

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and the charter school authorizer annual report (sections VI and VII only) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules and the charter school authorizer annual report (sections VI and VII only) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
January 5, 2026

REQUIRED SUPPLEMENTARY INFORMATION

**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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, 2025. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 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 \$91,953,369 (net position). Of this, amount, \$71,541,796 represents the net investment in capital assets, \$22,964,302 is for restricted purposes and the remaining deficit balance of \$2,552,729 is classified as unrestricted net position.
- Net capital assets increased by \$38,663,489 reflecting cost of acquisitions more than the depreciation/amortization expense.
- The District's general obligation debt, including the current portion, decreased by \$6,275,000 during the year. The District's other long-term obligations, including the current portions, increased \$478,168 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$31,584,888 of total revenues of \$210,366,487. General revenues accounted for \$178,781,599, including \$82,204,679 of property taxes and \$88,749,367 of state and federal aid. General revenues accounted for 85% of all revenues.
- The District had a total of \$205,499,583 of expenses, of which \$31,584,888 was financed with program revenues.
- The total fund balance of the District's governmental funds decreased \$34,644,264. The general fund had an increase of \$6,935,814, there was a decrease of \$802,396 in the debt service fund, a decrease of \$40,270,820 in capital projects fund and a decrease of \$506,862 in the nonmajor funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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, 2025.

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

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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

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

Notes of Financial Statements

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

FINANCIAL ANALYSIS

The District as a Whole

Net Position, Table 1, below, provides a summary of the District's net position for the fiscal year ended June 30, 2025 compared to the prior fiscal year.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities		Percent Change 2024-2025
	2025	2024	
Current and Other Assets	\$ 113,082,157	\$ 152,188,530	-25.7%
Capital Assets, Net of Depreciation/Amortization	173,660,968	134,997,479	28.6
Total Assets	286,743,125	287,186,009	-0.2
Deferred Outflows of Resources	43,830,304	61,504,397	-28.7
Current Liabilities	38,358,097	39,231,100	-2.2
Long-Term Liabilities	170,391,494	179,832,634	-5.2
Total Liabilities	208,749,591	219,063,734	-4.7
Deferred Inflows of Resources	29,870,469	42,540,207	-29.8
Net Position			
Net Investment in Capital Assets	71,541,796	78,986,983	-9.4
Restricted	22,964,302	14,242,768	61.2
Unrestricted	(2,552,729)	(6,143,286)	58.4
Total Net Position	\$ 91,953,369	\$ 87,086,465	5.6

**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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 \$1,400,727 is restricted for debt service along with \$1,431,143 for the donor specific purposes, \$3,305,661 for food service purposes, \$1,722,121 for community service programs, \$14,971,753 for capital projects, and \$132,897 for other purposes.

Total liabilities decreased \$10,314,143 and total assets decreased \$442,884 during the year. Net position increased \$4,866,904.

At June 30, 2025, the District reported \$43,830,304 of deferred outflows of resources and \$29,870,469 of deferred inflows of resources.

Change in Net Position. Table 2 shows the change in net position for the fiscal years 2025 and 2024. As shown in Table 2, general revenues provided 85% of the funding required for governmental activities with property taxes providing 39% of the funding and general state formula aid providing 42% of total revenues. Program revenues, consisting of charges for services and operating grants and contributions, provided 15% 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 2024-2025
	2025	2024	
Revenues			
Program Revenues:			
Charges for Services	\$ 6,442,956	\$ 6,544,425	-1.6%
Operating Grants and Contributions	25,141,932	31,076,130	-19.1
General Revenues:			
Property Taxes	82,204,679	68,750,021	19.6
State and Federal Aids	88,749,367	81,828,473	8.5
Other	7,827,553	8,145,131	-3.9
Total Revenues	210,366,487	196,344,180	7.1
Expenses			
Instruction	101,532,589	93,834,097	8.2
Pupil and Instructional Services	26,214,909	24,981,136	4.9
Administration and Central Services	45,223,480	43,649,864	3.6
Other	32,528,605	31,127,239	4.5
Total Expenses	205,499,583	193,592,336	6.2
Change in Net Position	4,866,904	2,751,844	76.9
Net Position - Beginning of Year	87,086,465	84,334,621	3.3
Net Position - End of Year	\$ 91,953,369	\$ 87,086,465	5.6

**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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:

	2025	2024
Subject to Revenue Limit:		
General Fund	\$ 70,555,256	\$ 54,399,000
Debt Service	10,571,544	13,274,986
Not Subject to Revenue Limit:		
Community Service	1,000,000	1,000,000
Total	<u>\$ 82,126,800</u>	<u>\$ 68,673,986</u>

General state aid is paid according to a formula taking into consideration District spending and property values on a per student basis compared to spending and property values for the state as a whole. The District's state and federal aids increased \$6,920,894 in 2025 from \$81,828,473 in 2024 to \$88,749,367 in 2025.

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**

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 101,532,589	\$ 81,723,089	\$ 93,834,097	\$ 72,252,647
Pupil and Instructional Services	26,214,909	22,041,118	24,981,136	17,349,894
Administration and Central Services	45,223,480	38,829,564	43,649,864	36,588,666
Other	32,528,605	31,320,924	31,127,239	29,780,574
Total	<u>\$ 205,499,583</u>	<u>\$ 173,914,695</u>	<u>\$ 193,592,336</u>	<u>\$ 155,971,781</u>

- The cost of all governmental activities for the year was \$205,499,583, an increase of \$11,907,247 (6.15%) from the prior year.
- Individuals who directly participated or benefited from a program offering paid for \$6,442,956 of costs.
- Federal and state governments subsidized certain programs with operating and capital grants and contributions of \$25,141,932.
- Net cost of governmental activities (\$173,914,695) was financed by general revenues, which are made up primarily of property taxes (\$82,204,679) and state and federal aid (\$88,749,367).

**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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

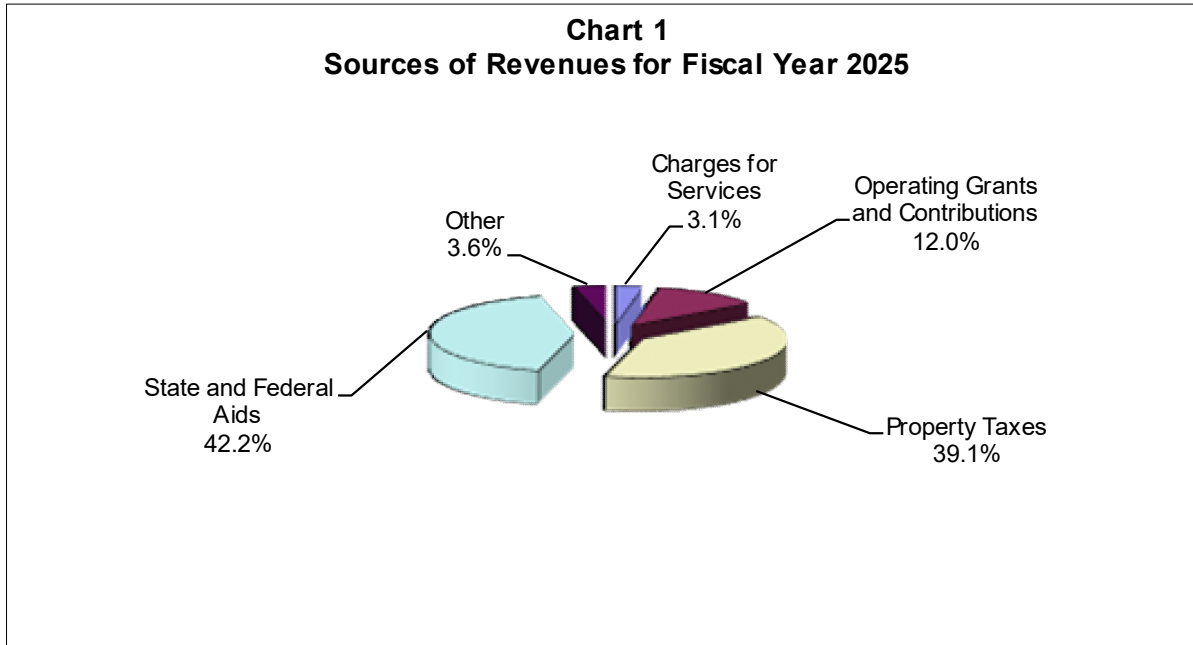
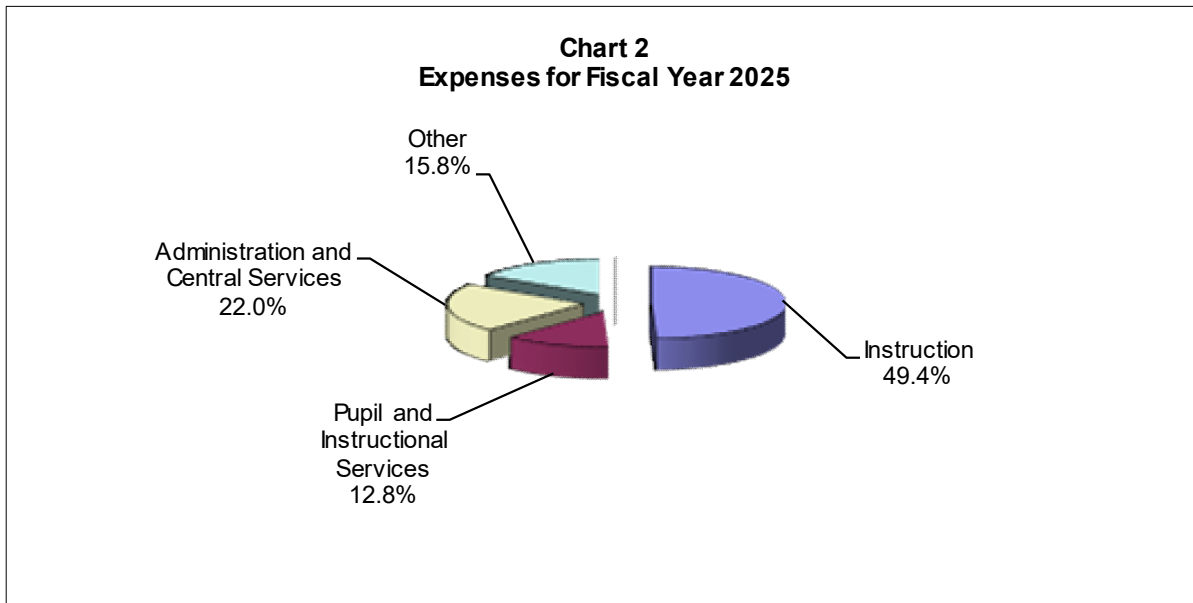


Chart 2 below displays the composition of expense by function:



**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Governmental Funds

Changes in the District's governmental funds for the year ended June 30, 2025 are reflected below:

	Balance June 30, 2025	Balance June 30, 2024	Current Year Change
General	\$ 40,697,826	\$ 33,762,012	\$ 6,935,814
Donations Fund	1,431,143	1,373,816	57,327
Debt Service	2,600,365	3,402,761	(802,396)
Capital Projects	36,960,483	77,231,303	(40,270,820)
Other Special Projects	93,334	-	93,334
Food Service	3,305,661	3,795,912	(490,251)
Community Service	1,722,121	1,889,393	(167,272)
Total	<u>\$ 86,810,933</u>	<u>\$ 121,455,197</u>	<u>\$ (34,644,264)</u>

The general fund balance at year-end totaled \$40,697,826. Of this amount, \$932,958 represents nonspendable funds, \$39,563 is restricted, \$1,514,136 is assigned, and the remaining \$38,211,169 represents unassigned funds. The nonspendable funds consist of prepaid items and inventory.

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

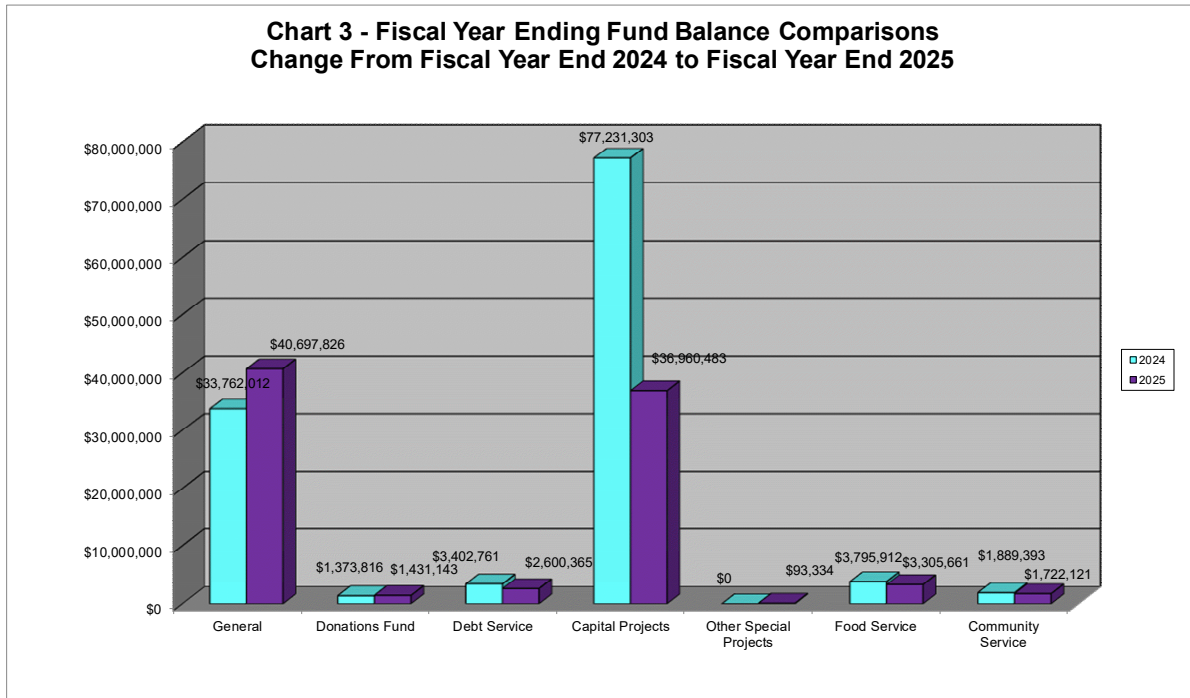
The balance in the debt service fund is to provide for the necessary accumulation of funds for debt retirement needs.

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Chart 3 below depicts the changes in ending fund balances graphically for each fund from fiscal year 2024 to fiscal year 2025.



**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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 may modify the original budget for its general fund if there are any major changes in estimates that become known after the original budget is adopted. Both the original and final budgets are shown in the budgetary comparison schedule for the general fund under *Required Supplementary Information*.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2025, the District had invested approximately \$308 million in a broad range of capital assets, including buildings, sites, equipment and construction in progress (see Table 4). Accumulated depreciation/amortization on these assets totaled \$134,829,118. Net capital assets increased by \$38,663,489 from the previous year.

**Table 4
Capital Assets**

	June 30,		Percent Change
	2025	2024	2024-2025
Land	\$ 2,262,174	\$ 2,262,174	0.0%
Land Improvements	14,972,492	13,653,241	9.7
Buildings	215,734,000	200,960,271	7.4
Furniture and Equipment	19,505,807	18,416,026	5.9
Construction in Progress	54,485,019	26,127,546	108.5
Right of Use Assets	1,530,594	1,530,594	0.0
Accumulated Depreciation/Amortization	(134,829,118)	(127,952,373)	5.4
Total	<u>\$ 173,660,968</u>	<u>\$ 134,997,479</u>	28.6

- Asset acquisitions during the year totaled \$47,607,105.
- The District disposed of \$2,066,871 of capital assets during the year.
- The District recognized depreciation/amortization expense of \$8,728,472 during the year.

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

**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Long-Term Obligations

At year-end, the District had approximately \$114 million in net general obligation debt outstanding which is a decrease of 5.2% from the previous year. The District also had other long-term obligations outstanding of approximately \$67.2 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.

**Table 5
Outstanding Long Term Obligations**

	June 30,		Percent Change 2024-2025
	2025	2024	
General Obligation Debt:			
General Obligation Bonds & Notes Payable	\$ 114,045,000	\$ 120,320,000	-5.2%
Other Long-Term Obligations			
Lease Liability	503,150	620,509	-18.9
Financed Purchase Liability	2,074,964	-	n/a
Compensated Absences	4,073,861	539,454	655.2
Other Postemployment Benefits Liabilities	42,754,979	47,426,603	-9.9
Pension Plan Liabilities	10,341,987	9,767,179	5.9
Premiums	7,484,788	8,401,816	-10.9
Total	<u>\$ 181,278,729</u>	<u>\$ 187,075,561</u>	-3.1

- The District retired \$6,275,000 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.

**EAU CLAIRE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

The District experienced a decline of 151 FTE in enrollment for the 2024-2025 school year. This decrease negatively impacts the revenue that can be generated under the Revenue Limit Formula. Consequently, Revenue Limits will continue to restrict the amount of revenue the District can receive from General State Aid, Property Taxes, and State Categorical Aid. When considering other state-sourced revenue, over 85% of the District's revenue stream is controlled by the State Legislature and Governor. Managing expenditure increases to align with available revenue remains an annual challenge.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director of Business Services, Eau Claire Area School District, 500 Main Street, Eau Claire, Wisconsin 54701.

BASIC FINANCIAL STATEMENTS

EAU CLAIRE AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and Investments	\$ 79,162,072
Taxes Receivable	25,499,178
Accounts Receivable	178,629
Due from Other Governments	7,165,979
Inventories and Prepaid Items	1,076,299
Capital Assets Not Being Depreciated/Amortized:	
Land	2,262,174
Construction in Progress	54,485,019
Capital Assets Being Depreciated/Amortized:	
Land Improvements	14,972,492
Buildings and Building Improvements	215,734,000
Furniture and Equipment	19,505,807
Right-of-Use Assets	1,530,594
Less: Accumulated Depreciation/Amortization	(134,829,118)
Total Assets	<u>286,743,125</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	40,013,860
Other Postemployment Benefits Related	3,816,444
Total Deferred Outflows of Resources	<u>43,830,304</u>
LIABILITIES	
Short-Term Notes Payable	5,000,000
Accounts Payable	6,814,042
Accrued Payroll and Related Liabilities	12,331,602
Accrued Interest Payable	1,199,638
Other Deposits Payable	13,237
Unearned Revenues	216,814
Health Benefit Claims Payable	1,895,529
Current Portion of Long-Term Obligations	8,676,743
Noncurrent Liabilities:	
General Obligation Bonds	115,504,788
Lease Liability	370,851
Financed Purchase Liability	1,418,889
Compensated Absences	2,210,492
Net Other Postemployment Benefits Liability	38,277,705
State Life Insurance Net Other Postemployment Benefits Liability	4,477,274
Wisconsin Retirement System Net Pension Liability	7,196,320
Net Supplemental Pension Plan Liability	<u>3,145,667</u>
Total Liabilities	208,749,591
DEFERRED INFLOWS OF RESOURCES	
Pension Related	21,483,785
Other Postemployment Benefits Related	8,386,684
Total Deferred Inflows of Resources	<u>29,870,469</u>
NET POSITION	
Net Investment in Capital Assets	71,541,796
Restricted for:	
Donor Specifications	1,431,143
Debt Service	1,400,727
Food Service	3,305,661
Community Service	1,722,121
Capital Projects	14,971,753
Other	132,897
Unrestricted (Deficit)	<u>(2,552,729)</u>
Total Net Position	<u><u>\$ 91,953,369</u></u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
PRIMARY GOVERNMENT					
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 60,197,256	\$ 1,938,131	\$ 3,437,839	\$ -	\$ (54,821,286)
Vocational Instruction	3,897,976	111,604	222,333	-	(3,564,039)
Physical Curriculum	88,176	126	-	-	(88,050)
Special Instruction	32,161,221	1,251,628	11,870,546	-	(19,039,047)
Co-curricular Activities	294,561	390,850	-	-	96,289
Other Instruction	4,893,399	572,267	14,176	-	(4,306,956)
Total Instruction	101,532,589	4,264,606	15,544,894	-	(81,723,089)
Support Services:					
Pupil Services	11,632,064	-	1,162,499	-	(10,469,565)
Instructional Staff Services	14,582,845	-	3,011,292	-	(11,571,553)
General Administration	825,448	-	-	-	(825,448)
Building Administration	8,435,636	-	45,867	-	(8,389,769)
Direction of Business	383,352	-	-	-	(383,352)
Fiscal	1,101,292	-	-	-	(1,101,292)
Operations and Maintenance	19,419,951	-	-	-	(19,419,951)
Facilities Acquisition & Remodeling	825,045	-	-	-	(825,045)
Pupil Transportation	7,897,399	-	666,783	-	(7,230,616)
Food Services	6,027,185	2,120,010	3,561,256	-	(345,919)
Internal Services	308,172	-	-	-	(308,172)
Central Services	2,112,335	-	8,153	-	(2,104,182)
Insurance and Judgments	1,517,387	-	30	-	(1,517,357)
Debt Services	4,335,098	-	-	-	(4,335,098)
Community Services	1,161,152	58,340	-	-	(1,102,812)
Other Supporting Services	6,518,056	-	1,141,158	-	(5,376,898)
Total Support Services	87,082,417	2,178,350	9,597,038	-	(75,307,029)
Non-Program:					
Purchased Instructional Services	16,815,316	-	-	-	(16,815,316)
Other Non-Program Transactions	69,261	-	-	-	(69,261)
Total Non-Program	16,884,577	-	-	-	(16,884,577)
	<u>\$ 205,499,583</u>	<u>\$ 6,442,956</u>	<u>\$ 25,141,932</u>	<u>\$ -</u>	<u>(173,914,695)</u>
Total Primary Government					
GENERAL REVENUES					
Property Taxes:					
General Purposes					70,555,256
Debt Services					10,571,544
Community Services					1,000,000
Other Taxes					77,879
State and Federal Aids Not Restricted to					
Specific Functions					88,749,367
Interest and Investment Earnings					4,194,863
Gain on Sale of Capital Assets					782,524
Miscellaneous					2,850,166
Total General Revenues					<u>178,781,599</u>
CHANGE IN NET POSITION					
Net Position - Beginning of Year					<u>87,086,465</u>
NET POSITION - END OF YEAR					
					<u>\$ 91,953,369</u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 27,715,944	\$ 2,600,365	\$ 42,476,710	\$ 6,369,053	\$ 79,162,072
Receivables:					
Taxes	25,499,178	-	-	-	25,499,178
Accounts	172,232	-	-	6,397	178,629
Due from Other Governments	6,446,621	-	-	719,358	7,165,979
Due from Other Funds	162,786	-	-	-	162,786
Inventories and Prepaid Items	932,958	-	-	143,341	1,076,299
Total Assets	<u>60,929,719</u>	<u>2,600,365</u>	<u>42,476,710</u>	<u>7,238,149</u>	<u>113,244,943</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Short-Term Note Payable	5,000,000	-	-	-	5,000,000
Accounts Payable	1,054,025	-	5,516,227	243,790	6,814,042
Accrued Liabilities:					
Payroll, Payroll Taxes, Insurance	12,263,238	-	-	68,364	12,331,602
Due to Other Funds	-	-	-	162,786	162,786
Other Deposits Payable	11,545	-	-	1,692	13,237
Unearned Revenue	7,556	-	-	209,258	216,814
Health Benefit Claims Payable	1,895,529	-	-	-	1,895,529
Total Liabilities	<u>20,231,893</u>	<u>-</u>	<u>5,516,227</u>	<u>685,890</u>	<u>26,434,010</u>
FUND BALANCES					
Nonspendable	932,958	-	-	143,341	1,076,299
Restricted	39,563	2,600,365	36,960,483	6,408,918	46,009,329
Assigned	1,514,136	-	-	-	1,514,136
Unassigned	38,211,169	-	-	-	38,211,169
Total Fund Balances	<u>40,697,826</u>	<u>2,600,365</u>	<u>36,960,483</u>	<u>6,552,259</u>	<u>86,810,933</u>
Total Liabilities and Fund Balances	<u>\$ 60,929,719</u>	<u>\$ 2,600,365</u>	<u>\$ 42,476,710</u>	<u>\$ 7,238,149</u>	<u>\$ 113,244,943</u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2025**

Total Fund Balance - Governmental Funds	\$ 86,810,933
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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	\$ 308,490,086	
Accumulated Depreciation/Amortization	<u>(134,829,118)</u>	173,660,968

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)	(7,196,320)	
Net Supplemental Pension Plan Liability	(3,145,667)	
Deferred Outflows of Resources - Pension Related	40,013,860	
Deferred Inflows of Resources - Pension Related	<u>(21,483,785)</u>	8,188,088

Compensated absences is a liability of the governmental funds when paid but is a liability for governmental activities when earned.	(4,073,861)
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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	121,529,788	
Lease Liability	503,150	
Financed Purchase Liability	2,074,964	
Accrued Interest Payable on General Obligation Debt	<u>1,199,638</u>	(125,307,540)

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	(38,277,705)	
State Life Insurance Net Other Postemployment Benefits Liability	(4,477,274)	
Deferred Outflows of Resources - Other Postemployment Benefits Related	3,816,444	
Deferred Inflows of Resources - Other Postemployment Benefits Related	<u>(8,386,684)</u>	<u>(47,325,219)</u>

Total Net Position - Governmental Activities	<u><u>\$ 91,953,369</u></u>
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EAU CLAIRE AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local	\$ 71,802,905	\$ 10,580,718	\$ 3,728,809	\$ 4,627,232	\$ 90,739,664
Interdistrict	3,138,156	-	-	-	3,138,156
Intermediate	18,566	-	-	1,044,691	1,063,257
State	101,476,773	-	-	67,107	101,543,880
Federal	7,993,991	-	-	3,514,120	11,508,111
Other	1,563,011	-	-	27,884	1,590,895
Total Revenues	185,993,402	10,580,718	3,728,809	9,281,034	209,583,963
EXPENDITURES					
Instruction:					
Regular Instruction	57,581,881	-	-	936,318	58,518,199
Vocational Instruction	3,805,784	-	-	-	3,805,784
Special Instruction	31,245,098	-	-	-	31,245,098
Co-curricular Activities	-	-	-	267,364	267,364
Other Instruction	4,776,843	-	-	-	4,776,843
Total Instruction	97,409,606	-	-	1,203,682	98,613,288
Support Services:					
Pupil Services	11,118,563	-	-	115,893	11,234,456
Instructional Staff Services	13,974,624	-	-	187,935	14,162,559
General Administration	755,594	-	-	40,296	795,890
Building Administration	8,176,728	-	-	53,143	8,229,871
Direction of Business	318,174	-	-	-	318,174
Fiscal	1,080,366	-	20,926	-	1,101,292
Operations and Maintenance	12,027,941	-	-	170,723	12,198,664
Facilities Acquisition and Remodeling	995,557	-	43,978,703	160,073	45,134,333
Pupil Transportation	7,186,561	-	-	693,315	7,879,876
Food Services	-	-	-	5,994,853	5,994,853
Internal Services	292,369	-	-	-	292,369
Central Services	1,880,470	-	-	810	1,881,280
Insurance and Judgements	1,502,182	-	-	30	1,502,212
Debt Services:					
Principal	710,348	6,275,000	-	-	6,985,348
Interest	197,789	5,108,114	-	-	5,305,903
Paying Agent Fees	1,425	-	-	-	1,425
Community Services	-	-	-	1,119,860	1,119,860
Other Support Services	8,010,663	-	-	31,811	8,042,474
Total Support Services	68,229,354	11,383,114	43,999,629	8,568,742	132,180,839
Non-Program:					
Purchased Instructional Services	16,811,576	-	-	3,740	16,815,316
Other Non-Program Transactions	57,529	-	-	11,732	69,261
Total Non-Program	16,869,105	-	-	15,472	16,884,577
Total Expenditures	182,508,065	11,383,114	43,999,629	9,787,896	247,678,704
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,485,337	(802,396)	(40,270,820)	(506,862)	(38,094,741)
OTHER FINANCING SOURCES (USES)					
Leases and Financed Purchases Issued	2,667,953	-	-	-	2,667,953
Sale of Assets	782,524	-	-	-	782,524
Net Other Financing Sources (Uses)	3,450,477	-	-	-	3,450,477
NET CHANGE IN FUND BALANCES	6,935,814	(802,396)	(40,270,820)	(506,862)	(34,644,264)
Fund Balances - Beginning of Year	33,762,012	3,402,761	77,231,303	7,059,121	121,455,197
FUND BALANCES - END OF YEAR	<u>\$ 40,697,826</u>	<u>\$ 2,600,365</u>	<u>\$ 36,960,483</u>	<u>\$ 6,552,259</u>	<u>\$ 86,810,933</u>

See accompanying Notes to Basic Financial Statements.

EAU CLAIRE AREA SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds \$ (34,644,264)

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

The acquisition of capital assets is reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as annual depreciation/amortization expense in the statement of activities.

Capital outlays reported in the governmental fund statements	\$ 47,607,105	
Net book value of capital assets disposed of during the year	(215,144)	
Depreciation/Amortization expense reported in the statement of activities	<u>(8,728,472)</u>	
Net change in capital assets		38,663,489

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.

(3,210,022)

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.

2,302,483

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	6,275,000	
The amount of lease liability principal payments	117,359	
The amount of financed purchase agreement principal payments	<u>592,989</u>	6,985,348

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 debt, leases, and financed purchases issued	(2,667,953)
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EAU CLAIRE AREA SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2025

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: \$ 917,028

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

The amount of interest paid during the current period	\$	5,305,903
The amount of interest accrued during the current period		<u>(5,250,701)</u>

The net change in interest accrued 55,202

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).

Change in compensated absences		<u>(3,534,407)</u>
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Change in Net Position - Governmental Activities	\$	<u><u>4,866,904</u></u>
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**EAU CLAIRE AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2025**

	Employee Benefit Trust	Custodial Fund
ASSETS		
Cash and Investments	\$ 1,142,241	\$ 59,832
Accounts Receivable	9,602	-
Prepays	2,129,068	-
Total Assets	<u>3,280,911</u>	<u>59,832</u>
LIABILITIES		
Accounts Payable	166	-
Health Benefit Claims Payable	12,963	-
Total Liabilities	<u>13,129</u>	<u>-</u>
NET POSITION		
Restricted	<u><u>\$ 3,267,782</u></u>	<u><u>\$ 59,832</u></u>

See accompanying Notes to Basic Financial Statements.

**EAU CLAIRE AREA SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Employee Benefit Trust	Custodial Fund
ADDITIONS		
School Activity Income	\$ -	\$ 11,725
Donations	-	3,441
Investment Income	94,179	162
Other Miscellaneous Revenue	-	2,000
District Contributions	4,698,789	-
Plan Member Contributions	206,461	-
Total Additions	<u>4,999,429</u>	<u>17,328</u>
DEDUCTIONS		
Other Instruction	-	14,809
Administrative Expenses	15,843	-
Benefit Payments to Plan Members	5,965,124	-
Total Deductions	<u>5,980,967</u>	<u>14,809</u>
CHANGE IN NET POSITION	(981,538)	2,519
Net Position - Beginning of Year	<u>4,249,320</u>	<u>57,313</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,267,782</u></u>	<u><u>\$ 59,832</u></u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

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

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

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

C. Government-Wide and Fund Financial Statements

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

Government-Wide Statements

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Government-Wide Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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

The District has the following major governmental funds:

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

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

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

Additionally, the District reports the following fiduciary funds:

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

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

EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

1. Deposits and Investments

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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

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

2. Receivables and Payables

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

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

Property taxes are recognized as revenue in the period for which taxes are levied. The 2024 tax levy is used to finance operations of the District's fiscal year ended June 30, 2025. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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

4. Capital Assets

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

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

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

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

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

5. Deferred Outflows of Resources

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

6. Deferred Inflows of Resources

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

7. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

8. Other Postemployment Benefits

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Other Postemployment Benefits (Continued)

Multiple-Employer Cost-Sharing Plan. The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

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

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

9. Pension Plan Benefits

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

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

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Long-Term Obligations

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

11. Use of Restricted Resources

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

12. Equity Classifications

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Equity Classifications (Continued)

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

NOTE 3 STEWARDSHIP AND ACCOUNTABILITY

Budgetary Accountability

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

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

The District's cash and investments balances at June 30, 2025 were shown in the financial statements as follows:

Governmental Funds	\$ 79,162,072
Fiduciary Funds:	
Employee Benefit Trust	1,142,241
Custodial Fund	59,832
Total	<u>\$ 80,364,145</u>

The above balances at June 30, 2025 consisted of the following:

Treasurer's Cash and Investments:	
Cash	\$ 3,900
Deposits at Financial Institutions	59,836
ADM Certificates of Deposit	8,528
Insured Cash Sweep	34,529,973
Managed Money Market Funds	42,556,893
Mutual Funds	69,714
OPEB Trust Money Market Fund	1,595,800
WISC Investment Series	1,538,492
Investments in State Local Government	
Pooled - Investment Fund	1,009
Total Cash and Investments	<u>\$ 80,364,145</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

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

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2025, the District's deposits were not exposed to custodial credit risk.

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

The District's investments at June 30, 2025 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, 2025 was approximately 9 days.

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

Credit Risk

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

As of June 30, 2025, the District's investments were rated as follows:

<u>Type</u>	<u>Credit Rating</u>	<u>Amount</u>
ADM Certificates of Deposit	Not Rated	\$ 8,528
Managed Money Market Funds	Not Rated	42,556,893
Mutual Funds	Not Rated	69,714
OPEB Trust Money Market Fund	Not Rated	1,595,800
WISC Investment Series	Not Rated	1,538,492
Local Government Investment Pool	Not Rated	1,009
Total		<u>\$ 45,770,436</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025, the District's investments maturities were as follows:

<u>Type</u>	<u>Total</u>	<u>< 1 Year</u>	<u>1 to 3 years</u>	<u>> 3 Years</u>
ADM Certificates of Deposit	\$ 8,528	\$ 8,528	\$ -	\$ -
Managed Money Market Funds	42,556,893	42,556,893	-	-
Mutual Funds	69,714	69,714	-	-
OPEB Trust Money Market Fund	1,595,800	1,595,800	-	-
WISC Investment Series	1,538,492	1,538,492	-	-
Local Government Investment Pool	1,009	1,009	-	-
Total	<u>\$ 45,770,436</u>	<u>\$ 45,770,436</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value Measurements

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

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

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

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

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Fair Value Measurements (Continued)

The District's assets as of June 30, 2025 were categorized as follows:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 69,714	\$ -	\$ -	\$ 69,714
Total	<u>\$ 69,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>69,714</u>
Investments at Amortized Cost:				
Managed Money Market Funds				42,556,893
OPEB Trust Money Market Fund				1,595,800
WISC Investment Series				1,538,492
ADM Certificates of Deposit				8,528
Local Government Investment Pool				1,009
Total				<u>\$ 45,770,436</u>

B. Capital Assets

Changes in the capital assets for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets:				
Capital Assets Not Being Depreciated				
Land	\$ 2,262,174	\$ -	\$ -	\$ 2,262,174
Work in Progress	26,127,546	44,314,665	(15,957,192)	54,485,019
Total Capital Assets Not Being Depreciated	<u>28,389,720</u>	<u>44,314,665</u>	<u>(15,957,192)</u>	<u>56,747,193</u>
Capital Assets Being Depreciated/Amortized				
Land Improvements	13,653,241	1,319,251	-	14,972,492
Buildings and Improvements	200,960,271	14,773,729	-	215,734,000
Furniture and Equipment	18,416,026	3,156,652	(2,066,871)	19,505,807
Right-of-Use Assets	1,530,594	-	-	1,530,594
Total Capital Assets Being Depreciated/Amortized	<u>234,560,132</u>	<u>19,249,632</u>	<u>(2,066,871)</u>	<u>251,742,893</u>
Total Capital Assets	<u>262,949,852</u>	<u>63,564,297</u>	<u>(18,024,063)</u>	<u>308,490,086</u>
Accumulated Depreciation/Amortization:				
Land Improvements	6,219,327	638,377	-	6,857,704
Buildings and Improvements	107,640,935	6,074,094	-	113,715,029
Furniture and Equipment	13,413,285	1,909,509	(1,851,727)	13,471,067
Right-of-Use Assets	678,826	106,492	-	785,318
Total Accumulated Depreciation/Amortization	<u>127,952,373</u>	<u>8,728,472</u>	<u>(1,851,727)</u>	<u>134,829,118</u>
Governmental Activities Capital Assets				
Net of Accumulated Depreciation/Amortization	<u>\$ 134,997,479</u>	<u>\$ 54,835,825</u>	<u>\$ (16,172,336)</u>	<u>\$ 173,660,968</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

Depreciation/amortization was charged to governmental functions as follows:

Instruction:		
Regular Instruction	\$	272,019
Vocational Instruction		30,739
Special Instruction		1,535
Co-curricular		17,882
Support Services:		
Pupil Services		3,103
Instructional Staff Services		1,855
Operation and Maintenance		7,081,274
Pupil Transportation		17,504
Food Services		49,074
Internal Services		14,604
Central Services		32,008
Other Support Services		1,206,875
Total Depreciation/Amortization for Governmental Activities	<u>\$</u>	<u>8,728,472</u>

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2025 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Special Projects Fund	<u>\$ 162,786</u>

The amount from the general fund to the other special projects fund represents financing of a cash overdraft in the latter.

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2025 were as follows:

	Balances July 01, 2024	Additions	Reductions	Balances June 30, 2025	Amounts Due Within One Year
Long-Term Debt					
General Obligation Bonds and Notes	\$ 120,320,000	\$ -	\$ (6,275,000)	\$ 114,045,000	\$ 6,025,000
Add: Debt Premium	8,401,816	-	(917,028)	7,484,788	-
Subtotal	128,721,816	-	(7,192,028)	121,529,788	6,025,000
Other Long-Term Obligations:					
Lease Liability	620,509	-	(117,359)	503,150	132,299
Financed Purchase Liability	-	2,667,953	(592,989)	2,074,964	656,075
Compensated Absences **	539,454	3,534,407	-	4,073,861	1,863,369
Subtotal	1,159,963	6,202,360	(710,348)	6,651,975	2,651,743
Total	<u>\$ 129,881,779</u>	<u>\$ 6,202,360</u>	<u>\$ (7,902,376)</u>	<u>\$ 128,181,763</u>	<u>\$ 8,676,743</u>

** The change in balance is presented as a net change.

Security and Default

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

Cash Defeasance

During the year ended June 30, 2025, the District placed \$664,295 of existing resources in an account held by an escrow agent to defease \$660,000 of debt. The defeasance was undertaken to reduce the District's outstanding debt balance. Total cash flows required to service the defeased debt through the call date is \$775,088. As a result, this liability has been removed from the District's financial statements. As of June 30, 2025, \$660,000 of outstanding debt is considered defeased.

General Obligation Debt

The individual long-term debt issues of the District outstanding at June 30, 2025 were as follows:

Description	Issue Date	Interest Rate	Maturity Date	Original Indebtedness	Amount Outstanding
2017 G.O. School Improvement Bonds	4/17/2017	2.0-4.0	4/1/2031	\$ 25,000,000	\$ 12,015,000
2017 G.O. Refunding Bonds	12/28/2017	2.0-5.0	4/1/2028	25,150,000	16,360,000
2023 G.O. Refunding Bonds	3/9/2023	3.625-5.0	4/1/2042	91,595,000	85,670,000
Total General Obligation Debt					<u>\$ 114,045,000</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2025 follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 6,025,000	\$ 4,812,131	\$ 10,837,131
2027	6,455,000	4,516,194	10,971,194
2028	6,920,000	4,231,044	11,151,044
2029	7,405,000	3,924,244	11,329,244
2030	5,045,000	3,594,794	8,639,794
2031-2035	33,610,000	14,045,870	47,655,870
2036-2040	33,825,000	6,736,807	40,561,807
2041-2042	14,760,000	841,300	15,601,300
Total	<u>\$ 114,045,000</u>	<u>\$ 42,702,384</u>	<u>\$ 156,747,384</u>

The 2024 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$12,009,339,128. The legal debt limit and margin of indebtedness as of June 30, 2025 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes is as follows:

Total Equalized Value (TIDIN)	\$ 12,009,339,128
	<u>10.00%</u>
Calculated Debt Limit	<u>1,200,933,913</u>
Deduct Long Term Debt Applicable to Debt Margin	<u>114,045,000</u>
Margin of Indebtedness	<u>\$ 1,086,888,913</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

Lease Liability

The District entered into right-to-use lease arrangements with Enterprise FM Trust and with Ken Vance Motors Inc. for the purchase of vehicles. The District also entered into a right-to-use lease arrangement with Eastridge Center LLC for the purchase of building space. The District used the incremental borrowing rate for the right-to-use agreements if an interest rate was not provided in the lease agreement. The District leases are for various terms under long-term, noncancelable lease arrangements. The leases expire at various dates through 2032.

The principal and interest costs for such leases for governmental funds was \$146,603 for the year ended June 30, 2025. The future lease payments for these agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 132,299	\$ 24,908	\$ 157,207
2027	80,034	19,303	99,337
2028	76,507	16,089	92,596
2029	68,109	10,164	78,273
2030	60,772	4,283	65,055
2031-2032	85,429	2,046	87,475
Total	<u>\$ 503,150</u>	<u>\$ 76,793</u>	<u>\$ 579,943</u>

Financed Purchase Agreements

The District entered into a financed purchase agreement for financing the acquisition of equipment for use by the District. The balance of these liabilities on June 30, 2025 was \$2,074,964. The District is required to make annual payments of \$766,650 through 2028. The agreement has an interest rate of 5.329%. The future payments for this agreement are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 656,075	\$ 110,575	\$ 766,650
2027	691,037	75,613	766,650
2028	727,852	38,797	766,649
Total	<u>\$ 2,074,964</u>	<u>\$ 224,985</u>	<u>\$ 2,299,949</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 4 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Short-Term Notes Payable

The District maintains temporary notes payable to use for cash flow purposes. On December 19, 2024, the District also entered into an additional line of credit for cash flow purposes. The maximum draw amount is \$12,000,000 with any outstanding balance accruing interest at *The Wall Street Journal* Prime Rate plus 0%, not to be less than 5% or to exceed 8%, and due November 1, 2025. Changes in temporary notes payable of the District for the year ended June 30, 2025 were as follows:

Description	Balance 6/30/24	Issued	Redeemed	Balance 6/30/25
Line of Credit	<u>\$ 4,000,000</u>	<u>\$ 16,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 5,000,000</u>

On December 3, 2025, the District entered into a revolving line of credit for cash flow purposes. The maximum draw amount is \$10,000,000 with any outstanding balance accruing interest at the Wall Street Journal Prime Rate plus 0%, not to be less than 5% or to exceed 8%, and due November 1, 2026.

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2025 consisted of the following:

	Total	Nonspendable	Restricted	Assigned	Unassigned
Major Funds:					
General Fund:					
Nonspendable Prepaid Items and Inventory	\$ 932,958	\$ 932,958	\$ -	\$ -	\$ -
Restricted for Grant Programs	39,563	-	39,563	-	-
Assigned for Self Insurance	1,514,136	-	-	1,514,136	-
Unassigned	38,211,169	-	-	-	38,211,169
Debt Service Fund	2,600,365	-	2,600,365	-	-
Capital Projects Fund	36,960,483	-	36,960,483	-	-
Nonmajor Funds:					
Special Revenue Funds:					
Donor Restricted Purposes	1,431,143	34,747	1,396,396	-	-
Other Special Projects	93,334	369	92,965	-	-
Food Service Program	3,305,661	108,225	3,197,436	-	-
Community Service Programs	1,722,121	-	1,722,121	-	-
Subtotal Nonmajor Funds	<u>6,552,259</u>	<u>143,341</u>	<u>6,408,918</u>	<u>-</u>	<u>-</u>
Total Governmental Funds Balances at June 30, 2025	<u>\$ 86,810,933</u>	<u>\$ 1,076,299</u>	<u>\$ 46,009,329</u>	<u>\$ 1,514,136</u>	<u>\$ 38,211,169</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees.

Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period July 1, 2024 through June 30, 2025, the WRS recognized \$6,483,297 in contributions from the employer.

Contribution rates as of June 30, 2025 are:

	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	6.95%	6.95%

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

At June 30, 2025, the District reported a liability of \$7,196,320 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 0.4379547 percent, which was an increase of 0.00793335 percent from its proportion measured as of December 31, 2023.

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

For the year ended June 30, 2025, the District recognized pension expense of \$9,653,580. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 22,348,513	\$ 21,000,593
Changes of Assumptions	2,135,288	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,935,189	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	54,331	154,310
District Contributions Subsequent to the Measurement Date	3,360,879	-
Total	<u>\$ 38,834,200</u>	<u>\$ 21,154,903</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

\$3,360,879 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ 4,328,798
2027	14,883,348
2028	(3,730,703)
2029	(1,163,025)
2030	-
Thereafter	-

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

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

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

	Target Allocation	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Core Fund Asset Class:			
Public Equity	38 %	7.0 %	4.3 %
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage	(12)	3.7	1.1
Total Core Fund	<u>100 %</u>	7.5	4.8
Variable Fund Asset:			
U.S. Equities	70 %	6.5 %	3.8 %
International Equities	30	7.4	4.7
Total Variable Fund	<u>100 %</u>	6.9	4.2

Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, for the current and prior year. The single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

	1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 67,510,884</u>	<u>\$ 7,196,320</u>	<u>\$ (35,655,446)</u>

Payable to the pension plan. At June 30, 2025, the District reported a payable of \$1,787,821 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2025.

B. Other Postemployment Benefit Plan

Single-Employer Plan Description

The District offers a single-employer defined benefit retirement plan. The District provides these health insurance benefits to certain employees according to negotiated agreements. The amounts vary based on age, years of service, and classification of employees. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	249
Active Plan Members	310
Total	<u>559</u>

Contributions

The District funds its OPEB liability through a separate employee trust fund. The District does not have a formal funding policy for the plan.

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

B. 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 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, 2025, the annual money-weighted rate of return, net of investment expense, was 2.44 percent.

The plan does not issue a stand-alone report.

Net OPEB Liability

Total OPEB Liability - Ending (a)	\$ 41,489,440
Plan Fiduciary Net Position - Ending (b)	<u>3,211,735</u>
District's Net OPEB Liability - Ending (a) - (b)	<u><u>\$ 38,277,705</u></u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.74%
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The District's total OPEB liability and net OPEB liability for June 30, 2025 is based upon the liability calculated at the July 1, 2024 actuarial valuation rolled forward to the measurement date of June 30, 2025.

Actuarial Assumptions

The total OPEB liability for June 30, 2025, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level %
Remaining Amortization Period	4.25 Years
Asset Valuation Method	Market Value
Inflation	2.25 Percent
Salary Increases	3.00 Percent, Average, Including Inflation
Investment Rate of Return	2.25 Percent
Discount Rate	5.20 percent
Retirement Age	Early Retirement - Age 55 years Regular Retirement - Age 57 years (30 or more years of services)
Mortality	Wisconsin Retirement System Experience Study Report for Public Schools dated November 19, 2021
Healthcare Cost Trend Rates	7.31% decreasing by 0.29% per year down to 5.29%

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Net OPEB Liability (Continued)

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

Discount Rate

The discount rate used to measure the total OPEB liability was 5.20 percent compared to 3.93 percent in the prior year. 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 5.20 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, 2024	\$ 46,237,344	\$ 3,941,501	\$ 42,295,843
Changes for the year:			
Service Cost	1,092,024	-	1,092,024
Interest	1,709,516	-	1,709,516
Differences Between Expected and Actual Experience	(281,861)	-	(281,861)
Changes of Assumptions or Other Input	(2,072,972)	-	(2,072,972)
Contributions - Employer	-	4,392,184	(4,392,184)
Net Investment Income	-	87,356	(87,356)
Benefit Payments	(5,194,611)	(5,194,611)	-
Administrative Expense	-	(14,695)	14,695
Net Changes	<u>(4,747,904)</u>	<u>(729,766)</u>	<u>(4,018,138)</u>
Balances at June 30, 2025	<u>\$ 41,489,440</u>	<u>\$ 3,211,735</u>	<u>\$ 38,277,705</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.2 percent) or 1-percentage-point higher (6.2 percent) than the current discount rate:

	1% Decrease (4.2%)	Current Discount Rate (5.2%)	1% Increase (6.2%)
Net OPEB Liability	\$ 39,906,506	\$ 38,277,705	\$ 36,684,180

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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.31% decreasing to 4.29%)	Healthcare Cost Trend Rates (7.31% decreasing to 5.29%)	1% Increase (8.31% decreasing to 6.29%)
Net OPEB Liability	\$ 37,184,006	\$ 38,277,705	\$ 39,463,610

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

For the year ended June 30, 2025, the District recognized OPEB Expense of \$1,861,324 and reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 2,084,545	\$ 2,069,766
Changes of Assumptions or Other Input	326,543	3,229,893
Net Difference Between Projected and Actual Earnings on OPEB Investments	23,505	25,635
Total	<u>\$ 2,434,593</u>	<u>\$ 5,325,294</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

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

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

<u>Year Ended June 30,</u>	<u>OPEB Expense Amount</u>
2026	\$ (883,752)
2027	(1,262,165)
2028	(606,535)
2029	(138,249)

C. 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, 2025, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	61
Active Plan Members	196
Total	<u>257</u>

Investments

Investment policy. The District's board policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board that all investments shall be made and administered in compliance with legal requirements, sections 25.50, 34.05, 34.08, 66.06.07, 120.11(3), 120.12(7), 120.16(5) Wisconsin 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, 2025, the annual money-weighted rate of return, net of investment expense, was 2.44 percent.

The plan does not issue a stand-alone report.

Contributions

The District funds its pension liability through a separate employee trust fund. For fiscal year 2025, the District contributed an estimated \$306,605 to the plan.

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Supplemental Pension Plan (Continued)

Net Pension Liability

Total Pension Liability - Ending (a)	\$ 3,201,714
Plan Fiduciary Net Position - Ending (b)	<u>56,047</u>
District's Net Pension Liability - Ending (a) - (b)	<u><u>\$ 3,145,667</u></u>
Plan Fiduciary Net Position as a Percentage of the Total	1.75%

The District's net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024, rolled forward to June 30, 2025.

Actuarial assumptions. The total pension liability for June 30, 2025, 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	4.25 Years
Asset Valuation Method	Market Value
Inflation	2.25 Percent
Salary Increases	3.00 Percent, Average, Including Inflation
Investment Rate of Return	2.25 Percent
Discount Rate	5.20 percent
Retirement Age	Early Retirement - Age 55 years Regular Retirement - Age 57 years (30 or more years of services)
Mortality	Wisconsin Retirement System Experience Study Report for Public Schools dated November 19, 2021

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

Discount Rate

The discount rate used to measure the total pension liability was 5.20 percent. This discount rate was determined by using a split interest rate based on the estimated investment return on the irrevocable trust for the funded portion of liabilities and the estimated 20-year AA-rated municipal bonds for the unfunded portion of liabilities.

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Supplemental Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at Beginning of Year	\$ 3,681,415	\$ 307,819	\$ 3,373,596
Changes for the Year:			
Service Cost	61,338	-	61,338
Interest	134,080	-	134,080
Differences between expected and actual experience	24,595	-	24,595
Changes of assumptions or other input	(135,662)	-	(135,662)
Contributions - Employer	-	306,605	(306,605)
Net Investment Income	-	6,822	(6,822)
Benefit Payments	(564,052)	(564,052)	-
Administrative Expense	-	(1,147)	1,147
Net Changes	<u>(479,701)</u>	<u>(251,772)</u>	<u>(227,929)</u>
Balances at End of Year	<u>\$ 3,201,714</u>	<u>\$ 56,047</u>	<u>\$ 3,145,667</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 5.2%, 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 (4.2%) or one percentage point higher (6.2% than the current rate):

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Net Pension Liability	<u>\$ 3,252,220</u>	<u>\$ 3,145,667</u>	<u>\$ 3,041,644</u>

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

For the year ended June 30, 2025, the District recognized pension expense of \$354,689. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources as related to pensions from the following sources:

<u>Description</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,076,263	\$ 70,771
Changes of Assumptions	101,558	255,312
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,839	2,799
Total	<u>\$ 1,179,660</u>	<u>\$ 328,882</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

C. Supplemental Pension Plan (Continued)

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

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

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2026	\$ 225,054
2027	210,997
2028	203,099
2029	203,982
2030	8,763
Thereafter	(1,117)

The District's collective pension liability for the single-employer plan and multiple-employer plan was \$10,341,987 at June 30, 2025. Total collective pension expense for both plans was \$10,008,269 for 2024-2025.

D. Other Postemployment Benefits – Multiple Employer Plan

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

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

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

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

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits – Multiple Employer Plan (Continued)

Contribution rates as of June 30, 2025 are:

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

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

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

During the reporting period, the LRLIF recognized \$23,707 in contributions from the District.

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

At June 30, 2025, the District reported a liability of \$4,477,274 its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the District's proportion was 1.14442200 percent, which was an increase of 0.02919800 percent from its proportion measured as of December 31, 2023.

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits – Multiple Employer Plan (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$249,400. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 465,793
Changes of Assumptions	1,098,596	2,511,209
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	61,485	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	209,917	84,388
District Contributions Subsequent to the Measurement Date	11,853	-
Total	<u>\$ 1,381,851</u>	<u>\$ 3,061,390</u>

\$11,853 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>OPEB Expense Amount</u>
2026	\$ (145,025)
2027	(343,280)
2028	(508,373)
2029	(472,763)
2030	(87,882)
Thereafter	(134,069)

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefits – Multiple Employer Plan (Continued)

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

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

Valuation Date	January 1, 2024
Measurement Date of Net OPEB Liability (Asset)	December 31, 2024
Actuarial Cost Method	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	4.08%
Long-Term Expected Rate of Return	4.25%
Discount Rate	4.09%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality	2020 WRS Experience Mortality Table

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

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

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40%	2.41%
U.S. Mortgages	Bloomberg U.S. MBS	60%	2.71%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

D. 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)

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

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

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 5,984,503	\$ 4,477,274	\$ 3,315,818

The District's collective OPEB liabilities for these two plans at June 30, 2025 was \$42,754,979. Total collective OPEB expense for the single-employer plan and multiple-employer plan was \$2,110,724 for 2024-2025.

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

E. 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.

F. 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.

G. Self-Funded 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, 2025	\$ 135,190	\$ 1,820,707	\$ (1,852,333)	\$ 103,564
Year Ended June 30, 2024	114,499	1,770,298	(1,749,607)	135,190
Year Ended June 30, 2023	96,950	1,883,209	(1,865,660)	114,499

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

G. Self-Funded Insurance (Continued)

On January 1, 2025, the District established a self-funded health benefit plan for its employees. The plan administrator, Security Health (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 year were as follows:

	Claims Payable July 1	Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
Year Ended June 30, 2025	\$ -	\$ 8,708,743	\$ (6,903,815)	\$ 1,804,928

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

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

H. Contingencies

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

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

I. 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, 2025 is \$18,432,542.

**EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 OTHER INFORMATION (CONTINUED)

J. Employee Benefit Trust Fund

The District has established an employee benefit trust fund to account for resources placed into a trust to assist in funding the District's other postemployment benefits plan and supplemental pension plan. Following is the current year employee benefit trust fund activity for each plan:

	OPEB Plan	Pension Plan	Total Employee Benefit Trust Fund
Assets			
Cash and Investments	\$ 1,086,194	\$ 56,047	\$ 1,142,241
Accounts Receivable	9,602	-	9,602
Prepays	2,129,068	-	2,129,068
Total Assets	3,224,864	56,047	3,280,911
Liabilities			
Accounts Payable	166	-	166
Health Benefit Claims Payable	12,963	-	12,963
Total Liabilities	13,129	-	13,129
Net Position			
Restricted for Employee Benefit Plan	\$ 3,211,735	\$ 56,047	\$ 3,267,782
	OPEB Plan	Pension Plan	Total Employee Benefit Trust Fund
Additions			
Investment Income	\$ 87,357	\$ 6,822	\$ 94,179
District Contributions	4,392,184	306,605	4,698,789
Plan Member Contributions	206,461	-	206,461
Total Additions	4,686,002	313,427	4,999,429
Deductions			
Administrative Expenses	14,696	1,147	15,843
Benefit Payments to Plan Members	5,401,072	564,052	5,965,124
Total Deductions	5,415,768	565,199	5,980,967
Change in Net Position	(729,766)	(251,772)	(981,538)
Net Position - Beginning of Year	3,941,501	307,819	4,249,320
Net Position - End of Year	\$ 3,211,735	\$ 56,047	\$ 3,267,782

REQUIRED SUPPLEMENTARY INFORMATION

**EAU CLAIRE AREA SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local	\$ 71,742,438	\$ 71,742,438	\$ 71,802,905	\$ 60,467
Interdistrict	3,029,877	3,029,877	3,138,156	108,279
Intermediate	40,000	40,000	18,566	(21,434)
State	101,076,769	101,076,769	101,476,773	400,004
Federal	6,875,927	6,875,927	7,993,991	1,118,064
Other	1,486,183	1,486,183	1,563,011	76,828
Total Revenues	184,251,194	184,251,194	185,993,402	1,742,208
EXPENDITURES:				
Instruction:				
Regular Instruction	62,615,413	62,615,413	57,581,881	5,033,532
Vocational Instruction	3,786,719	3,786,719	3,805,784	(19,065)
Special Instruction	30,841,528	30,841,528	31,245,098	(403,570)
Other Instruction	5,684,578	5,684,578	4,776,843	907,735
Total Instruction	102,928,238	102,928,238	97,409,606	5,518,632
Support Services:				
Pupil Services	10,679,684	10,679,684	11,118,563	(438,879)
Instructional Staff Services	13,654,866	13,654,866	13,974,624	(319,758)
General Administration	746,849	746,849	755,594	(8,745)
Building Administration	8,017,542	8,017,542	8,176,728	(159,186)
Direction of Business	316,649	316,649	318,174	(1,525)
Fiscal	880,248	880,248	1,080,366	(200,118)
Operations and Maintenance	12,990,035	12,990,035	12,027,941	962,094
Facilities Acquisition and Remodeling	1,250,568	1,250,568	995,557	255,011
Pupil Transportation	7,269,906	7,269,906	7,186,561	83,345
Internal Services	326,306	326,306	292,369	33,937
Central Services	1,809,415	1,809,415	1,880,470	(71,055)
Insurance and Judgements	1,396,754	1,396,754	1,502,182	(105,428)
Debt Services:				
Principal	697,668	697,668	710,348	(12,680)
Interest	40,416	40,416	197,789	(157,373)
Paying Agent Fees	1,425	1,425	1,425	-
Other Support Services	7,916,809	7,916,809	8,010,663	(93,854)
Total Support Services	67,995,140	67,995,140	68,229,354	(234,214)
Non-Program:				
Purchased Instructional Services	16,653,716	16,653,716	16,811,576	(157,860)
Other Non-Program Transactions	22,053	22,053	57,529	(35,476)
Total Non-Program	16,675,769	16,675,769	16,869,105	(193,336)
Total Expenditures	187,599,147	187,599,147	182,508,065	5,091,082
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,347,953)	(3,347,953)	3,485,337	6,833,290
OTHER FINANCING SOURCES (USES):				
Leases and Financed Purchases Issued	2,667,953	2,667,953	2,667,953	-
Sale of Assets	680,000	680,000	782,524	102,524
Net Other Financing Sources (Uses)	3,347,953	3,347,953	3,450,477	102,524
NET CHANGE IN FUND BALANCE	-	-	6,935,814	6,935,814
Fund Balance - Beginning of Year	33,762,012	33,762,012	33,762,012	-
FUND BALANCE - End of Year	<u>\$ 33,762,012</u>	<u>\$ 33,762,012</u>	<u>\$ 40,697,826</u>	<u>\$ 6,935,814</u>

See accompanying Notes to Required Supplementary Information.

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

Plan Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2024	0.43795470%	\$ 7,196,320	\$ 93,395,320	7.71%	98.79%
12/31/2023	0.43002135%	6,393,583	86,566,703	7.39%	98.85%
12/31/2022	0.41755199%	22,120,667	77,123,436	28.68%	95.72%
12/31/2021	0.41664138%	(33,582,061)	71,456,010	47.00%	106.02%
12/31/2020	0.42519186%	(26,545,317)	68,335,718	38.85%	105.26%
12/31/2019	0.43845971%	(14,137,942)	68,237,011	20.72%	102.96%
12/31/2018	0.44279925%	15,753,409	67,848,614	23.22%	96.45%
12/31/2017	0.43749344%	(12,989,699)	66,354,053	19.58%	102.93%
12/31/2016	0.43478900%	3,583,699	63,072,217	5.68%	99.12%
12/31/2015	0.43140082%	7,010,180	60,363,684	11.61%	98.20%

See accompanying Notes to Required Supplementary Information.

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

District Fiscal Year Ended	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2025	\$ 6,483,297	\$ (6,483,297)	\$ -	\$ 93,642,664	6.92%
6/30/2024	6,304,473	(6,304,473)	-	92,802,685	6.79%
6/30/2023	5,467,677	(5,467,677)	-	82,130,869	6.66%
6/30/2022	4,826,674	(4,826,674)	-	72,916,116	6.62%
6/30/2021	4,747,153	(4,747,153)	-	70,328,194	6.75%
6/30/2020	4,563,600	(4,563,600)	-	68,616,776	6.65%
6/30/2019	4,497,508	(4,497,508)	-	67,893,647	6.62%
6/30/2018	4,550,844	(4,550,844)	-	67,427,020	6.75%
6/30/2017	4,357,582	(4,357,582)	-	65,021,414	6.70%
6/30/2016	4,066,942	(4,066,942)	-	60,724,212	6.70%

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

Changes of Assumptions:

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

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

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

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

See accompanying Notes to Required Supplementary Information.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Service Cost	\$ 114,111	\$ 114,111	\$ 121,617	\$ 92,607	\$ 97,045	\$ 101,841	\$ 103,878	\$ 79,088	\$ 77,595	\$ 61,338
Interest	477,691	95,030	91,451	100,608	93,765	58,435	57,421	93,097	93,827	134,080
Changes in Benefit Terms	(9,877,880)	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(509,293)	-	242,474	-	(283,093)	-	302,554	-	1,298,712	24,595
Changes in Assumptions	(106,912)	117,826	(131,584)	46,180	220,041	-	(181,168)	23,350	(50,496)	(135,662)
Benefit Payments	<u>(327,952)</u>	<u>(276,078)</u>	<u>(227,845)</u>	<u>(251,114)</u>	<u>(239,834)</u>	<u>(184,294)</u>	<u>(151,185)</u>	<u>(268,749)</u>	<u>(410,818)</u>	<u>(564,052)</u>
Net Change in Total Pension Liability	(10,230,235)	50,889	96,113	(11,719)	(112,076)	(24,018)	131,500	(73,214)	1,008,820	(479,701)
Total Pension Liability - Beginning of the Year	<u>12,845,355</u>	<u>2,615,120</u>	<u>2,666,009</u>	<u>2,762,122</u>	<u>2,750,403</u>	<u>2,638,327</u>	<u>2,614,309</u>	<u>2,745,809</u>	<u>2,672,595</u>	<u>3,681,415</u>
Total Pension Liability - End of Year	<u>2,615,120</u>	<u>2,666,009</u>	<u>2,762,122</u>	<u>2,750,403</u>	<u>2,638,327</u>	<u>2,614,309</u>	<u>2,745,809</u>	<u>2,672,595</u>	<u>3,681,415</u>	<u>3,201,714</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 344,349	\$ 289,882	\$ 239,237	\$ 251,114	\$ 223,072	\$ 223,380	\$ 223,380	\$ 206,090	\$ 245,045	\$ 306,605
Net Investment Income	668	518	4,570	4,404	7,852	1,617	1,330	11,932	14,782	6,822
Benefit Payments	(327,952)	(276,078)	(227,845)	(251,114)	(239,834)	(184,294)	(151,185)	(268,749)	(410,818)	(564,052)
Administrative Expense	<u>(2,276)</u>	<u>(1,122)</u>	<u>(649)</u>	<u>(583)</u>	<u>(974)</u>	<u>(1,735)</u>	<u>(9,146)</u>	<u>(3,704)</u>	<u>(1,192)</u>	<u>(1,147)</u>
Net Change in Plan Fiduciary Net Position	14,789	13,200	15,313	3,821	(9,884)	38,968	64,379	(54,431)	(152,183)	(251,772)
Plan Fiduciary Net Position Beginning of Year	<u>373,847</u>	<u>388,636</u>	<u>401,836</u>	<u>417,149</u>	<u>420,970</u>	<u>411,086</u>	<u>450,054</u>	<u>514,433</u>	<u>460,002</u>	<u>307,819</u>
Plan Fiduciary Net Position - End of Year	<u>388,636</u>	<u>401,836</u>	<u>417,149</u>	<u>420,970</u>	<u>411,086</u>	<u>450,054</u>	<u>514,433</u>	<u>460,002</u>	<u>307,819</u>	<u>56,047</u>
Net Pension Liability - End of Year	<u>\$ 2,226,484</u>	<u>\$ 2,264,173</u>	<u>\$ 2,344,973</u>	<u>\$ 2,329,433</u>	<u>\$ 2,227,241</u>	<u>\$ 2,164,255</u>	<u>\$ 2,231,376</u>	<u>\$ 2,212,593</u>	<u>\$ 3,373,596</u>	<u>\$ 3,145,667</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	14.86%	15.07%	15.10%	15.31%	15.58%	17.22%	18.74%	17.21%	8.36%	1.75%
District's Covered Payroll	\$ 27,957,383	\$ 27,957,383	\$ 26,708,974	\$ 26,708,974	\$ 23,197,135	\$ 23,197,135	\$ 20,584,608	\$ 21,202,146	\$ 22,452,712	\$ 23,126,293
Net Pension Liability as a Percentage of Covered Payroll	7.96%	8.10%	8.78%	8.72%	9.60%	9.33%	10.84%	10.44%	15.03%	13.60%

See accompanying Notes to Required Supplementary Information.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Schedule of District Contributions										
Actuarially Determined Contribution	\$ 250,573	\$ 250,573	\$ 223,072	\$ 223,072	\$ 223,380	\$ 223,380	\$ 225,446	\$ 235,749	\$ 245,045	\$ 306,605
Contributions in Relation of the Actuarially Determined Contribution	344,349	289,882	239,237	251,114	223,072	223,380	223,380	206,090	245,045	306,605
Contribution Deficiency (Excess)	<u>\$ (93,776)</u>	<u>\$ (39,309)</u>	<u>\$ (16,165)</u>	<u>\$ (28,042)</u>	<u>\$ 308</u>	<u>\$ -</u>	<u>\$ 2,066</u>	<u>\$ 29,659</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 27,957,383	\$ 27,957,383	\$ 26,708,974	\$ 26,708,974	\$ 23,197,135	\$ 23,197,135	\$ 20,584,608	\$ 21,202,146	\$ 22,452,712	\$ 23,126,293
Contributions as a Percentage of Covered Payroll	1.23%	1.04%	0.90%	0.94%	0.96%	0.96%	1.09%	0.97%	1.09%	1.33%

Changes of Benefit Terms. None

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

See accompanying Notes to Required Supplementary Information.

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

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability									
Service Cost	\$ 3,461,943	\$ 3,461,943	\$ 3,103,092	\$ 3,236,033	\$ 3,247,997	\$ 3,387,498	\$ 1,500,464	\$ 1,527,843	\$ 1,092,024
Interest	2,630,746	2,613,503	2,859,600	2,679,021	1,699,196	1,635,522	1,881,882	1,843,648	1,709,515
Changes of Benefit Terms	-	-	-	(1,359,369)	-	(19,000,746)	-	-	-
Differences Between Expected and Actual Experience	-	2,285,167	-	1,447,473	-	5,059,633	-	(3,502,430)	(281,861)
Changes of Assumptions or Other Input	-	(67,878)	1,088,486	(79,717)	-	(2,842,302)	(534,060)	(1,392,385)	(2,072,972)
Benefit Payments	(6,613,794)	(6,556,952)	(6,500,664)	(7,159,716)	(6,746,432)	(7,529,536)	(5,744,333)	(5,523,142)	(5,194,610)
Net Change in Total OPEB Liability	(521,105)	1,735,783	550,514	(1,236,275)	(1,799,239)	(19,289,931)	(2,896,047)	(7,046,466)	(4,747,904)
Total OPEB Liability - Beginning	76,740,110	76,219,005	77,954,788	78,505,302	77,269,027	75,469,788	56,179,857	53,283,810	46,237,344
Total OPEB Liability - Ending (a)	\$ 76,219,005	\$ 77,954,788	\$ 78,505,302	\$ 77,269,027	\$ 75,469,788	\$ 56,179,857	\$ 53,283,810	\$ 46,237,344	\$ 41,489,440
Plan Fiduciary Net Position									
Contributions - Employer	\$ 7,221,315	\$ 7,254,737	\$ 7,166,333	\$ 7,291,413	\$ 7,215,255	\$ 7,215,255	\$ 4,514,570	\$ 5,162,326	\$ 4,392,184
Net Investment Income	4,023	41,162	45,946	94,306	20,730	16,957	123,479	134,287	87,356
Benefit Payments	(6,613,794)	(6,556,952)	(6,500,664)	(7,159,716)	(6,746,432)	(7,529,536)	(5,744,333)	(5,523,142)	(5,194,611)
Administrative Expense	(8,711)	(5,841)	(6,080)	(11,694)	(22,241)	(116,592)	(38,328)	(10,827)	(14,695)
Adjustment	-	-	(2,000)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	602,833	733,106	703,535	214,309	467,312	(413,916)	(1,144,612)	(237,356)	(729,766)
Plan Fiduciary Net Position - Beginning	3,016,290	3,619,123	4,352,229	5,055,764	5,270,073	5,737,385	5,323,469	4,178,857	3,941,501
Plan Fiduciary Net Position - Ending (b)	\$ 3,619,123	\$ 4,352,229	\$ 5,055,764	\$ 5,270,073	\$ 5,737,385	\$ 5,323,469	\$ 4,178,857	\$ 3,941,501	\$ 3,211,735
District's Net OPEB Liability - Ending (a) - (b)	\$ 72,599,882	\$ 73,602,559	\$ 73,449,538	\$ 71,998,954	\$ 69,732,403	\$ 50,856,388	\$ 49,104,953	\$ 42,295,843	\$ 38,277,705
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.75%	5.58%	6.44%	6.82%	7.60%	9.48%	7.84%	8.52%	7.74%
Covered Payroll	\$ 34,904,806	\$ 64,816,825	\$ 64,816,825	\$ 65,531,992	\$ 65,531,992	\$ 24,971,071	\$ 25,720,203	\$ 22,452,712	\$ 23,113,122
District's Net OPEB Liability as a Percentage of Covered Payroll	207.99%	113.55%	113.32%	109.87%	106.41%	203.66%	190.92%	188.38%	165.61%

See accompanying Notes to Required Supplementary Information.

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

Schedule of District Contributions	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Actuarially Determined Contribution (ADC)	\$ 7,860,920	\$ 7,291,413	\$ 7,291,413	\$ 7,215,255	\$ 7,215,255	\$ 7,366,376	\$ 4,935,189	\$ 5,162,326	\$ 4,392,184
Contributions in Relation to the Actuarially Determined Contribution	<u>7,221,315</u>	<u>7,254,737</u>	<u>7,166,333</u>	<u>7,291,413</u>	<u>7,215,255</u>	<u>7,215,255</u>	<u>4,514,570</u>	<u>5,162,326</u>	<u>4,392,184</u>
Contribution Deficiency (Excess)	<u>\$ 639,605</u>	<u>\$ 36,676</u>	<u>\$ 125,080</u>	<u>\$ (76,158)</u>	<u>\$ -</u>	<u>\$ 151,121</u>	<u>\$ 420,619</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 34,904,806	\$ 64,816,825	\$ 64,816,825	\$ 65,531,992	\$ 65,531,992	\$ 24,971,071	\$ 25,720,203	\$ 22,452,712	\$ 23,113,122
Contributions as a Percentage of Covered Payroll	20.69%	11.19%	11.06%	11.13%	11.01%	28.89%	17.55%	22.99%	19.00%

See accompanying Notes to Required Supplementary Information.

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

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

<u>Year</u>	
2017	0.12%
2018	1.03%
2019	0.98%
2020	1.83%
2021	0.38%
2022	0.31%
2023	2.60%
2024	3.31%
2025	2.44%

See accompanying Notes to Required Supplementary Information.

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

Plan Measurement Date	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2024	1.14442200%	\$ 4,477,274	\$ 65,529,000	6.83%	37.20%
12/31/2023	1.11522400%	5,130,760	62,898,000	8.16%	33.90%
12/31/2022	1.09746000%	4,181,133	61,713,000	6.78%	38.81%
12/31/2021	1.11000900%	6,560,563	59,152,000	11.09%	29.57%
12/31/2020	1.13143700%	6,223,720	59,367,000	10.48%	31.36%
12/31/2019	1.11704100%	4,756,578	56,860,000	8.37%	37.58%
12/31/2018	1.15145200%	2,971,135	58,535,000	5.08%	48.69%
12/31/2017	1.13657400%	3,419,474	47,796,188	7.15%	44.81%

See accompanying Notes to Required Supplementary Information.

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

District Fiscal Year Ended	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2025	\$ 23,707	\$ (23,707)	\$ -	\$ 65,529,000	0.04%
6/30/2024	23,493	(23,493)	-	62,898,000	0.04%
6/30/2023	22,358	(22,358)	-	61,713,000	0.04%
6/30/2022	20,928	(20,928)	-	59,152,000	0.04%
6/30/2021	22,597	(22,597)	-	59,367,000	0.04%
6/30/2020	22,338	(22,338)	-	56,860,000	0.04%
6/30/2019	22,279	(22,279)	-	58,535,000	0.04%
6/30/2018	22,017	(22,017)	-	47,796,188	0.05%

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

Changes of Assumptions. The ETF Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

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

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

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

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

See accompanying Notes to Required Supplementary Information.

EAU CLAIRE AREA SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

BUDGETARY INFORMATION

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

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

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

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

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

EXCESS OF EXPENDITURES OVER BUDGET

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

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**EAU CLAIRE AREA SCHOOL DISTRICT
COMBINING BUDGETARY COMPARISON SCHEDULE – FUND 10 AND FUND 27
YEAR ENDED JUNE 30, 2025**

	Original Budgets				Final Budgets				Actuals			
	Fund 10 General	Fund 27 Special	Eliminations	Combined	Fund 10 General	Fund 27 Special	Eliminations	Combined	Fund 10 General	Fund 27 Special	Eliminations	Combined
	Fund	Education Fund			Fund	Education Fund			Fund	Education Fund		
REVENUES												
Local	\$ 71,742,438	\$ -	\$ -	\$ 71,742,438	\$ 71,742,438	\$ -	\$ -	\$ 71,742,438	\$ 71,802,905	\$ -	\$ -	\$ 71,802,905
Interdistrict	2,795,259	234,618	-	3,029,877	2,795,259	234,618	-	3,029,877	2,891,820	246,336	-	3,138,156
Intermediate	40,000	-	-	40,000	40,000	-	-	40,000	11,052	7,514	-	18,566
State	91,843,980	9,232,789	-	101,076,769	91,843,980	9,232,789	-	101,076,769	92,056,622	9,420,151	-	101,476,773
Federal	3,834,803	3,041,124	-	6,875,927	3,834,803	3,041,124	-	6,875,927	4,944,933	3,049,058	-	7,993,991
Other	1,486,183	-	-	1,486,183	1,486,183	-	-	1,486,183	1,563,011	-	-	1,563,011
Total Revenues	171,742,663	12,508,531	-	184,251,194	171,742,663	12,508,531	-	184,251,194	173,270,343	12,723,059	-	185,993,402
EXPENDITURES:												
Instruction:												
Regular Instruction	62,615,413	-	-	62,615,413	62,615,413	-	-	62,615,413	57,581,881	-	-	57,581,881
Vocational Instruction	3,782,979	3,740	-	3,786,719	3,782,979	3,740	-	3,786,719	3,800,775	5,009	-	3,805,784
Special Instruction	3,393,274	27,448,254	-	30,841,528	3,393,274	27,448,254	-	30,841,528	4,342,124	26,902,974	-	31,245,098
Other Instruction	5,684,578	-	-	5,684,578	5,684,578	-	-	5,684,578	4,756,841	20,002	-	4,776,843
Total Instruction	75,476,244	27,451,994	-	102,928,238	75,476,244	27,451,994	-	102,928,238	70,481,621	26,927,985	-	97,409,606
Support Services:												
Pupil Services	6,958,786	3,720,898	-	10,679,684	6,958,786	3,720,898	-	10,679,684	7,311,419	3,807,144	-	11,118,563
Instructional Staff Services	12,564,880	1,089,986	-	13,654,866	12,564,880	1,089,986	-	13,654,866	12,933,487	1,041,137	-	13,974,624
General Administration	746,849	-	-	746,849	746,849	-	-	746,849	755,594	-	-	755,594
Building Administration	8,017,542	-	-	8,017,542	8,017,542	-	-	8,017,542	8,176,728	-	-	8,176,728
Direction of Business	316,649	-	-	316,649	316,649	-	-	316,649	318,174	-	-	318,174
Fiscal	880,248	-	-	880,248	880,248	-	-	880,248	1,080,366	-	-	1,080,366
Operations and Maintenance	12,988,525	1,510	-	12,990,035	12,988,525	1,510	-	12,990,035	12,027,429	512	-	12,027,941
Facilities Acquisition and Remodeling	1,250,568	-	-	1,250,568	1,250,568	-	-	1,250,568	980,657	14,900	-	995,557
Pupil Transportation	6,163,006	1,106,900	-	7,269,906	6,163,006	1,106,900	-	7,269,906	5,881,206	1,305,355	-	7,186,561
Internal Services	326,306	-	-	326,306	326,306	-	-	326,306	292,369	-	-	292,369
Central Services	1,797,909	11,506	-	1,809,415	1,797,909	11,506	-	1,809,415	1,849,012	31,458	-	1,880,470
Insurance and Judgements	1,396,754	-	-	1,396,754	1,396,754	-	-	1,396,754	1,502,182	-	-	1,502,182
Debt Services:												
Principal	658,188	39,480	-	697,668	658,188	39,480	-	697,668	669,213	41,135	-	710,348
Interest	21,064	19,352	-	40,416	21,064	19,352	-	40,416	184,930	12,859	-	197,789
Paying Agent Fees	1,425	-	-	1,425	1,425	-	-	1,425	1,425	-	-	1,425
Other Support Services	7,898,309	18,500	-	7,916,809	7,898,309	18,500	-	7,916,809	7,823,212	187,451	-	8,010,663
Total Support Services	61,987,008	6,008,132	-	67,995,140	61,987,008	6,008,132	-	67,995,140	61,787,403	6,441,951	-	68,229,354
Non-Program:												
Purchased Instructional Services	14,350,452	2,303,264	-	16,653,716	14,350,452	2,303,264	-	16,653,716	14,525,858	2,285,718	-	16,811,576
Other Non-Program Transactions	22,053	-	-	22,053	22,053	-	-	22,053	57,529	-	-	57,529
Total Non-Program	14,372,505	2,303,264	-	16,675,769	14,372,505	2,303,264	-	16,675,769	14,583,387	2,285,718	-	16,869,105
Total Expenditures	151,835,757	35,763,390	-	187,599,147	151,835,757	35,763,390	-	187,599,147	146,852,411	35,655,654	-	182,508,065
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,906,906	(23,254,859)	-	(3,347,953)	19,906,906	(23,254,859)	-	(3,347,953)	26,417,932	(22,932,595)	-	3,485,337
OTHER FINANCING SOURCES (USES):												
Leases and Financed Purchases Issued	2,667,953	-	-	2,667,953	2,667,953	-	-	2,667,953	2,667,953	-	-	2,667,953
Sale of Assets	680,000	-	-	680,000	680,000	-	-	680,000	782,524	-	-	782,524
Transfers In	-	23,254,859	(23,254,859)	-	-	23,254,859	(23,254,859)	-	-	22,932,595	(22,932,595)	-
Transfers Out	(23,254,859)	-	23,254,859	-	(23,254,859)	-	23,254,859	-	(22,932,595)	-	22,932,595	-
Total Other Financing Sources (Uses)	(19,906,906)	23,254,859	-	3,347,953	(19,906,906)	23,254,859	-	3,347,953	(19,482,118)	22,932,595	-	3,450,477
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-	6,935,814	-	-	6,935,814
Fund Balance - Beginning of Year	33,762,012	-	-	33,762,012	33,762,012	-	-	33,762,012	33,762,012	-	-	33,762,012
FUND BALANCE - END OF YEAR	<u>\$ 33,762,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,762,012</u>	<u>\$ 33,762,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,762,012</u>	<u>\$ 40,697,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,697,826</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE – FUND 10
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local	\$ 71,742,438	\$ 71,742,438	\$ 71,802,905	\$ 60,467
Interdistrict	2,795,259	2,795,259	2,891,820	96,561
Intermediate	40,000	40,000	11,052	(28,948)
State	91,843,980	91,843,980	92,056,622	212,642
Federal	3,834,803	3,834,803	4,944,933	1,110,130
Other	1,486,183	1,486,183	1,563,011	76,828
Total Revenues	171,742,663	171,742,663	173,270,343	1,527,680
EXPENDITURES:				
Instruction:				
Regular Instruction	62,615,413	62,615,413	57,581,881	5,033,532
Vocational Instruction	3,782,979	3,782,979	3,800,775	(17,796)
Special Instruction	3,393,274	3,393,274	4,342,124	(948,850)
Other Instruction	5,684,578	5,684,578	4,756,841	927,737
Total Instruction	75,476,244	75,476,244	70,481,621	4,994,623
Support Services:				
Pupil Services	6,958,786	6,958,786	7,311,419	(352,633)
Instructional Staff Services	12,564,880	12,564,880	12,933,487	(368,607)
General Administration	746,849	746,849	755,594	(8,745)
Building Administration	8,017,542	8,017,542	8,176,728	(159,186)
Direction of Business	316,649	316,649	318,174	(1,525)
Fiscal	880,248	880,248	1,080,366	(200,118)
Operations and Maintenance	12,988,525	12,988,525	12,027,429	961,096
Facilities Acquisition and Remodeling	1,250,568	1,250,568	980,657	269,911
Pupil Transportation	6,163,006	6,163,006	5,881,206	281,800
Internal Services	326,306	326,306	292,369	33,937
Central Services	1,797,909	1,797,909	1,849,012	(51,103)
Insurance and Judgements	1,396,754	1,396,754	1,502,182	(105,428)
Debt Services:				
Principal	658,188	658,188	669,213	(11,025)
Interest	21,064	21,064	184,930	(163,866)
Paying Agent Fees	1,425	1,425	1,425	-
Other Support Services	7,898,309	7,898,309	7,823,212	75,097
Total Support Services	61,987,008	61,987,008	61,787,403	199,605
Non-Program:				
Purchased Instructional Services	14,350,452	14,350,452	14,525,858	(175,406)
Other Non-Program Transactions	22,053	22,053	57,529	(35,476)
Total Non-Program	14,372,505	14,372,505	14,583,387	(210,882)
Total Expenditures	151,835,757	151,835,757	146,852,411	4,983,346
EXCESS OF REVENUES OVER EXPENDITURES	19,906,906	19,906,906	26,417,932	6,511,026
OTHER FINANCING SOURCES (USES):				
Leases and Financed Purchases Issued	2,667,953	2,667,953	2,667,953	-
Sale of Assets	680,000	680,000	782,524	102,524
Transfer to Special Education Fund	(23,254,859)	(23,254,859)	(22,932,595)	322,264
Total Other Financing Sources (Uses)	(19,906,906)	(19,906,906)	(19,482,118)	424,788
NET CHANGE IN FUND BALANCE	-	-	6,935,814	6,935,814
Fund Balance - Beginning of Year	33,762,012	33,762,012	33,762,012	-
FUND BALANCE - END OF YEAR	<u>\$ 33,762,012</u>	<u>\$ 33,762,012</u>	<u>\$ 40,697,826</u>	<u>\$ 6,935,814</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE – FUND 27
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interdistrict Sources	\$ 234,618	\$ 234,618	\$ 246,336	\$ 11,718
Intermediate Sources	-	-	7,514	7,514
State Sources	9,232,789	9,232,789	9,420,151	187,362
Federal Sources	3,041,124	3,041,124	3,049,058	7,934
Total Revenues	12,508,531	12,508,531	12,723,059	214,528
EXPENDITURES:				
Instruction:				
Vocational Instruction	3,740	3,740	5,009	(1,269)
Special Instruction	27,448,254	27,448,254	26,902,974	545,280
Other Instruction	-	-	20,002	(20,002)
Total Instruction	27,451,994	27,451,994	26,927,985	524,009
Support Services:				
Pupil Services	3,720,898	3,720,898	3,807,144	(86,246)
Instructional Staff Services	1,089,986	1,089,986	1,041,137	48,849
Operations and Maintenance	1,510	1,510	512	998
Facilities Acquisition and Remodeling	-	-	14,900	(14,900)
Pupil Transportation	1,106,900	1,106,900	1,305,355	(198,455)
Central Services	11,506	11,506	31,458	(19,952)
Debt Services:				
Principal	39,480	39,480	41,135	(1,655)
Interest	19,352	19,352	12,859	6,493
Other Support Services	18,500	18,500	187,451	(168,951)
Total Support Services	6,008,132	6,008,132	6,441,951	(433,819)
Non-Program:				
Purchased Instructional Services	2,303,264	2,303,264	2,285,718	17,546
Total Expenditures	35,763,390	35,763,390	35,655,654	107,736
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23,254,859)	(23,254,859)	(22,932,595)	322,264
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	23,254,859	23,254,859	22,932,595	(322,264)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

**EAU CLAIRE AREA SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS – COMBINING BALANCE SHEET
JUNE 30, 2025**

	Special Revenue Funds				
	Donations Fund	Other Special Projects	Food Service	Community Service	Totals
ASSETS					
Cash and Investments	\$ 1,424,922	\$ -	\$ 3,038,003	\$ 1,906,128	\$ 6,369,053
Accounts Receivable	6,087	-	310	-	6,397
Due from Other Governments	-	272,813	446,545	-	719,358
Inventories and Prepaid Items	34,747	369	108,225	-	143,341
Total Assets	<u>\$ 1,465,756</u>	<u>\$ 273,182</u>	<u>\$ 3,593,083</u>	<u>\$ 1,906,128</u>	<u>\$ 7,238,149</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 32,954	\$ 62	\$ 28,378	\$ 182,396	\$ 243,790
Accrued Salaries and Withholding	328	17,000	49,468	1,568	68,364
Due to Other Funds	-	162,786	-	-	162,786
Other Deposits Payable	1,331	-	318	43	1,692
Unearned Revenue	-	-	209,258	-	209,258
Total Liabilities	<u>34,613</u>	<u>179,848</u>	<u>287,422</u>	<u>184,007</u>	<u>685,890</u>
FUND BALANCES					
Nonspendable	34,747	369	108,225	-	143,341
Restricted	1,396,396	92,965	3,197,436	1,722,121	6,408,918
Total Fund Balances	<u>1,431,143</u>	<u>93,334</u>	<u>3,305,661</u>	<u>1,722,121</u>	<u>6,552,259</u>
Total Liabilities and Fund Balances	<u>\$ 1,465,756</u>	<u>\$ 273,182</u>	<u>\$ 3,593,083</u>	<u>\$ 1,906,128</u>	<u>\$ 7,238,149</u>

EAU CLAIRE AREA SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	Special Revenue Funds				Totals
	Donations Fund	Other Special Projects	Food Service	Community Service	
REVENUES					
Local	\$ 1,448,431	\$ -	\$ 2,120,461	\$ 1,058,340	\$ 4,627,232
Intermediate	-	1,044,691	-	-	1,044,691
State	-	-	67,107	-	67,107
Federal	-	19,972	3,494,148	-	3,514,120
Other	22,446	4,000	1,438	-	27,884
Total Revenues	1,470,877	1,068,663	5,683,154	1,058,340	9,281,034
EXPENDITURES:					
Instruction:					
Regular Instruction	536,065	400,253	-	-	936,318
Co-curricular Activities	267,364	-	-	-	267,364
Total Instruction	803,429	400,253	-	-	1,203,682
Support Services:					
Pupil Services	115,893	-	-	-	115,893
Instructional Staff Services	-	187,935	-	-	187,935
General Administration	-	-	-	40,296	40,296
Building Administration	7,276	45,867	-	-	53,143
Operation and Maintenance of Plant	-	-	160,315	10,408	170,723
Pupil Transportation	312,646	339,855	-	40,814	693,315
Facilities Acquisition / Remodeling	160,073	-	-	-	160,073
Food Services	-	-	5,994,853	-	5,994,853
Central Services	-	-	810	-	810
Insurance and Judgments	-	30	-	-	30
Community Services	-	-	-	1,119,860	1,119,860
Other Support Services	150	-	17,427	14,234	31,811
Total Support Services	596,038	573,687	6,173,405	1,225,612	8,568,742
Non-Program:					
Purchased Instructional Services	2,351	1,389	-	-	3,740
Other Non-Program Transactions	11,732	-	-	-	11,732
Total Non-Program	14,083	1,389	-	-	15,472
Total Expenditures	1,413,550	975,329	6,173,405	1,225,612	9,787,896
NET CHANGE IN FUND BALANCES	57,327	93,334	(490,251)	(167,272)	(506,862)
Fund Balances - Beginning of Year	1,373,816	-	3,795,912	1,889,393	7,059,121
FUND BALANCES - END OF YEAR	<u>\$ 1,431,143</u>	<u>\$ 93,334</u>	<u>\$ 3,305,661</u>	<u>\$ 1,722,121</u>	<u>\$ 6,552,259</u>

**EAU CLAIRE AREA SCHOOL DISTRICT
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2025**

SECTION I: AUTHORIZER INFORMATION

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

SECTION II: CHARTER SCHOOL INFORMATION

Charter Schools Currently Under Contract:

School Name:	Contract Start Date:	Contract Expiration Date:	Grades Served:
Chippewa Valley Montessori	7/1/2023	6/30/2026	PK-5
McKinley Charter School	7/1/2021	6/30/2026	6-12
Eau Claire Virtual School	7/1/2024	6/30/2029	K-12

SECTION III: ACADEMIC PERFORMANCE OF CHARTER SCHOOLS

Chippewa Valley Montessori Charter School

The Wisconsin Forward Exam provides the following information relevant to the performance of Montessori Charter School 2024-2025:

Forward Exam ELA 2024-25	CV Montessori Grades 3-5	ECASD Grades 3-5	State Grades 3-5	CV Montessori Grade 3	ECASD Grade 3	State Grade 3	CV Montessori Grade 4	ECASD Grade 4	State Grade 4	CV Montessori Grade 5	ECASD Grade 5	State Grade 5
Developing	11.0%	14.5%	17.1%	14.3%	14.0%	17.2%	15.9%	15.3%	17.6%	2.4%	14.3%	16.4%
Approaching	25.2%	30.6%	29.9%	26.2%	30.6%	29.4%	25.0%	26.2%	29.1%	24.4%	34.8%	31.1%
Meeting	52.8%	43.4%	39.2%	50.0%	43.8%	38.7%	43.2%	45.5%	40.0%	65.9%	40.9%	38.8%
Advanced	11.0%	10.6%	12.4%	9.5%	10.1%	13.3%	15.9%	12.0%	11.8%	7.3%	9.8%	12.2%
No Test		0.9%	1.5%			1.4%		0.9%	1.5%		0.3%	1.5%
Forward Exam Math 2024-25	CV Montessori Grades 3-5	ECASD Grades 3-5	State Grades 3-5	CV Montessori Grade 3	ECASD Grade 3	State Grade 3	CV Montessori Grade 4	ECASD Grade 4	State Grade 4	CV Montessori Grade 5	ECASD Grade 5	State Grade 5
Developing	16.5%	14.1%	17.5%	23.8%	13.7%	17.6%	13.6%	13.3%	16.2%	12.2%	15.3%	18.7%
Approaching	27.6%	29.4%	27.4%	33.3%	26.7%	26.2%	20.5%	29.5%	28.6%	29.3%	31.9%	27.4%
Meeting	38.6%	36.9%	33.1%	28.6%	36.6%	34.1%	52.3%	38.2%	34.4%	34.1%	35.8%	30.8%
Advanced	17.3%	19.1%	20.8%	14.3%	22.2%	20.9%	13.6%	18.6%	19.5%	24.4%	16.7%	21.8%
No Test		0.5%	1.3%		0.8%	1.2%		0.5%	1.3%		0.3%	1.3%

**EAU CLAIRE AREA SCHOOL DISTRICT
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2025**

Eau Claire Virtual Charter School

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

Eau Claire Virtual School (ECVS) is a public charter school within the Eau Claire Area School District, serving grades 4–12 through a fully virtual learning model. Enrollment for the 2024–25 school year was approximately 140 students. The four-year 2024-25 graduation rate for ECVS was 86.5% with a drop-out rate of 3.1%.

The 2024-25 ELA Forward exam shows 3 of 23 or 13% of students scoring in the Advanced range, 9 of 23 or 39% students in the Meeting range, 4 of 23 students or 17% in the Approaching range, and 7 of 23 or 30% of students did not take the exam.

On Forward Mathematics, 3 of 23 or 8% of students scored in the Advanced range, 6 of 23 students or 26% scored in the Meeting range, 7 of 23 or 30% students scored in the Approaching range, 1 of 23 or 4% scored in the Developing range, and 7 or 23 or 30% did not take the exam.

The 2024-25 PreACT DPI performance levels in ELA showed 1 of 25 or 4% of students in the Advanced range, 8 of 25 or 32% of students in the Meeting range, 3 of 25 or 12% of students in the Approaching range, 1 of 25 or 4% students in the Developing range, and 12 of 25 or 48% of students did not take the exam.

The 2024-25 PreACT DPI performance levels in Math showed 2 of 25 or 8% of students in the Advanced range, 3 of 25 or 12% of students in the Meeting range, 7 of 25 or 28% of students in the Approaching range, 1 of 25 or 4% students in the Developing range, and 12 of 25 or 48% of students did not take the exam.

The 2024-25 ACT DPI performance levels in ELA showed 1 of 37 or 2% of students in the Advanced range, 3 of 37 or 8% of students in the Meeting range, 10 of 37 or 27% of students in the Approaching range, 4 of 37 or 10% students in the Developing range, and 19 of 37 or 51% of students did not take the exam.

The 2024-25 ACT DPI performance levels in Math showed 0 of 37 of students in the Advanced range, 3 of 37 or 8% of students in the Meeting range, 8 of 37 or 21% of students in the Approaching range, 7 of 37 or 18% students in the Developing range, and 19 of 37 or 51% of students did not take the exam.

**EAU CLAIRE AREA SCHOOL DISTRICT
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2025**

McKinley Charter School

McKinley was established as a Charter School in 1996 to help students who needed an individualized approach in meeting their educational goals. The Credit Program was designed to help students in grades 6-11 who are not finding adequate success in their neighborhood school. The Competency Program was designed to help students who are credit deficient and are of the ages of 17 – 21. The maximum occupancy within the Competency Program is 73 students and 30 students within the Credit Component.

Students in the Competency program will pass the Stanford 10 Achievement Test Series in reading, language arts, mathematics, science, and social science. Additionally, students must complete and pass competency-based components in civics, life skills, and health as well as the state citizenship test.

The 2024-25 PreACT DPI performance levels in ELA showed 1 of 6 or 16% of students in the Meeting range, 4 of 6 or 66% of students in the Approaching range, and 1 of 6 or 16% students in the Developing range.

The 2024-25 PreACT DPI performance levels in Math showed 1 of 6 or 16% of students in the Meeting range, 2 of 6 or 33% of students in the Approaching range, and 3 of 6 or 50% students in the Developing range.

The 2024-25 ACT DPI performance levels in ELA showed 4 of 11 or 36% of students in the Approaching range, 6 of 11 or 54% students in the Developing range, and 1 of 11 or 9% of students did not take the exam.

The 2024-25 ACT DPI performance levels in Math showed 5 of 11 or 45% of students in the Approaching range, 5 of 11 or 45% students in the Developing range, and 1 of 11 or 9% of students did not take the exam.

Graduation Rates

Cohort	2021-22	2022-23	2023-24	2024-25
4 Year Cohort	50.4%	56.7%	66.4%	93.1%
5 Year Cohort	60.8%	62.3%	71.6%	83.8%
6 Year Cohort	56.9%	62.9%	66.1%	76.5%
7 Year Cohort	67.2%	61.4%	64.6%	68.1%

**EAU CLAIRE AREA SCHOOL DISTRICT
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2025**

SECTION IV: FINANCIAL PERFORMANCE OF CHARTER SCHOOLS

Chippewa Valley Montessori

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

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

In 2024-25 the CVMCS budget was \$ 3,138,687.00. The actual amount spent was \$ 3,169,841.87.

McKinley Charter School

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

The Governance Board shall develop an annual budget based on programmatic needs 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 2024-25, the MCS budget was \$ 1,373,227.00. The actual amount spent was \$ 1,230,778.53.

Eau Claire Virtual School

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

In 2024-25 the ECVS budget was \$ 1,159,932.00. The actual amount spent was \$ 1,225,336.11.

**EAU CLAIRE AREA SCHOOL DISTRICT
CHARTER SCHOOL AUTHORIZER ANNUAL REPORT
YEAR ENDED JUNE 30, 2025**

SECTION V: OTHER CONTRACT TERMS AND EXPECTATIONS (OPTIONAL)

None.

SECTION VI: AUTHORIZER OPERATING COSTS

None.

SECTION VII: SERVICES PROVIDED TO CHARTER SCHOOLS

SERVICES PROVIDED	FUNCTION CODE	COST
UNDIFFERENTIATED	110000	\$ 1,998,411
REGULAR CURRICULUM	120000	302,927
PHYSICAL EDUCATION	143000	68,584
SPECIAL EDUCATION	150000	913,598
OTHER SPECIAL NEEDS	170000	221,391
SOCIAL WORK	212000	34,890
SCHOOL COUNSELING	213000	283,195
PSYCHOLOGICAL SERVICES	215000	35,366
OTHER PUPIL SERVICES	219000	26,036
INSTRUCTIONAL STAFF TRAINING	221300	660
LIBRARY	222200	145,958
OTHER INST. STAFF SUPERVISION/COORDIN	223900	175,893
GENERAL ADMINISTRATION	230000	62
BUILDING ADMINISTRATION	240000	609,253
FACILITIES	255000	84
PUPIL TRANSPORTATION	256000	8,921
GENERAL CONTRACTED INSTRUCTION	431000	708,054
SPECIAL EDUCATION CONTRACTED INSTRU	436000	100,268
TOTAL		<u>\$ 5,633,551</u>

OTHER REPORTS



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Eau Claire Area School District, Wisconsin (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 5, 2026.

Report on Internal Control Over Financial Reporting

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

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

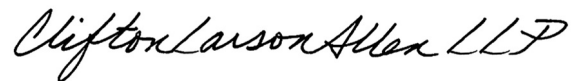
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
January 5, 2026

**EAU CLAIRE AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

FINDINGS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING

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



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