073
Net OPEB Liability	<u>\$ 75,884,488</u>	<u>\$ 71,998,954</u>	<u>\$ 68,182,382</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	\$ 72,037,166	\$ 77,269,027	\$ 83,071,694
Fiduciary Net Position	5,270,073	5,270,073	5,270,073
Net OPEB Liability	<u>\$ 66,767,093</u>	<u>\$ 71,998,954</u>	<u>\$ 77,801,621</u>

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$4,935,259 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	\$ 2,886,259	\$ -
Changes of Assumptions or Other Input	870,788	118,374
Net Difference Between Projected and Actual Earnings on OPEB Investments	188,586	-
Total	<u>\$ 3,945,633</u>	<u>\$ 118,374</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
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**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

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

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

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

<u>Year Ended June 30:</u>	<u>OPEB Expense Amount</u>
2021	\$ 546,932
2022	546,931
2023	525,426
2024	499,501
2025	482,551
Thereafter	1,225,918

**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, 2020, 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	333
	<u>363</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, 2020, the annual money-weighted rate of return, net of investment expense, was 1.83 percent.

The plan does not issue a stand-alone report.

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

**Contributions**

The District funds its pension liability through a separate employee trust fund. For fiscal year 2020, the District contributed an estimated \$223,072 to the plan.

**Net Pension Liability**

Total Pension Liability - Ending (a)	\$ 2,638,327
Plan Fiduciary Net Position - Ending (b)	411,086
District's Net Pension Liability - Ending (a) - (b)	\$ 2,227,241
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	15.58%

The District's net pension liability was measured as of June 30, 2020, 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, 2020.

*Actuarial assumptions.* The total pension liability for June 30, 2020, 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, 2020**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

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

**Changes in the Net Pension Liability**

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at Beginning of Year	\$ 2,750,403	\$ 420,970	\$ 2,329,433
Changes for the Year:			
Service Cost	97,045	-	97,045
Interest	93,765	-	93,765
Differences between expected and actual experience	(283,093)	-	(283,093)
Changes of assumptions or other input	220,041	-	220,041
Contributions - Employer	-	223,072	(223,072)
Net Investment Income	-	7,852	(7,852)
Benefit Payments	(239,834)	(239,834)	-
Administrative Expense	-	(974)	974
Net Changes	<u>(112,076)</u>	<u>(9,884)</u>	<u>(102,192)</u>
Balances at End of Year	<u>\$ 2,638,327</u>	<u>\$ 411,086</u>	<u>\$ 2,227,241</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	\$ 2,814,497	\$ 2,638,327	\$ 2,471,367
Fiduciary Net Position	411,086	411,086	411,086
Net Pension Liability	<u>\$ 2,403,411</u>	<u>\$ 2,227,241</u>	<u>\$ 2,060,281</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2020, the District recognized pension expense of \$147,305. At June 30, 2020, 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	\$ 161,648	\$ 502,354
Changes of Assumptions	303,436	141,181
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	19,132	-
Total	<u>\$ 484,216</u>	<u>\$ 643,535</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
2021	\$ (32,780)
2022	(35,638)
2023	(37,780)
2024	(40,022)
2025	(41,343)
Thereafter	28,244

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2020 are:

Coverage Type	Employer Contribution
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, 2019 are:

Attained Age	Basic
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 \$22,338 in contributions from the District.



**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2020, the District reported a liability of \$4,756,578 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018 and rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 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, 2019, the District's proportion was 1.117041 percent, which was a decrease of 0.034411 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$503,079. At June 30, 2020, 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	\$ -	\$ 213,088
Changes of Assumptions	1,754,723	523,188
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	89,726	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	65,573	87,570
District Contributions Subsequent to the Measurement Date	11,288	-
Total	<u>\$ 1,921,310</u>	<u>\$ 823,846</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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)**

\$11,288 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, 2021. 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
2021	\$ 188,850
2022	188,849
2023	179,175
2024	169,210
2025	135,353
Thereafter	224,739

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

Valuation Date	January 1, 2019
Measurement Date of Net OPEB Liability (Asset)	December 31, 2019
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield	2.74%
Long-Term Expected Rate of Return	4.25%
Discount Rate	2.87%
Salary Increases:	
Inflation	3.0%
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, 2019 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, 2020**

**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	45%	2.12%
U.S. Long Credit Bonds	Barclays Long Credit	5%	2.90%
U.S. Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

*Single Discount rate.* A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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 2.87 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 (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	1% Decrease (1.87%)	Current Discount Rate (2.87%)	1% Increase (3.87%)
District's Proportionate Share of the Net OPEB Liability	\$ 6,568,038	\$ 4,756,578	\$ 3,378,410

*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, 2020**

**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, 2020	\$ 132,772	\$ 1,706,291	\$ (1,738,373)	\$ 100,690
Year Ended June 30, 2019	134,341	1,963,615	(1,965,184)	132,772
Year Ended June 30, 2018	135,750	1,980,878	(1,982,287)	134,341

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.

**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, 2020 is \$1,042,532.

**K. Significant Event**

During the year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The full impact of COVID-19 is unknown.

**REQUIRED SUPPLEMENTARY INFORMATION**

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Local	\$ 54,766,863	\$ 54,766,863	\$ 54,688,558	\$ (78,305)
Interdistrict	2,619,441	2,619,441	2,641,626	22,185
Intermediate	88,125	14,700	15,120	420
State	80,915,993	81,884,075	81,558,355	(325,720)
Federal	4,670,590	6,217,171	5,627,532	(589,639)
Other	1,801,556	1,801,556	1,948,588	147,032
Total Revenues	<u>144,862,568</u>	<u>147,303,806</u>	<u>146,479,779</u>	<u>(824,027)</u>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Regular Instruction	52,313,968	53,575,506	51,005,459	2,570,047
Vocational Instruction	3,702,460	3,798,406	3,625,162	173,244
Special Instruction	24,397,823	24,496,847	22,354,874	2,141,973
Other Instruction	5,321,619	5,321,619	4,945,235	376,384
Total Instruction	<u>85,735,870</u>	<u>87,192,378</u>	<u>81,930,730</u>	<u>5,261,648</u>
<b>Support Services:</b>				
Pupil Services	7,289,446	7,594,312	7,128,338	465,974
Instructional Staff Services	6,047,786	6,780,206	5,826,974	953,232
General Administration	896,483	896,308	825,492	70,816
Building Administration	6,778,502	6,778,502	6,696,997	81,505
Business Services	20,171,952	20,851,777	18,910,593	1,941,184
Central Services	1,614,263	1,752,218	1,591,611	160,607
Insurance and Judgments	1,000,761	1,000,761	1,045,302	(44,541)
<b>Debt Service:</b>				
Principal	98,108	98,108	337,498	(239,390)
Interest	20,000	20,000	-	20,000
Paying Agent Fees	2,850	2,850	3,206	(356)
Other Support Services	4,854,767	4,955,031	5,431,073	(476,042)
Total Support Services	<u>48,774,918</u>	<u>50,730,073</u>	<u>47,797,084</u>	<u>2,932,989</u>
<b>Non-Program:</b>				
Purchased Instructional Services	10,603,875	10,541,088	10,185,162	355,926
Other Non-Program Transactions	19,959	19,959	137,142	(117,183)
Total Non-Program	<u>10,623,834</u>	<u>10,561,047</u>	<u>10,322,304</u>	<u>238,743</u>
Total Expenditures	<u>145,134,622</u>	<u>148,483,498</u>	<u>140,050,118</u>	<u>8,433,380</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(272,054)	(1,179,692)	6,429,661	7,609,353
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital Lease Proceeds	382,200	1,289,842	1,289,842	-
<b>NET CHANGE IN FUND BALANCE</b>	110,146	110,150	7,719,503	7,609,353
Fund Balance - Beginning of Year	<u>27,722,923</u>	<u>27,722,923</u>	<u>27,722,923</u>	<u>-</u>
<b>FUND BALANCE - End of Year</b>	<u>\$ 27,833,069</u>	<u>\$ 27,833,073</u>	<u>\$ 35,442,426</u>	<u>\$ 7,609,353</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)**

Measurement Date: December 31,	2014	2015	2016	2017	2018	2019
District's proportion of the net pension liability (asset)	0.44613091%	0.43140082%	0.43478900%	0.43749344%	0.44279925%	0.43845971%
District's proportionate share of the net pension liability (asset)	\$ (10,958,196)	\$ 7,010,180	\$ 3,583,699	\$ (12,989,699)	\$ 15,753,409	\$ (14,137,942)
District's covered payroll	\$ 61,246,881	\$ 60,363,684	\$ 63,072,217	\$ 66,354,053	\$ 67,848,614	\$ 68,237,011
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	17.89%	11.61%	5.68%	19.58%	23.22%	20.72%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.20%	99.12%	102.93%	96.45%	102.96%

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)**

Fiscal Year Ended: June 30,	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually Required Contribution	\$ 4,201,233	\$ 4,066,942	\$ 4,357,582	\$ 4,550,844	\$ 4,497,508	\$ 4,563,600
Contributions in Relation to the Contractually Required Contributions	<u>(4,201,233)</u>	<u>(4,066,942)</u>	<u>(4,357,582)</u>	<u>(4,550,844)</u>	<u>(4,497,508)</u>	<u>(4,563,600)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 60,897,620	\$ 60,724,212	\$ 65,021,414	\$ 67,427,020	\$ 67,893,647	\$ 68,616,776
Contributions as a Percentage of Covered Payroll	6.90%	6.70%	6.70%	6.75%	6.62%	6.65%

*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.

See accompanying Notes to Required Supplementary Information.

**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
<b>Total Pension Liability</b>						
Service Cost	\$ 507,366	\$ 114,111	\$ 114,111	\$ 121,617	\$ 92,607	\$ 97,045
Interest	504,170	477,691	95,030	91,451	100,608	93,765
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)
Net Change in Total Pension Liability	(599,170)	(10,230,235)	50,889	96,113	(11,719)	(112,076)
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
Total Pension Liability - End of Year	12,845,355	2,615,120	2,666,009	2,762,122	2,750,403	2,638,327
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 1,691,241	\$ 344,349	\$ 289,882	\$ 239,237	\$ 251,114	\$ 223,072
Net Investment Income	103	668	518	4,570	4,404	7,852
Benefit Payments	(1,610,706)	(327,952)	(276,078)	(227,845)	(251,114)	(239,834)
Administrative Expense	(2,182)	(2,276)	(1,122)	(649)	(583)	(974)
Net Change in Plan Fiduciary Net Position	78,456	14,789	13,200	15,313	3,821	(9,884)
Plan Fiduciary Net Position Beginning of Year	295,391	373,847	388,636	401,836	417,149	420,970
Plan Fiduciary Net Position - End of Year	373,847	388,636	401,836	417,149	420,970	411,086
Net Pension Liability - End of Year	\$ 12,471,508	\$ 2,226,484	\$ 2,264,173	\$ 2,344,973	\$ 2,329,433	\$ 2,227,241
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.91%	14.86%	15.07%	15.10%	15.31%	15.58%
District's Covered Payroll	\$ 32,491,403	\$ 27,957,383	\$ 27,957,383	\$ 26,708,974	\$ 26,708,974	\$ 23,197,135
Net Pension Liability as a Percentage of Covered Payroll	38.38%	7.96%	8.10%	8.78%	8.72%	9.60%

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
<b>Schedule of District Contributions</b>						
Actuarially Determined Contribution	\$ 1,262,760	\$ 250,573	\$ 250,573	\$ 223,072	\$ 223,072	\$ 223,380
Contributions in Relation of the Actuarially Determined Contribution	1,691,241	344,349	289,882	239,237	251,114	223,072
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>
 District's Covered Payroll	 \$ 32,491,403	 \$ 27,957,383	 \$ 27,957,383	 \$ 26,708,974	 \$ 26,708,974	 \$ 23,197,135
 Contributions as a Percentage of Covered Payroll	 5.21%	 1.23%	 1.04%	 0.90%	 0.94%	 0.96%

*Changes of Benefit Terms.*  
None

*Changes of Assumptions.* The discount rate changed from 3.5% to 2.25%.

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
<b>Total OPEB Liability</b>				
Service Cost	\$ 3,461,943	\$ 3,461,943	\$ 3,103,092	\$ 3,236,033
Interest	2,630,746	2,613,503	2,859,600	2,679,021
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)
<b>Net Change in Total OPEB Liability</b>	<u>(521,105)</u>	<u>1,735,783</u>	<u>550,514</u>	<u>(1,236,275)</u>
<b>Total OPEB Liability - Beginning</b>	<u>76,740,110</u>	<u>76,219,005</u>	<u>77,954,788</u>	<u>78,505,302</u>
<b>Total OPEB Liability - Ending (a)</b>	<u><u>76,219,005</u></u>	<u><u>77,954,788</u></u>	<u><u>78,505,302</u></u>	<u><u>77,269,027</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 7,221,315	\$ 7,254,737	\$ 7,166,333	\$ 7,291,413
Net Investment Income	4,023	41,162	45,946	94,306
Benefit Payments	(6,613,794)	(6,556,952)	(6,500,664)	(7,159,716)
Administrative Expense	(8,711)	(5,841)	(6,080)	(11,694)
Adjustment	-	-	(2,000)	-
<b>Net Change in Plan Fiduciary Net Position</b>	<u>602,833</u>	<u>733,106</u>	<u>703,535</u>	<u>214,309</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>3,016,290</u>	<u>3,619,123</u>	<u>4,352,229</u>	<u>5,055,764</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><u>\$ 3,619,123</u></u>	<u><u>\$ 4,352,229</u></u>	<u><u>\$ 5,055,764</u></u>	<u><u>\$ 5,270,073</u></u>
<b>District's Net OPEB Liability - Ending (a) - (b)</b>	<u><u>\$ 72,599,882</u></u>	<u><u>\$ 73,602,559</u></u>	<u><u>\$ 73,449,538</u></u>	<u><u>\$ 71,998,954</u></u>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	4.75%	5.58%	6.44%	6.82%
<b>Covered Payroll</b>	\$ 34,904,806	\$ 64,816,825	64,816,825	65,531,992
<b>District's Net OPEB Liability as a Percentage of Covered Payroll</b>	207.99%	113.55%	113.32%	109.87%

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)**

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

*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%

*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)**

Measurement Date: December 31,

	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net OPEB liability (asset)	1.13657400%	1.15145200%	1.11704100%
District's proportionate share of the net OPEB liability (asset)	\$ 3,419,474	\$ 2,971,135	\$ 4,756,578
District's covered-employee payroll	\$ 47,796,188	\$ 58,535,000	\$ 56,860,000
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	7.15%	5.08%	8.37%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	44.81%	48.69%	37.58%

*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)**

Fiscal Year Ended: June 30,	2018	2019	2020
Contractually Required Contribution	\$ 22,017	\$ 22,279	\$ 22,338
Contributions in Relation to the Contractually Required Contributions	(22,017)	(22,279)	(22,338)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 47,796,188	\$ 58,535,000	\$ 56,860,000
Contributions as a Percentage of Covered-Employee Payroll	0.05%	0.04%	0.04%

*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.

See accompanying Notes to Required Supplementary Information.



**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

**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, 2020**

	Original Budgets				Final Budgets				Actuals			
	Fund 10	Fund 27	Eliminations	Combined	Fund 10	Fund 27	Eliminations	Combined	Fund 10	Fund 27	Eliminations	Combined
	General	Special			General	Special			General	Special		
	Fund	Education Fund			Fund	Education Fund			Fund	Education Fund		
<b>REVENUES</b>												
Local	\$ 54,766,863	\$ -	\$ -	\$ 54,766,863	\$ 54,766,863	\$ -	\$ -	\$ 54,766,863	\$ 54,688,558	\$ -	\$ -	\$ 54,688,558
Interdistrict	2,430,833	188,608	-	2,619,441	2,400,833	218,608	-	2,619,441	2,403,898	237,728	-	2,641,626
Intermediate	88,125	-	-	88,125	14,700	-	-	14,700	15,120	-	-	15,120
State	75,356,306	5,559,687	-	80,915,993	76,197,688	5,686,387	-	81,884,075	76,044,104	5,514,251	-	81,558,355
Federal	1,845,445	2,825,145	-	4,670,590	3,390,325	2,826,846	-	6,217,171	3,212,920	2,414,612	-	5,627,532
Other	1,801,556	-	-	1,801,556	1,801,556	-	-	1,801,556	1,948,554	34	-	1,948,588
Total Revenues	136,289,128	8,573,440	-	144,862,568	138,571,965	8,731,841	-	147,303,806	138,313,154	8,166,625	-	146,479,779
<b>EXPENDITURES:</b>												
<b>Instruction:</b>												
Regular Instruction	52,313,968	-	-	52,313,968	53,575,506	-	-	53,575,506	51,005,459	-	-	51,005,459
Vocational Instruction	3,702,460	-	-	3,702,460	3,753,406	45,000	-	3,798,406	3,540,283	84,879	-	3,625,162
Special Instruction	3,251,272	21,146,551	-	24,397,823	3,254,834	21,242,013	-	24,496,847	2,955,271	19,399,603	-	22,354,874
Other Instruction	5,321,619	-	-	5,321,619	5,321,619	-	-	5,321,619	4,945,235	-	-	4,945,235
Total Instruction	64,589,319	21,146,551	-	85,735,870	65,905,365	21,287,013	-	87,192,378	62,446,248	19,484,482	-	81,930,730
<b>Support Services:</b>												
Pupil Services	4,768,778	2,520,668	-	7,289,446	5,076,685	2,517,627	-	7,594,312	4,686,003	2,442,335	-	7,128,338
Instructional Staff Services	5,613,647	434,139	-	6,047,786	6,314,094	466,112	-	6,780,206	5,411,686	415,288	-	5,826,974
General Administration	896,483	-	-	896,483	896,308	-	-	896,308	825,492	-	-	825,492
Building Administration	6,778,502	-	-	6,778,502	6,778,502	-	-	6,778,502	6,696,997	-	-	6,696,997
Business Services	19,032,962	1,138,990	-	20,171,952	19,638,812	1,212,965	-	20,851,777	18,050,125	860,468	-	18,910,593
Central Services	1,605,023	9,240	-	1,614,263	1,742,896	9,322	-	1,752,218	1,585,966	5,645	-	1,591,611
Insurance and Judgments	1,000,761	-	-	1,000,761	1,000,761	-	-	1,000,761	1,045,302	-	-	1,045,302
Debt Service:												
Principal	98,108	-	-	98,108	98,108	-	-	98,108	337,498	-	-	337,498
Interest	20,000	-	-	20,000	20,000	-	-	20,000	-	-	-	-
Paying Agent Fees	2,850	-	-	2,850	2,850	-	-	2,850	3,206	-	-	3,206
Other Support Services	4,840,967	13,800	-	4,854,767	4,941,231	13,800	-	4,955,031	5,417,273	13,800	-	5,431,073
Total Support Services	44,658,081	4,116,837	-	48,774,918	46,510,247	4,219,826	-	50,730,073	44,059,548	3,737,536	-	47,797,084
<b>Non-Program:</b>												
Purchased Instructional Services	9,388,720	1,215,155	-	10,603,875	9,440,983	1,100,105	-	10,541,088	9,375,881	809,281	-	10,185,162
Other Non-Program Transactions	-	19,959	-	19,959	-	19,959	-	19,959	105,998	31,144	-	137,142
Total Non-Program	9,388,720	1,235,114	-	10,623,834	9,440,983	1,120,064	-	10,561,047	9,481,879	840,425	-	10,322,304
Total Expenditures	118,636,120	26,498,502	-	145,134,622	121,856,595	26,626,903	-	148,483,498	115,987,675	24,062,443	-	140,050,118
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	17,653,008	(17,925,062)	-	(272,054)	16,715,370	(17,895,062)	-	(1,179,692)	22,325,479	(15,895,818)	-	6,429,661
<b>OTHER FINANCING SOURCES (USES):</b>												
Capital Lease Proceeds	382,200	-	-	382,200	1,289,842	-	-	1,289,842	1,289,842	-	-	1,289,842
Transfers In	-	17,925,062	(17,925,062)	-	-	17,895,062	(17,895,062)	-	-	15,895,818	(15,895,818)	-
Transfers Out	(17,925,062)	-	17,925,062	-	(17,895,062)	-	17,895,062	-	(15,895,818)	-	15,895,818	-
Total Other Financing Sources (Uses)	(17,542,862)	17,925,062	-	382,200	(16,605,220)	17,895,062	-	1,289,842	(14,605,976)	15,895,818	-	1,289,842
<b>NET CHANGE IN FUND BALANCE</b>	110,146	-	-	110,146	110,150	-	-	110,150	7,719,503	-	-	7,719,503
Fund Balance - Beginning of Year	27,722,923	-	-	27,722,923	27,722,923	-	-	27,722,923	27,722,923	-	-	27,722,923
<b>FUND BALANCE - End of Year</b>	\$ 27,833,069	\$ -	\$ -	\$ 27,833,069	\$ 27,833,073	\$ -	\$ -	\$ 27,833,073	\$ 35,442,426	\$ -	\$ -	\$ 35,442,426

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
FUND 10  
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local	\$ 54,766,863	\$ 54,766,863	\$ 54,688,558	\$ (78,305)
Interdistrict	2,430,833	2,400,833	2,403,898	3,065
Intermediate	88,125	14,700	15,120	420
State	75,356,306	76,197,688	76,044,104	(153,584)
Federal	1,845,445	3,390,325	3,212,920	(177,405)
Other	1,801,556	1,801,556	1,948,554	146,998
Total Revenues	<u>136,289,128</u>	<u>138,571,965</u>	<u>138,313,154</u>	<u>(258,811)</u>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Regular Instruction	52,313,968	53,575,506	51,005,459	2,570,047
Vocational Instruction	3,702,460	3,753,406	3,540,283	213,123
Special Instruction	3,251,272	3,254,834	2,955,271	299,563
Other Instruction	5,321,619	5,321,619	4,945,235	376,384
Total Instruction	<u>64,589,319</u>	<u>65,905,365</u>	<u>62,446,248</u>	<u>3,459,117</u>
<b>Support Services:</b>				
Pupil Services	4,768,778	5,076,685	4,686,003	390,682
Instructional Staff Services	5,613,647	6,314,094	5,411,686	902,408
General Administration	896,483	896,308	825,492	70,816
Building Administration	6,778,502	6,778,502	6,696,997	81,505
Business Services	19,032,962	19,638,812	18,050,125	1,588,687
Central Services	1,605,023	1,742,896	1,585,966	156,930
Insurance and Judgments	1,000,761	1,000,761	1,045,302	(44,541)
<b>Debt Service:</b>				
Principal	98,108	98,108	337,498	(239,390)
Interest	20,000	20,000	-	20,000
Paying Agent Fees	2,850	2,850	3,206	(356)
Other Support Services	4,840,967	4,941,231	5,417,273	(476,042)
Total Support Services	<u>44,658,081</u>	<u>46,510,247</u>	<u>44,059,548</u>	<u>2,450,699</u>
<b>Non-Program:</b>				
Purchased Instructional Services	9,388,720	9,440,983	9,375,881	65,102
Other Non-Program Transactions	-	-	105,998	(105,998)
Total Non-Program	<u>9,388,720</u>	<u>9,440,983</u>	<u>9,481,879</u>	<u>(40,896)</u>
Total Expenditures	<u>118,636,120</u>	<u>121,856,595</u>	<u>115,987,675</u>	<u>5,868,920</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	17,653,008	16,715,370	22,325,479	5,610,109
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital Lease Proceeds	382,200	1,289,842	1,289,842	-
Transfer to Special Education Fund	(17,925,062)	(17,895,062)	(15,895,818)	1,999,244
Total Other Financing Sources (Uses)	<u>(17,542,862)</u>	<u>(16,605,220)</u>	<u>(14,605,976)</u>	<u>1,999,244</u>
<b>NET CHANGE IN FUND BALANCE</b>	110,146	110,150	7,719,503	7,609,353
Fund Balance - Beginning of Year	<u>27,722,923</u>	<u>27,722,923</u>	<u>27,722,923</u>	<u>-</u>
<b>FUND BALANCE - End of Year</b>	<u>\$ 27,833,069</u>	<u>\$ 27,833,073</u>	<u>\$ 35,442,426</u>	<u>\$ 7,609,353</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
FUND 27  
YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interdistrict Sources	\$ 188,608	\$ 218,608	\$ 237,728	\$ 19,120
State Sources	5,559,687	5,686,387	5,514,251	(172,136)
Federal Sources	2,825,145	2,826,846	2,414,612	(412,234)
Other	-	-	34	34
Total Revenues	<u>8,573,440</u>	<u>8,731,841</u>	<u>8,166,625</u>	<u>(565,216)</u>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Vocational Instruction	-	45,000	84,879	(39,879)
Special Instruction	21,146,551	21,242,013	19,399,603	1,842,410
Total Instruction	<u>21,146,551</u>	<u>21,287,013</u>	<u>19,484,482</u>	<u>1,802,531</u>
<b>Support Services:</b>				
Pupil Services	2,520,668	2,517,627	2,442,335	75,292
Instructional Staff Services	434,139	466,112	415,288	50,824
Business Services	1,138,990	1,212,965	860,468	352,497
Central Services	9,240	9,322	5,645	3,677
Other Support Services	13,800	13,800	13,800	-
Total Support Services	<u>4,116,837</u>	<u>4,219,826</u>	<u>3,737,536</u>	<u>482,290</u>
<b>Non-Program:</b>				
Purchased Instructional Services	1,215,155	1,100,105	809,281	290,824
Other Non-Program Transactions	19,959	19,959	31,144	(11,185)
Total Non-Program	<u>1,235,114</u>	<u>1,120,064</u>	<u>840,425</u>	<u>279,639</u>
Total Expenditures	<u>26,498,502</u>	<u>26,626,903</u>	<u>24,062,443</u>	<u>2,564,460</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(17,925,062)	(17,895,062)	(15,895,818)	1,999,244
Transfer from General Fund	<u>17,925,062</u>	<u>17,895,062</u>	<u>15,895,818</u>	<u>(1,999,244)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2020**

	Special Revenue Funds				Capital Projects	Totals
	Donations Fund	Other Special Projects	Food Service	Community Service		
<b>ASSETS</b>						
Cash and Investments	\$ 866,295	\$ -	\$ 1,867,958	\$ 2,199,396	\$ 767,110	\$ 5,700,759
Accounts Receivable	57,336	-	10,508	8,859	55,926	132,629
Due from Other Governments	-	210,198	212,779	63	-	423,040
Inventories and Prepaid Items	22,977	350	138,565	51,882	-	213,774
Total Assets	<u>\$ 946,608</u>	<u>\$ 210,548</u>	<u>\$ 2,229,810</u>	<u>\$ 2,260,200</u>	<u>\$ 823,036</u>	<u>\$ 6,470,202</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 159,261	\$ -	\$ 58,060	\$ 167,219	\$ 94,539	\$ 479,079
Accrued Salaries and Withholding	1,318	21,748	77,310	9,449	-	109,825
Due to Other Funds	-	188,771	-	-	-	188,771
Other Deposits Payable	664	29	149	260	-	1,102
Unearned Revenue	1,479	-	252,671	8,126	-	262,276
Total Liabilities	<u>162,722</u>	<u>210,548</u>	<u>388,190</u>	<u>185,054</u>	<u>94,539</u>	<u>1,041,053</u>
<b>Fund Balances:</b>						
Nonspendable	22,977	350	138,565	51,882	-	213,774
Restricted	760,909	-	1,703,055	2,023,264	728,497	5,215,725
Unassigned	-	(350)	-	-	-	(350)
Total Fund Balances	<u>783,886</u>	<u>-</u>	<u>1,841,620</u>	<u>2,075,146</u>	<u>728,497</u>	<u>5,429,149</u>
Total Liabilities and Fund Balances	<u>\$ 946,608</u>	<u>\$ 210,548</u>	<u>\$ 2,229,810</u>	<u>\$ 2,260,200</u>	<u>\$ 823,036</u>	<u>\$ 6,470,202</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, 2020**

	Special Revenue Funds					Totals
	Donations Fund	Other Special Projects	Food Service	Community Service	Capital Projects	
<b>REVENUES</b>						
Local	\$ 946,311	\$ -	\$ 1,525,128	\$ 1,010,326	\$ 41,075	\$ 3,522,840
Intermediate	-	687,728	-	-	-	687,728
State	-	-	64,091	-	-	64,091
Federal	-	6,612	2,416,719	-	-	2,423,331
Other	118,502	-	4,264	1,210	16,460	140,436
Total Revenues	<u>1,064,813</u>	<u>694,340</u>	<u>4,010,202</u>	<u>1,011,536</u>	<u>57,535</u>	<u>6,838,426</u>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Regular Instruction	448,579	455,181	-	-	-	903,760
Other Instruction	61,475	-	-	-	-	61,475
Total Instruction	<u>510,054</u>	<u>455,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>965,235</u>
<b>Support Services:</b>						
Pupil Services	-	1,899	-	-	-	1,899
Instructional Staff Services	321	26,608	-	-	-	26,929
Business Services	367,292	206,255	142,335	80,292	4,853,485	5,649,659
Food Services	-	-	4,136,803	-	-	4,136,803
Central Services	2,049	4,028	1,120	-	-	7,197
Insurance and Judgments	-	369	3,018	-	-	3,387
Community Services	-	-	-	864,493	-	864,493
Other Support Services	3,000	-	35,861	26,321	-	65,182
Total Support Services	<u>372,662</u>	<u>239,159</u>	<u>4,319,137</u>	<u>971,106</u>	<u>4,853,485</u>	<u>10,755,549</u>
<b>Non-Program:</b>						
Purchased Instructional Services	4,154	-	-	-	-	4,154
Other Non-Program Transactions	9,253	-	635	39	-	9,927
Total Non-Program	<u>13,407</u>	<u>-</u>	<u>635</u>	<u>39</u>	<u>-</u>	<u>14,081</u>
Total Expenditures	<u>896,123</u>	<u>694,340</u>	<u>4,319,772</u>	<u>971,145</u>	<u>4,853,485</u>	<u>11,734,865</u>
<b>NET CHANGE IN FUND BALANCES</b>	168,690	-	(309,570)	40,391	(4,795,950)	(4,896,439)
Fund Balances - Beginning of Year	<u>615,196</u>	<u>-</u>	<u>2,151,190</u>	<u>2,034,755</u>	<u>5,524,447</u>	<u>10,325,588</u>
<b>FUND BALANCES - End of Year</b>	<u>\$ 783,886</u>	<u>\$ -</u>	<u>\$ 1,841,620</u>	<u>\$ 2,075,146</u>	<u>\$ 728,497</u>	<u>\$ 5,429,149</u>



**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
STUDENT ACTIVITY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>ASSETS</b>				
Cash and Investments	\$ 154,625	\$ 76,915	\$ 183,005	\$ 48,535
<b>LIABILITIES</b>				
High School	\$ 118,644	\$ 67,130	\$ 148,928	\$ 36,846
Middle School	35,981	9,785	34,077	11,689
Total Liabilities	\$ 154,625	\$ 76,915	\$ 183,005	\$ 48,535

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2020**

**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](mailto:ajohnson2@ecasd.us)

**SECTION II: CHARTER SCHOOL INFORMATION**

**Charter Schools Currently Under Contract:**

School Name:	Contract		
	Contract Start Date:	Contract Expiration Date:	Grades 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:

Pupil Achievement:

- No results for 2019-20 due to COVID-19.
- Statewide assessment (i.e., Wisconsin Forward Reading and Math Exam given in grades 3<sup>rd</sup> through 5<sup>th</sup> and Wisconsin Forward Science and Social Studies Exam given in grade 4.)
- The percentage of students who have successfully completed the exam at CVMCS was 100%.

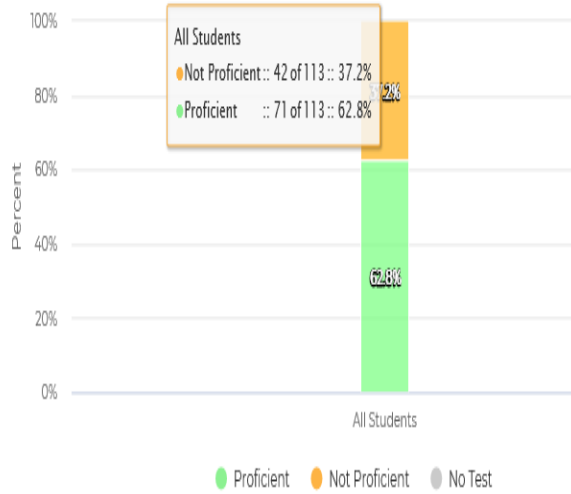
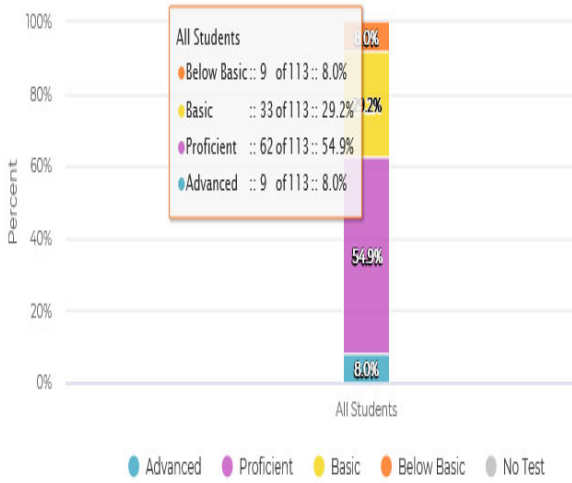
2018-19 Forward Exam Results												
Subject	Percentage of Students Proficient or Advanced											
	School				District				State			
	15-16	16-17	17-18	18-19	15-16	16-17	17-18	18-19	15-16	16-17	17-18	18-19
ELA	58.2%	58.7%	61.2%	62.8%	46.8%	49.2%	45.5%	43.6%	43.5%	45.2%	43.1%	41.5%
Mathematics	55.7%	55.6%	55.4%	62.8%	50.4%	50.9%	49.7%	48.2%	43.3%	43.5%	44.5%	44.0%
Social Studies	85.4%	75.0%	80.0%	78.4%	61.4%	58.2%	58.5%	55.5%	51.0%	50.8%	51.8%	50.2%
Science	82.9%	70.5%	72.5%	78.4%	57.4%	56.4%	59.1%	62.1%	51.2%	50.2%	50.5%	54.0%

In 2018-2019 CVMCS had a higher percentage of students at proficient and advanced than the state in all 4 subject areas (reading, math, science, social studies).

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2020**

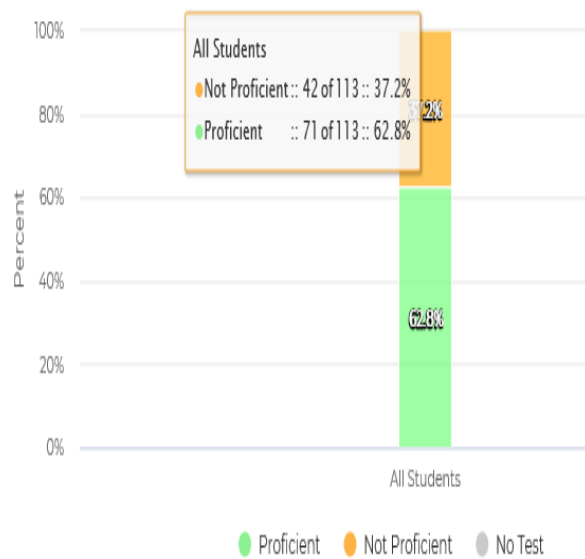
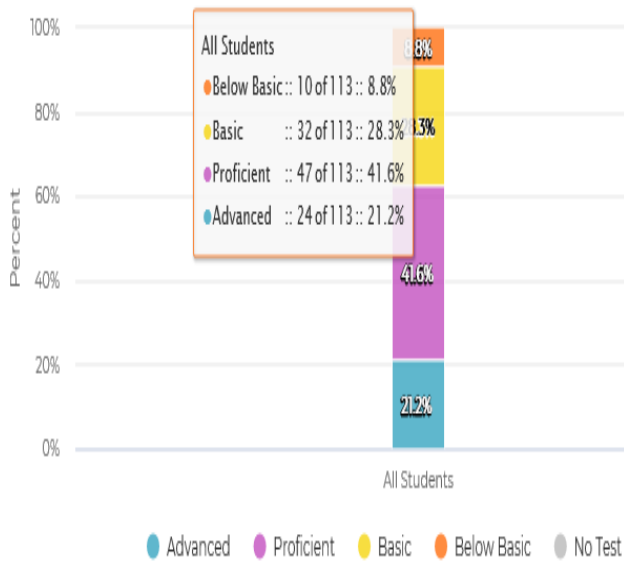
**ELA Forward Exam**

113 students were tested in 2018-19.



**Mathematics Forward Exam**

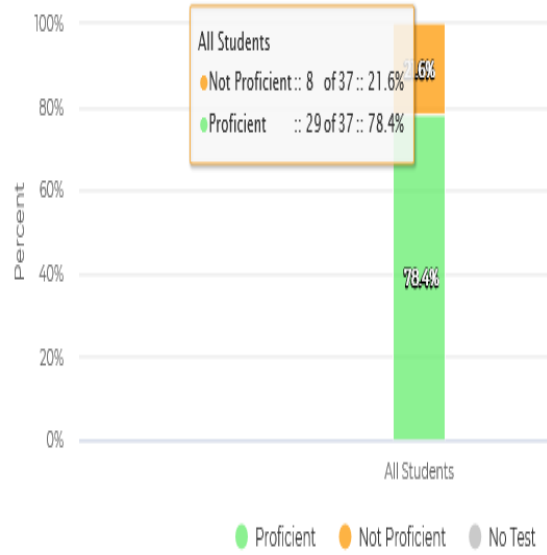
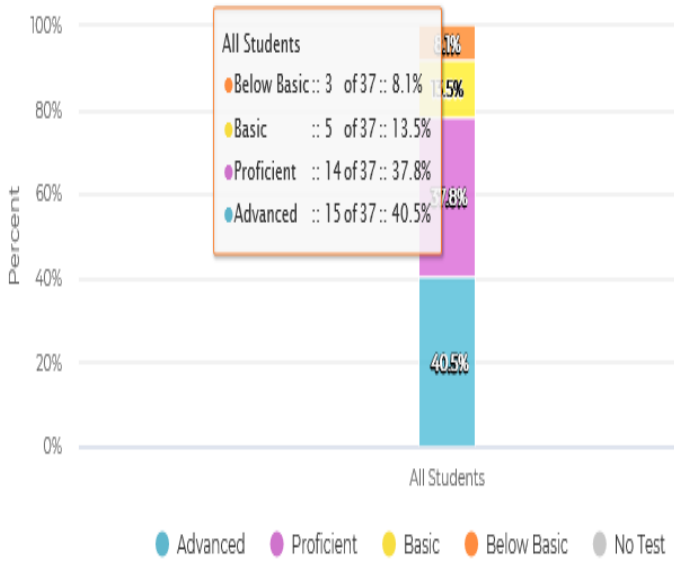
113 students were tested in 2018-19.



**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2020**

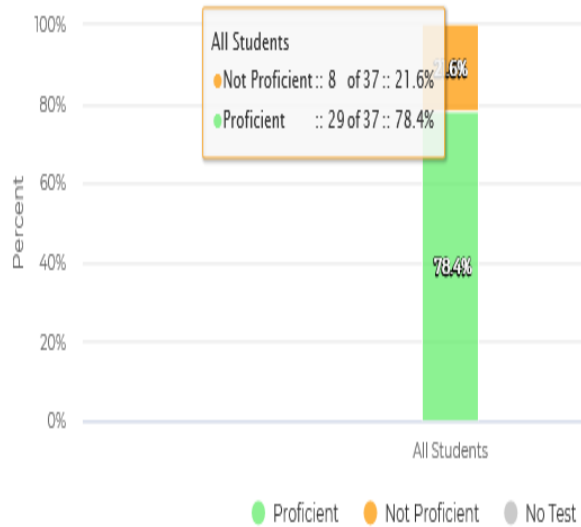
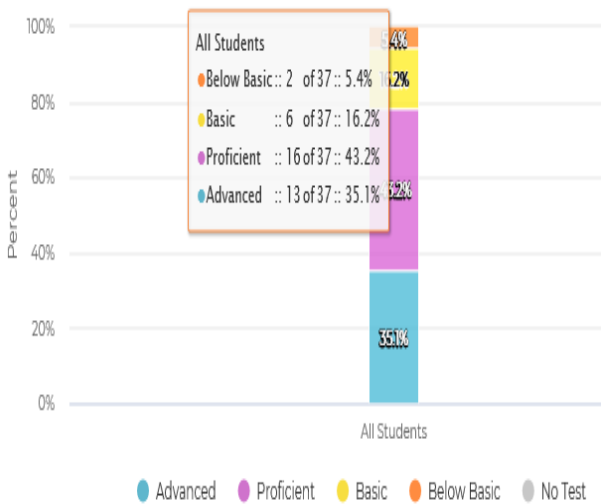
**Social Studies Forward Exam**

37 students were tested in 2018-19.



**Science Forward Exam**

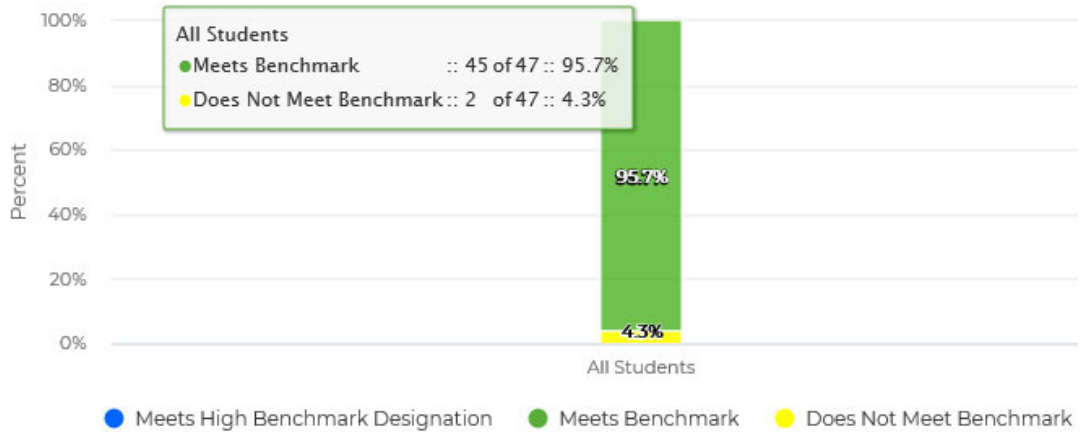
37 students were tested in 2018-19.



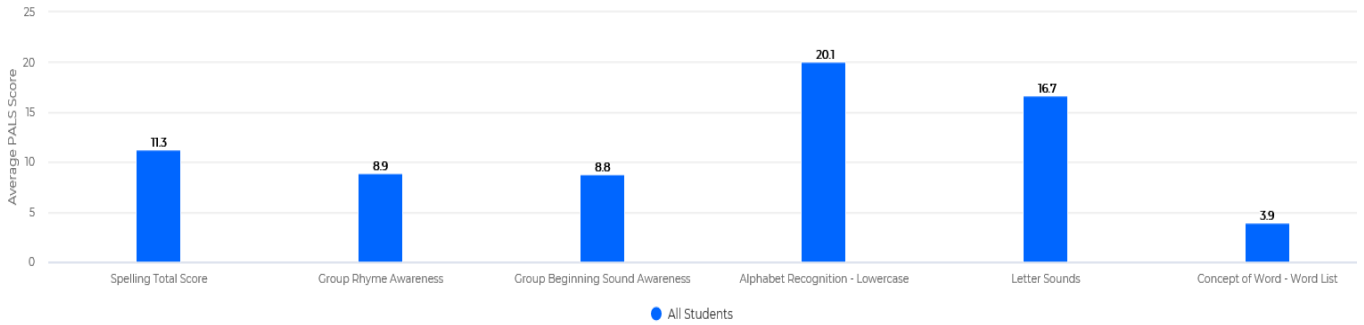
**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2020**

**PALS Kindergarten**

47 students were tested in 2018-19.



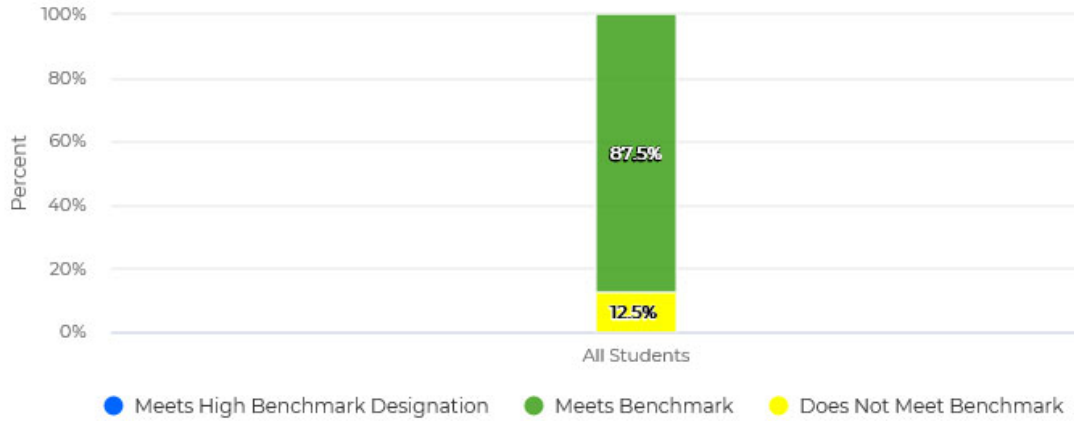
2018-19 Fall PALS Average Score by Task and [All Students] for Grade KG



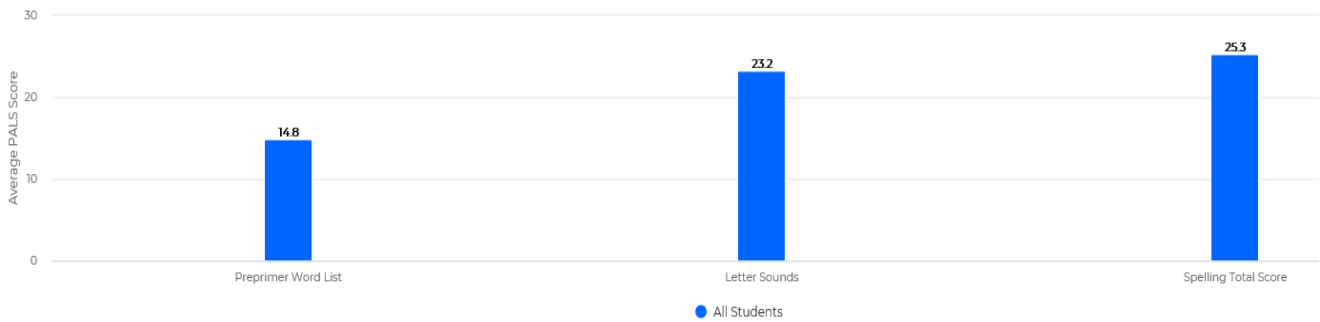
**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2020**

**PALS Grade 1**

48 students were tested in 2018-19.



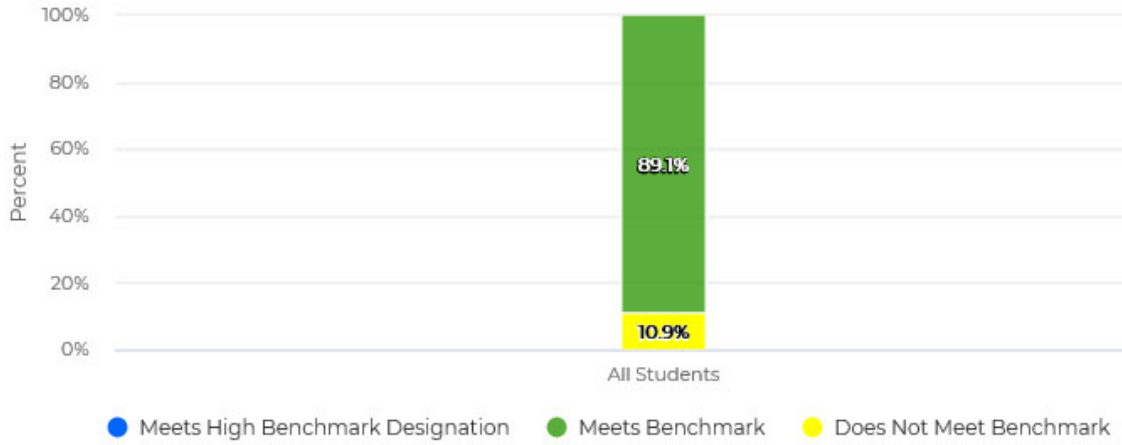
2018-19 Fall PALS Average Score by Task and [All Students] for Grade 1



**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2020**

**PALS Grade 2**

46 students were tested in 2018-19.



**2018-19 Fall PALS Average Score by Task and [All Students] for Grade 2**

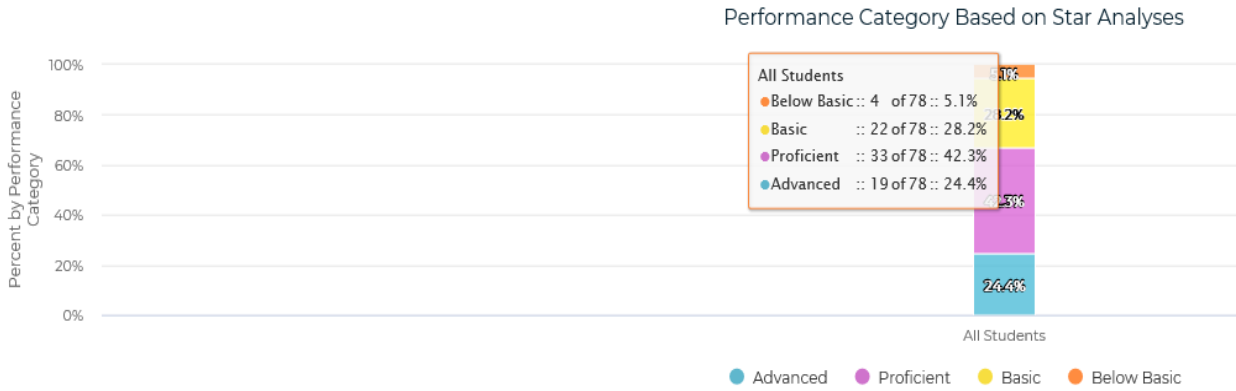


**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2020**

**STAR**

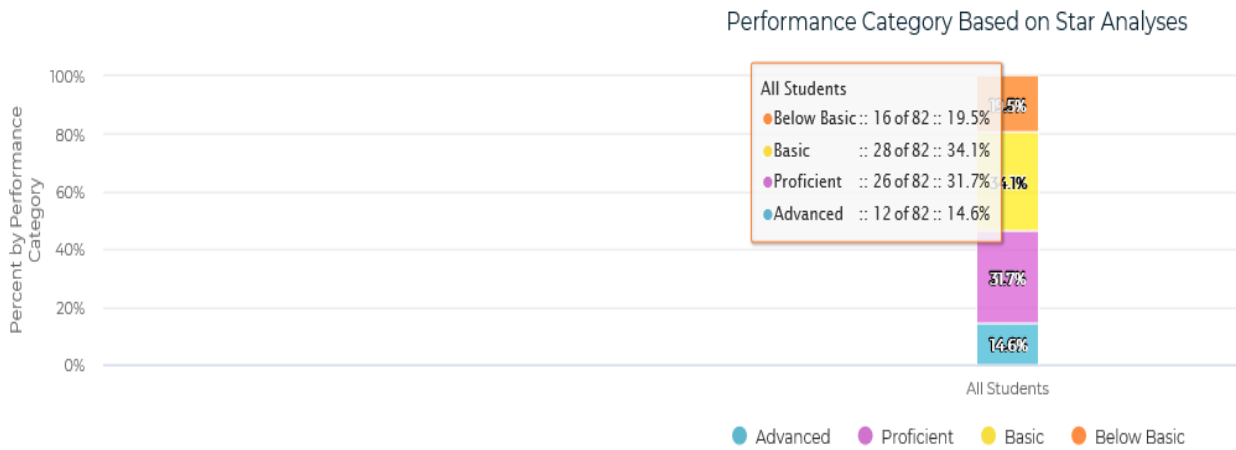
78 students were tested in 2018-19.

**Reading**



82 students were tested in Spring 2018-19.

**Math**





**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2020**

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 students completed all requirements for graduation and received their high school diploma.

**Forward Exam ELA**

No results due to COVID-19.

**Forward Exam Math**

No results due to COVID-19.

**ACT Statewide**

No results due to COVID-19.

**ACT-Aspire 9<sup>th</sup> Grade**

No results due to COVID-19.

**ACT-Aspire 10<sup>th</sup> Grade**

No results due to COVID-19.

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2020**

**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. Students shall be enrolled in 4K through 5th grade.

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 2019-20 the CVMCS budget was \$ 2,329,321, the actual amount spent was \$ 2,362,728.

*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 1 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 2019-20, the MCS budget was \$ 1,274,886, the actual amount spent was \$ 1,167,740.

*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. Each February the school holds a lottery to fill available seats for the upcoming school year. A student wait list is then maintained for openings. ECVS serves grades 4 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. The Governance Board oversees the programming.

In 2019-20 the ECVS budget was \$ 134,272, the actual amount spent was \$ 109,450.

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

None.

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT  
YEAR ENDED JUNE 30, 2020**

**SECTION VI: AUTHORIZER OPERATING COSTS**

None.

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

SERVICES PROVIDED	FUNCTION CODE	COST
UNDIFFERENTIATED	110000	\$ 1,648,044
REGULAR CURRICULUM	120000	170,925
VOCATIONAL CURRICULUM	130000	1,095
PHYSICAL EDUCATION	143000	47,432
SPECIAL EDUCATION	150000	647,911
CO-CIRRUCULAR	160000	1,955
OTHER SPECIAL NEEDS	170000	12,211
GUIDANCE	213000	136,390
OTHER PUPIL SERVICES	219000	18,759
INSTRUCTIONAL STAFF TRAINING	221300	12,702
LIBRARY	222200	63,683
BUILDING ADMINISTRATION	240000	431,508
GENERAL OPERATIONS	253000	232,218
EQUIPMENT MAINTENANCE	254000	8,753
PUPIL TRANSPORTATION	256000	33,733
INTERNAL SERVICES	258000	750
CENTRAL SERVICES	260000	1,161
ADMIN TECHNOLOGY SERVICES	295000	52,787
TUITION NON-OPEN ENROLLMENT	431000	117,901
<b>TOTAL</b>		<b>\$ 3,639,918</b>

**SINGLE AUDIT SECTION**

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) July 1, 2019	Federal Expenditures	Receipts Grant Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2020
<u>U.S. Department of Agriculture</u>								
COVID 19 - National School Breakfast Program: July 1, 2019 to June 30, 2020	{a} 10.553	WI DPI	2020-181554-DPI-SB-546	\$ -	\$ -	\$ 30,894	\$ 30,894	\$ -
National School Breakfast Program: July 1, 2019 to June 30, 2020	{a} 10.553	WI DPI	2020-181554-DPI-SB-546	-	-	290,351	290,351	-
July 1, 2018 to June 30, 2019				-	72,566	-	72,566	-
Food Distribution - Commodities: July 1, 2019 to June 30, 2020	{a} 10.555	WI DPI	2020-181554-CHC-001	-	-	307,819	307,819	-
COVID 19 - National School Lunch Program: July 1, 2019 to June 30, 2020	{a} 10.555	WI DPI	2020-181554-DPI-NSL-547, 2020-181554-DPI-NSLAE-566	\$ -	\$ -	\$ 113,793	\$ 113,793	\$ -
National School Lunch Program: July 1, 2019 to June 30, 2020	{a} 10.555	WI DPI	2020-181554-DPI-NSL-547, 2020-181554-DPI-NSLAE-566	-	-	1,157,544	1,157,544	-
July 1, 2018 to June 30, 2019				-	289,541	-	289,541	-
COVID 19 - Summer Food Service Program for Children: July 1, 2019 to June 30, 2020	{a} 10.559	WI DPI	2020-181554-DPI-SFSP-586	-	-	420,945	208,166	212,779
Summer Food Service Program for Children: July 1, 2019 to June 30, 2020	{a} 10.559	WI DPI	2020-181554-DPI-SFSP-586	-	-	69,142	69,142	-
Fresh Fruits and Vegetable Program: July 1, 2019 to June 30, 2020	10.582	WI DPI	2020-181554-20FFVP-OCT-376, 2020-181554-2018-19 DP-594	-	-	26,231	26,231	-
July 1, 2018 to June 30, 2019				-	6,239	-	6,239	-
Total Department of Agriculture				-	368,346	2,416,719	2,572,286	212,779

{a} Child Nutrition Cluster (\$2,390,488)  
CFDA No. 10.553 (\$321,245)  
CFDA No. 10.555 (\$1,579,156)  
CFDA No. 10.559 (\$490,087)

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, 2020**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) July 1, 2019	Federal Expenditures	Receipts Grant Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2020
<b>U.S. Department of Education</b>								
Indian Education - Grants to Local Agencies: July 1, 2019 to June 30, 2020 July 1, 2018 to June 30, 2019	84.060	Direct	S060A170554	\$ -	\$ - 7,768	\$ 6,612 -	\$ 6,612 7,768	\$ - -
Title I Basic Grant: July 1, 2019 to June 30, 2020 July 1, 2018 to June 30, 2019	84.010	WI DPI	2020-181554-TIA-141, 2020-181554-TI-D-Delin-140	-	- 768,573	1,856,584 -	1,662,221 768,573	194,363 -
PL 94-142 (Flow Through): July 1, 2019 to June 30, 2020 July 1, 2018 to June 30, 2019	(b) 84.027	WI DPI	2020-181554-DPI-IDEA-F-341	-	- 863,559	2,020,873 -	1,957,902 863,559	62,971 -
PL 94-142 (Universal Design Grant) July 1, 2019 to June 30, 2020 July 1, 2018 to June 30, 2019	(b) 84.027	WI DPI	2020-181554-DPI-UDLSUP-342	-	- 4,103	10,000 -	8,976 4,103	1,024 -
PL 99-457 Pre School Entitlement: July 1, 2019 to June 30, 2020 July 1, 2018 to June 30, 2019	(b) 84.173	WI DPI	2020-181554-DPI-IDEA-P-347	-	- 23,759	83,191 -	80,975 23,759	2,216 -
Vocational Education - Basic Grants to States (Carl Perkins): July 1, 2019 to June 30, 2020 July 1, 2018 to June 30, 2019	84.048	WI DPI / CESA 10	2020-181554-CTE-400	-	- 79,464	108,202 -	104,405 79,464	3,797 -
Career & Technical Education-Basic Grants to States July 1, 2019 to June 30, 2020	84.048	CVTC	2020-181554-CTE-400	-	-	400	400	-
ESEA Title X-C Homeless Children July 1, 2019 to June 30, 2020 July 1, 2018 to June 30, 2019	84.196	WI DPI	2020-181554-DPI-EHCY-335	-	- 9,404	27,246 -	26,015 9,404	1,231 -
(b) Special Education Cluster (\$2,114,064) CFDA No. 84.027 (\$2,030,873) CFDA No. 84.048 (\$108,602)								

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, 2020**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Accrued Receivable (Unearned Revenue) July 1, 2019	Federal Expenditures	Receipts Grant Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2020
<u>U.S. Department of Education (Continued)</u>								
ESEA Title III - A English Language Acquisition Grants:	84.365	WI DPI	2020-181554-DPI-T3-391					
July 1, 2019 to June 30, 2020				-	\$ -	\$ 47,610	\$ 37,839	\$ 9,771
July 1, 2018 to June 30, 2019				-	17,082	-	17,082	-
ESEA Title II - A Teacher/Principal Training:	84.367	WI DPI	2020-181554-TIA-365					
July 1, 2019 to June 30, 2020				-	-	279,367	238,718	40,649
July 1, 2018 to June 30, 2019				-	84,378	-	84,378	-
ESEA Title IVA - Student Support & Academic Enrichment Grants:	84.424	WI DPI	2020-181554-TIVA-DPI-381					
July 1, 2019 to June 30, 2020				-	-	100,545	99,332	1,213
July 1, 2018 to June 30, 2019				-	53,233	-	53,233	-
Total Department of Education				-	1,911,323	4,540,630	6,134,718	317,235
<u>U.S. Department of Health and Human Services</u>								
Drug Free Communities Support Program Grant:	93.276	EC CO	5H79SP0158685-05					
July 1, 2019 to June 30, 2020				\$ -	-	3,203	3,203	-
July 1, 2018 to June 30, 2019				-	1,983	-	1,983	-
Medical Assistance School Based Services Revenue:	93.778	WI DHS	Provider #44201900					
July 1, 2019 to June 30, 2020				-	-	1,090,310	1,021,198	69,112
July 1, 2018 to June 30, 2019				-	51,024	-	51,024	-
Head Start:	93.600	Western Wisconsin Dairyland Agency						
May 1, 2020 to April 30, 2021			FY2020/FY2021	-	-	56,379	-	56,379
May 1, 2019 to April 30, 2020			FY2019/FY2020	-	118,966	631,349	596,496	153,819
May 1, 2018 to April 30, 2019			FY2018/FY2019	-	204,468	-	204,468	-
Total Department of Health and Human Services				-	376,441	1,781,241	1,878,372	279,310
Total Federal Program Awards				\$ -	\$ 2,656,110	\$ 8,738,590	\$ 10,585,376	\$ 809,324

CFDA No. 93.600 (\$687,728)

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, 2020**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Receivable (Unearned Revenue) July 1, 2019	Expenditures	State Reimburse- ments	Accrued Receivable (Unearned Revenue) June 30, 2020
<b>Wisconsin Department Workforce Development</b>						
Wisconsin Fast Forward Grant	445.109					
July 1, 2019 to June 30, 2020		FY2020	\$ -	\$ 30,427	\$ 26,820	\$ 3,607
July 1, 2018 to June 30, 2019		FY2019	17,900	-	17,900	-
Youth Apprenticeship Grant:	445.107					
July 1, 2019 to June 30, 2020		Eau Claire Chamber of Commerce	-	29,025	20,925	8,100
July 1, 2018 to June 30, 2019		CESA 10	15,119	-	15,119	-
Total Department of Workforce Development			33,019	59,452	80,764	11,707
<b>Wisconsin Department of Public Instruction</b>						
Special Education and School Age Parents:	255.101	[1] 181554-100				
District Programs			-	5,375,669	5,375,669	-
State Lunch	255.102	181554-107	-	43,531	43,531	-
Common School Fund Library Aid	255.103	181554-104	-	533,284	533,284	-
Bilingual/Bicultural Aid	255.106	181554-111	-	187,280	187,280	-
Pupil Transportation	255.107	181554-102	-	261,996	261,996	-
General Equalization	255.201	181554-116	1,015,512	63,121,977	63,103,659	1,033,830
School Mental Health	255.227	181554-176	-	41,609	41,609	-
Supplemental Per Pupil Aid	255.245	181554-181	-	38,309	38,309	-
Special Education Readiness Grant	255.257	181554-174	-	78,500	-	78,500
School Based Mental Health Services	255.297	181554-177	-	73,249	-	73,249
School Breakfast Program	255.344	181554-108	-	20,560	20,560	-
Tuition Payments by State	255.401	181554-157	-	232,992	232,992	-
Early College Credit Program	255.445	181554-178	-	1,891	1,891	-
SAGE / Achievement Gap Reduction	255.504	181554-160	-	1,482,974	1,482,974	-
Educator Effectiveness Grant	255.940	181554-154	-	73,840	73,840	-
Per Pupil Aid	255.945	181554-113	-	8,467,704	8,467,704	-
Career and Technical Education Incentive Grants	255.950	181554-152	-	46,871	46,871	-
Assessments of Reading Readiness	255.956	181554-166	-	23,323	23,323	-
Aid for Special Education Transition Grant BBL	255.960	181554-168	-	40,000	40,000	-
Total Department of Public Instruction			1,015,512	80,145,559	79,975,492	1,185,579
<b>Wisconsin Department of Justice</b>						
Safety Initiative Grants	455.206	13248, 14189				
July 1, 2019 to June 30, 2020			-	519,884	140,519	379,365
July 1, 2018 to June 30, 2019			183,415	-	183,415	-
Total Department of Justice			183,415	519,884	323,934	379,365
Total State Financial Assistance			<u>\$ 1,231,946</u>	<u>\$ 80,724,895</u>	<u>\$ 80,380,190</u>	<u>\$ 1,576,651</u>

[1] District's 2019-2020 Net Aidable Costs Reported to DPI Totaled \$21,504,082.

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 present the expenditures of all federal financial assistance programs and state financial assistance of the District subject to inclusion under the federal and state single audit requirements. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance* and the *Wisconsin State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The reporting entity is defined in Note 1 to the financial statements.

**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 (CFDA #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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 20, 2020.

### 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 entity'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.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
November 20, 2020



## 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, 2020. 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, 2020.

**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 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  
November 20, 2020

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

**PART I: SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditors' report issued: Unmodified  
 Internal control over financial reporting:  
 • Material weakness(es) identified \_\_\_\_\_ yes   X   no  
 • Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

**Federal Awards**

Internal control over major programs:  
 • Material weakness(es) identified? \_\_\_\_\_ yes   X   no  
 • Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes   X   no

Identification of major Federal programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
84.010	Title I
93.778	Medicaid Cluster

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

Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ no

**State Awards**

Internal control over major programs:  
 • Material weakness(es) identified? \_\_\_\_\_ yes   X   no  
 • Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes   X   none reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? \_\_\_\_\_ yes   X   no

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**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>
255.107	Pupil Transportation
255.201	General Equalization Aids
255.945	Per Pupil Aid

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
  
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 November 20, 2020

**EAU CLAIRE AREA SCHOOL DISTRICT  
EAU CLAIRE, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**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