



2024 WICPA SCHOOL DISTRICT AUDIT CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:



GASB UPDATE

Get an overview of the upcoming GASB standards and their impact for school district auditors



RECENT TRENDS IN WISCONSIN SCHOOL FINANCE

Learn about the revenue sources school districts can utilize under revenue limits and the state biennial budget, as well as using referendum-approved dollars to balance operating budgets



DPI UPDATE

Get updates on DPI reporting, auditor compliance with DPI regulatory requirements and other information affecting 2023-2024 audits

WEDNESDAY, MAY 22 | WICPA OFFICE & WICPA CPE LIVESTREAM

2024 WICPA SCHOOL DISTRICT AUDIT CONFERENCE

MATERIALS AT A GLANCE

The following materials are from the afternoon sessions of the 2024 WICPA School District Audit Conference held on Wednesday, May 22, including:

- Ethics & Decision Making
- Recent Trends in Wisconsin School Finance:
The Increasing Need for Capital & Operational Referenda

**VIEW THOUSANDS OF ADDITIONAL IN-PERSON AND
ONLINE CPE OPPORTUNITIES AT [WICPA.ORG/CPECATALOG](https://wicpa.org/cpecatalog)**

2024 WICPA GOLF OUTING

FRIDAY, SEPT. 20 – Ironwood Golf Course, Sussex



4-PERSON SCRAMBLE

\$95 per Golfer
\$380 per Foursome

REGISTRATION INCLUDES

18 Holes of Golf With Cart
Practice Greens & Driving Range
Continental Breakfast & Lunch
Beverage Vouchers
Hole & Event Contests
Entry in Prize Drawings

SCHEDULE

8:30 a.m.
Registration & Breakfast

9:00 a.m.
Practice Greens
& Driving Range

10:00 a.m.
Shotgun Start

4:00 p.m.
Reception & Appetizers

HOLE & EVENT PRIZES

\$1,000+ in Drawing Prizes
\$500+ in Individual Prizes
\$500+ in Team Prizes
\$500 Inside the Circle Contest



Scan the QR code or visit wicpa.org/GolfOuting to register.

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CONNECT



A GREAT WAY FOR WICPA MEMBERS TO COLLABORATE

WICPA Connect is your exclusive members-only networking and knowledge base designed to connect you with WICPA members and resources.

- **Network with peers** and grow your contact list using the member directory of more than 7,000 members.
- **Post questions** to find out from fellow members who have the expertise or may have been in the same situation.
- **Personalize your profile** by adding your interests, education, experience, honors and even your photo.
- **Contribute and download resources** such as documents, whitepapers, articles, reports, guides and more.
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As a WICPA member, you already have a profile on WICPA Connect.

Simply go to wicpa.org/connect and sign in using your existing website login information.

12:20 – 2:20 p.m.

Ethics & Decision Making

George Heyman, CPA, CGMA, *Professor Emeritus of Accounting
& Economics, Oakton Community College*

An Ethical Culture

WICPA- School Dist. Audit Conf.

22 May 2024

George A Heyman, CPA, CGMA
Professor Emeritus, Accounting and Economics
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RULES OF ENGAGEMENT

(The Engagement Letter)

1. No Smartphones or Computers (confidentiality)
2. Make Connections – Network
3. Ask Questions
4. Consider Takeaways for Your Practice
5. Have a Good Time



CULTURE

- Beliefs - Implicit assumptions (What are they?)
- Values – Norms, principles, and standards (AICPA Code of Ethics) (The story)
- Behavior – What we actually do
- Comfort – Fair and equitable treatment
- Belonging - Need to feel you belong because the culture is ethical

“It is our choices that show what we truly are, far more than our abilities.”

- Harry Potter and the Chamber of Secrets, by J. K. Rowling



PROFESSIONAL CONDUCT

Principles and Rules

- Integrity – trust , judgment, observation
- Objectivity – influence and unbiasedness
- Confidentiality – information – personal gain
- Competency – Channel your inner Sherlock
a questioning attitude

Making Decisions



1. People face trade-offs.
2. What people get is the cost of what they give-up.
3. Rational people make decisions on the margin.
4. People react to incentives.

Ethical decisions include:
observation and prediction

SHERLOCK HOLMES

KNOWLEDGE

OBSERVATION

DEDUCTIVE REASONING

INQUIRY



Making Decisions

Act as if everything depends on you.

Ethical people are aware and
observant – they notice.

Influence and Accountability



Ethical Behavior

- Rewarding ethical behavior
- Developing intrinsic ethical behavior
 - Can an ethical person have unethical behaviors?
 - Can guidelines keep people ethical?

ETHICAL PEOPLE

Can an ethical person have unethical behaviors?

Can guidelines keep people ethical?



ETHICAL DIFFERENCE

I did **NOTHING WRONG**

VERSUS

I did the **RIGHT THING**

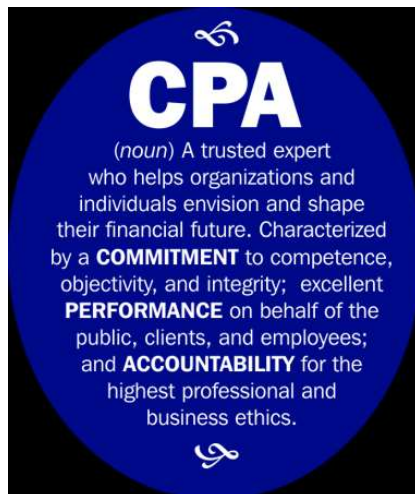
“While I do not believe I ever did anything illegal...I’ve done an awful, awful lot that was wrong.”

John Edwards on his acquittal/mistrial

100% legal – 10% ethical?

Is doing the right thing the same as saying, “I did nothing wrong?”

Description Of CPA Ethics



ICPAS's *INSIGHT* Magazine

Spring 2013 Article, "Are You Ethical?"

1. Know thyself
 - www.lifevaluesinventory.org
2. Anticipate questionable scenarios
 - Talk about ethics with others
3. Get the facts
 - Ethical dilemma or misunderstanding?
4. Consider the consequences
 - Think short-term and long-term
5. Evaluate the tone at the top
 - Help create the tone
6. Be proactive
 - Act immediately



ACCOUNTING ETHICS

Accounting means financial information

Reliable financial information helps educated investors and aids in decision-making

We are the guardians of reliable financial information

Accountability – authority and responsibility



UNETHICAL ACCOUNTING

1. Exaggerate revenue
2. Provide misleading information regarding business expenses
3. Misuse funds
4. Misappropriation



PURPOSE

Oversight bodies, those charged with governance.

- Entities manage resources & use authority properly in compliance
- Programs are achieving objectives
- Programs are effective, efficient, and ethical
- Accountability – responsibility and authority

PROFESSIONAL CONDUCT

Accountability

Tone from the top → Modeling, Decision-Making, Hiring

Making decisions consistent with public interest → Integrity

Auditors place priority on responsibility to public

Proper use and prudent management of resources

Transparency → What, How, Why

ETHICAL BACKGROUND

Ethics – From the Greek ethos, meaning character.
Ethics is the study of how we make decisions

Intent and expectations

Ethics are the values by which human beings live in relation to other human beings, themselves and/or nature.

RULE ETHICS

Emanuel Kant would say that consequences can't make actions right or wrong.
The key question is: "What would happen if everyone acted this way?"
Excuse – "everyone does it"

A good rule is one that:

Becomes universal and can be applied consistently
and
Is respectful of the autonomy and rationality of all human beings

Trade offs:

Promotion of self interest
vs
Protection of rights

Does having rules make someone ethical?

An ethical person will want to know the rules so that he/she can make informed ethical choices.

The question is whether or not the rules and procedures are being applied ethically.

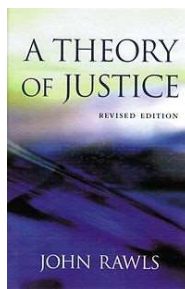
LAWRENCE KOHLBERG'S MODEL

1. Pre-conventional Level:
 - People act out of fear of punishment
There is no morality.
2. Conventional Level:
 - People act to conform their behavior to the expectations of the group to which they belong.
"I did nothing wrong."
"Everyone one else does it."
3. Post-conventional Level"
 - The individual understands the reasoning behind a moral principle.
"I did the right thing."

CONTRACT THEORY

John Rawls – American Philosopher 1921 – 2002

1. SOCIAL JUSTICE – All jobs should be open to talent (equal opportunity)
2. DECISIONS – Made behind a veil of ignorance
 - This "veil" blinds people to all facts about themselves and others so they cannot tailor principles to their advantage



DISCRIMINATION

(1.400.10, 2.400.10, 3.400.10)

Violates any antidiscrimination laws

Includes sexual and other types of harassment

Is an act discreditable.

PSYCHOLOGY

Ann Tenbrunsel – Current Notre Dame Researcher

Business professionals rationalize a “business” decision instead of an “ethical” decision; framework is everything

Business Decision

What might I gain?

How will it affect the future?

Ethical Decision

Is this decision fair?

Will people be hurt?



ETHICS AND DECISION-MAKING

Ethics is not always making a decision between right and wrong

Ethics is also about making the key decisions between right and right

Defining Moments: When Managers Must Choose Between Right and Right



Ethical Challenges

- Conflicts of interest
- Disagreement over a tax/accounting position
- Integrity
- Due diligence
- Reckless or intentional disregard of rules, laws, or regulations
- Client acceptance – Knowledge of client's error
- Confidentiality

Ethical Challenges

JUSTICE? The process or result of using laws to fairly judge people accused of crimes. The quality of being fair or just. Were they treated with justice?

Punish or change behavior?

Ethical Behavior

GOLDEN RULE

Do unto others as you would have them do unto you.

What you want may not be what others want or need.

We would want people to ask us what we want or need so we should ask them.

Fairness is not equality. I am short.

THE CODE OF PROFESSIONAL CONDUCT

1. Principles are ideal standards and are not enforceable. (Based in Philosophy)
2. Rules of Conduct are minimal standards of ethical conduct stated as specific rules. They are enforceable. (Ex. Independence)*
3. Interpretations of rules of conduct. Not enforceable but you must justify departure. (Ex. Can an auditor accept a gift?)
4. Ethical rulings. Published explanations of questions asked to the AICPA. Not enforceable but you must justify departure.

GENERAL STANDARDS

Internal auditor's rules of conduct:

Integrity – perform with honesty, diligence and responsibility

Objectivity – appearance and fact

Confidentiality – prudent in use of information (protect it.)

Competency – necessary knowledge, skills and experience.

Professional Behavior

GENERAL STANDARDS

- All things “technical!” When we think of ethics, rarely do we think technical standards.
 - ❖ Professional Competence
 - ❖ Due Professional Care (professional judgment & skepticism)
 - ❖ Planning and Supervision
 - ❖ Sufficient Relevant Data
 - ❖ GAAP
 - ❖ GAAS

PROFESSIONAL CONDUCT

- The Public Interest (trust and responsibility)
- Integrity (can accommodate the inadvertent error and honest difference of opinion; it cannot accommodate deceit or subordination of principle)
- Due Care “The **quest for excellence** is the essence of due care.” – Professional judgment and skepticism
- Prudence

CODE OF CONDUCT UPDATE

- Reorganize the Code of Conduct
 - Part 1: Public practice
 - Part 2: Industry
 - Part 3: Between jobs, retired, other
- Topics and Subtopics
 - Non-authoritative guidance issued by the AICPA will appear next to authoritative standards



Public – Ethical Conflicts

Business – Conflicts of Interest

Others – Acts Discreditable

INDEPENDENCE

- Conceptual Framework
 - ❖ Independence of Mind
 - ❖ Independence of Appearance
- The most detailed section of our Code of Conduct

Ethical Conflicts - Threats to Independence

- Obstacles created by internal or external pressures
- Conflicts in applying relevant professional and/or legal standards. (Fraud and confidentiality).
- Response: relevant facts and circumstances (including rules), issues, established internal procedures

ethical

Public – Ethical Conflicts Threats to Independence

- Adverse Interest – members interest opposed to employer (ex. Lawsuit against client)
- Advocacy – promote employer interest or position (IPO, expert witness, tax)
- Familiarity – too accepting of a person's word or sympathetic to a person (Close relationship)

Warning Unconscious biasness

(Initial reaction - You can not tell me what to do! OR Don't tell me what to do.)

- Self-interest – benefit financially or otherwise (Loan)

Public – Ethical Conflicts Threats to Independence (2)

- Self-review – will not evaluate work appropriately (previously made judgments)
- Undue influence – a member will subordinate his/her judgment and integrity to an individual due to that individual's position, reputation, or aggressive (dominating) personality
- Management Participation (old 101-3) – Directorship, client employees, responsible for client internal control

Client and Customer Acceptance and Retention

1. Set expectations from the beginning
2. Client meetings should be two way interviews
3. Bullying



Discussion

Your boss says to you...

“I am not telling you to do anything illegal. I am just telling you what I want done. It is up to you to figure out how to do it.”

Friend in Government

Safeguards

- Legislative
- Training
- Culture – Expectations
- How and by whom the safeguard is applied – internal control
- Policies and procedures against discrimination and harassment
- Tone from the top
- Skepticism

ETHICAL CASE FOR CONSIDERATION

Role → You are Mayor and as such, Liquor Commissioner...

Decision → Do you accept a gift from a tavern or not?



Gifts – Judgement Concerning Relevant Facts

- Nature of the gift or entertainment
- The occasion of giving rise to the gift
- The cost or value of the gift or entertainment (Cubs vs. Sox)
- The nature frequency, and value of other gifts or entertainment

ETHICAL BACKGROUND

Ethics – adherence to applicable regulations, laws, and professional standards

Be proactive – Hasbro and lead

Communication – policies and procedures

Documentation – who, what, when, how and why

Accountability – responsibility and authority

Ethical Challenges

- Conflicts of interest
- Disagreement over a tax/accounting position
- Integrity
- Due diligence
- Reckless or intentional disregard of rules, laws, or regulations
- Client acceptance – Knowledge of client's error
- Confidentiality

The Job

- Do it right the first time (saves time fixing issues later)
- Provide higher level of uniform quality*
- Experience less conflict
- Keeping reputation intact leads to new and repeat business

*W. Edwards Deming

The Aura

1. Take accountability from the top-down
2. Make the message consistent
3. Encourage skepticism
4. Facilitate ethical behavior
5. Don't create a home for the 'Fraud Diamond'

Accountability from Top-down

- Common vision and mission
- Prevent, detect, and correct with internal controls
- Prevent, detect, and respond to compliance and fraud issues

Consistent Message

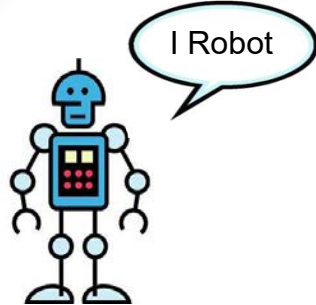
- Ask employees to repeat the mission to ensure consistency within the company
- Ensure employees know what is expected of them and where the **boundaries** are
- Let clients and customers know what your message is
(Ex. Engagement letter, contracts, website, marketing materials)

AI and CHATGPT

They can make useful suggestions.

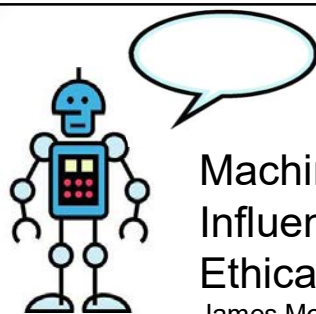
You need to make the decisions. They do not incorporate your personality or organizational culture.

A questioning attitude using complex problem solving, critical thinking, creativity and emotional intelligence is needed more than ever.



Asimov Rules!

1. A robot may not injure a human being or, through inaction, allow a human being to come to harm.
2. A robot must obey the orders given to it by human beings, except where such orders would conflict with the First Law.
3. A robot must protect its own existence as long as such protection does not conflict with the First or Second Laws.



Machines with Ethical Influences Ethical Agents

James Moor

1. Impact Agents: influence-intended or not – clock on time.
2. Implicit Agents: designed to avoid unethical and negative outcomes-security or safety-"the door is ajar."
3. Explicit Agents: algorithms to act ethically-drone to destroy military targets but must avoid nearby humans.
4. Full Agents: AI-machine that can make moral decisions and And can understand why it makes those decisions.

REMOTE WORK

Confidentiality - passwords, public places, apartments

Productivity – clear goals and expectations

Equipment usage – business only?

Wellness – a mentor or someone to run ideas by

Fraud – segregation of duties

Navy Commander

About mission commander on two boats
accidently entering Iran's waters

“He lacked a questioning attitude, failed to
promote a culture of safety, and disregarded
appropriate backup from his staff and
subordinate commands.”

July 1, 2016

- What HAS Changed?
- What SHOULD HAVE Changed?
- Does it cause a Risk?
- **What is going to be your RESPONSE?**

One of The Largest Pitfalls to
Performing Engagements in an
Effective and Efficient
Manner.....?

***Making
Assumptions!***

Best Practices

**Communicate engagement terms clearly with the client –
Scope of the engagement**

Determine facts and reasonableness of assumptions

**Advise clients regarding impact of conclusions
reached on the returns**

Act fairly and with integrity ALWAYS

Danger, Accountant, Danger

**It is most dangerous not to know
what you do not know!!!!**



How do we know we are acting ethically?

***“Judge a man by the questions he asks –
not by the answers he gives.”***

Voltaire

Ask yourself:

Who will the decision help?

Who will the decision harm?

Why is the decision appropriate for the
situation/time?

Sometimes the choice is between right and right!

MORE QUESTIONS

Who am I? (Psychological)

How does it work? (Physical)

How do I make decisions? (Ethical)

People make bad decisions because they are pressured to do something
that may be wrong.

They may have a bad attitude because they may feel things are not fair.

Also, they may have the opportunity.

How do I relate to other people? (Sociological)

Four step ethical decision framework

Step 1: Identify the dilemma and assess the potential risk to the organization, others and yourself.

- What is the dilemma?
- What is the potential risk to others (clients, coworkers, your family, etc.)?
- What is the potential risk to the organization?
- What is the potential risk to you?

Four step ethical decision framework

Step 2: Consider several alternative actions and the potential outcomes and consequences of each action.

- What section(s) of the Code of Ethics and Professional Conduct is/are applicable?
- What internal policies and/or laws are applicable? (If unsure, consult the helpline or ethics officer.)
- What questions should be asked early on in dealing with this dilemma?
- What internal resources can you use for guidance? Who should be notified?

Tabulate alternates – what are the options? If it feels right, it probably is; if it feels dubious, it probably is.

Four step ethical decision framework

Step 3: Decide on the best course of action and implement it. (Consider the “evaluation tests” in Step 4.)

- What is the best course of action?

Step 4: Evaluate the results of your actions.

- Could you tell your family or friends what you did? Would your Mom be proud of your choice?
- If your decision and actions were placed on the front page of the *Times* or the *Journal*, would the story portray a flattering portrait of you?
- Have you obeyed the letter and the spirit of the law?
- How will you know if you have made the right decision?

MORAL HAZARDS

1. SEAT BELTS
2. BLOCK CHAIN
3. INTERNAL CONTROL
4. DRIVERLESS CARS – TESLA



ETHICS OF DRIVING

1. Don't hit anything
2. Be aware – notice things (Bus)
3. Don't get hit by anything
4. Stay out of other peoples' way
5. Know what others expect you to do
6. Let others know what you are doing- Be Transparent!
7. Your decisions impact others
8. For backseat driving...



PRACTICAL BEHAVIOR

An Ethical Person:

I messed up.

It won't happen again.

ETHICAL PEOPLE

Can an ethical person have unethical behaviors?

Can guidelines keep people ethical?



Being ethical is doing the right thing...

Even when no one else knows.



CPAS TO BE VALUE-ADDED

Do not participate in acts discreditable

Only accept clients and engagements for which you have the expertise

Remember you are a CPA at all times → 24/7 mindset!



Do the Right Thing!



2:30 – 3:30 p.m.

Recent Trends in Wisconsin School Finance: The Increasing Need for Capital & Operational Referenda

Jordan Masnica, *Vice President, Baird Public Finance*

Elise Murn, *Vice President, School Business Specialist,
Baird Public Finance.*

Recent Trends in Wisconsin School Finance

School District Audit Conference

Baird Public Finance
777 East Wisconsin Avenue
Milwaukee, WI 53202

Discover the *Baird Difference*

Meet the Baird School Finance Team

BANKING TEAM



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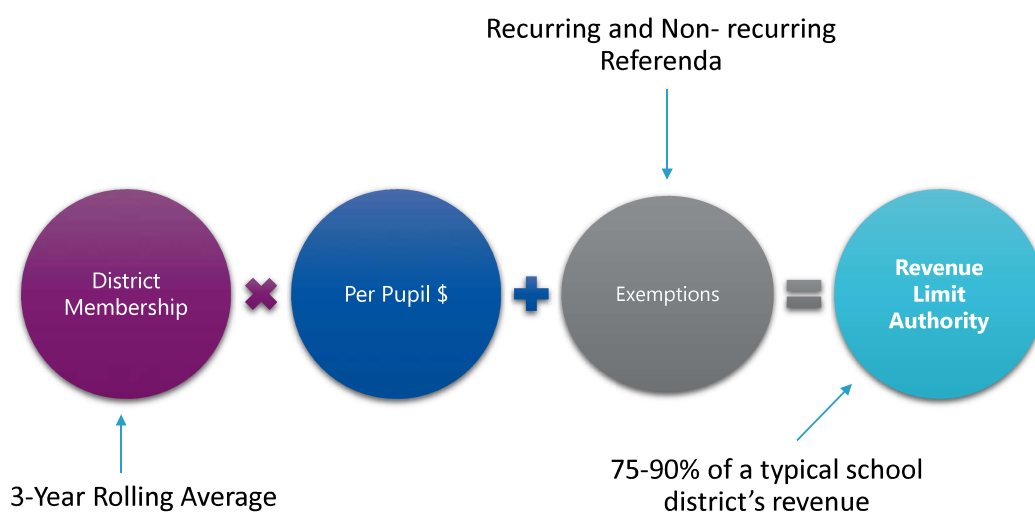


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Referendum Overview

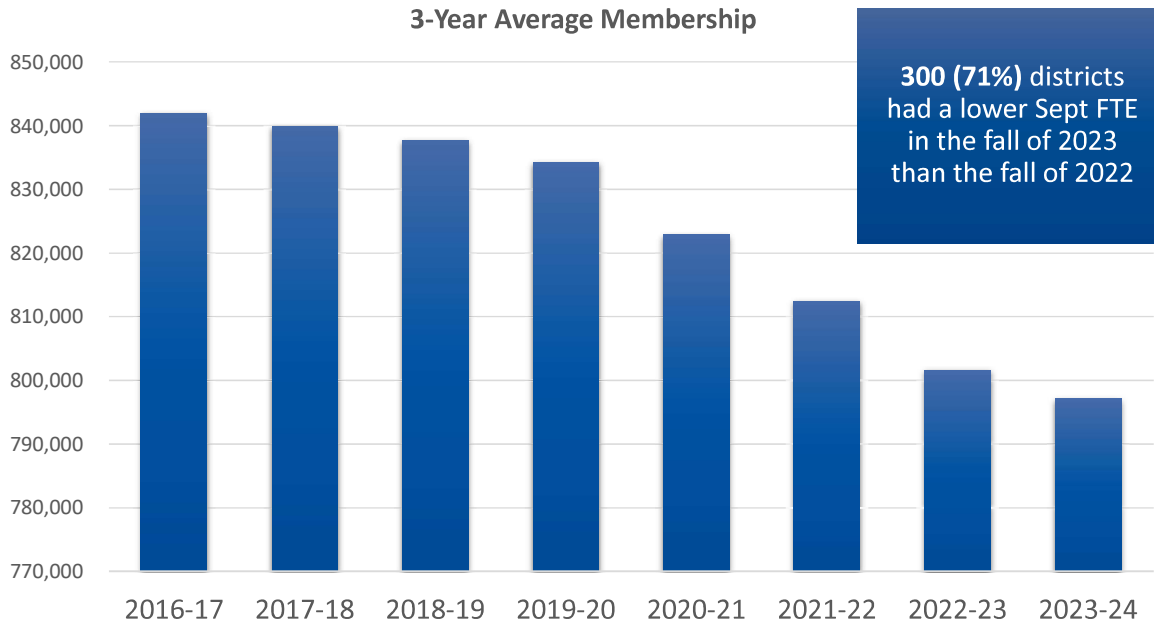
School Funding Statewide: Revenue Limits

A district's **Revenue Limit Authority** is the maximum amount of revenue that may be raised through **state general aid** and **property tax**.



Membership in Public School is Declining

BAIRD



IMPACTS:

- Revenue Limit Authority
- Operating Budget
- Levy/Mill Rate

Source: Department of Public Instruction

258 (61%) districts experienced declining enrollment (lower 3-year average than 22-23)

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School Funding Statewide: Per Pupil Increases

BAIRD

Revenue Limit Per Pupil Adjustment Under Prior Inflation Indexing Compared to Actual Resource Change

	Per Pupil Adjustment Under Prior Indexing	Actual Combined Resource Change	Difference
2008-09	\$274.68	\$274.68	\$0.00
2009-10	274.68	200.00	-74.68
2010-11	281.00	200.00	-81.00
2011-12	288.59	-554.00*	-842.59
2012-13	296.38	100.00	-196.38
2013-14	300.83	100.00	-200.83
2014-15	305.34	150.00	-155.34
2015-16	305.34	0.00	-305.34
2016-17	308.09	100.00	-208.09
2017-18	315.48	200.00	-115.48
2018-19	323.05	204.00	-119.05
2019-20	329.19	263.00	-66.19
2020-21	334.13	179.00	-155.13
2021-22	342.82	0.00	-342.82
2022-23	371.96	0.00	-371.96

* While the 5.5% per pupil reduction amount varied among districts, the statewide average reduction was \$554.

NOTE: 2023-24 estimate of \$392.79 and 2024-25 estimate of \$403.00

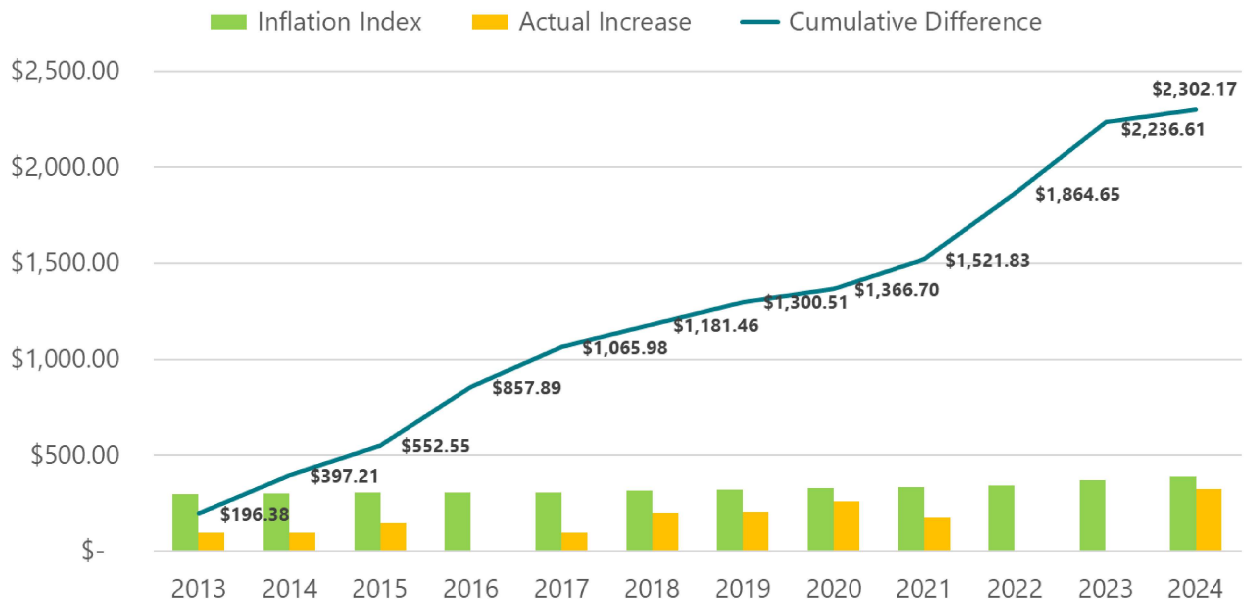
Source: Legislative Fiscal Bureau as of 01/2023

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School Funding Statewide: Per Pupil Increases

BAIRD

Revenue Limit Per Pupil Adjustment Under Prior Inflation Indexing Compared to Actual Change



Source: Legislative Fiscal Bureau

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Revenue Limit Maximum Revenue per Member

BAIRD

2023-24 Revenue Limit Maximum Revenue per Member

K-12 Districts
\$11,459 average

Top 3:
\$24,624
\$18,464
\$16,431

K-8 Districts
\$12,328 average

Top 3:
\$20,136
\$18,242
\$17,816

UHS Districts
\$13,181 average

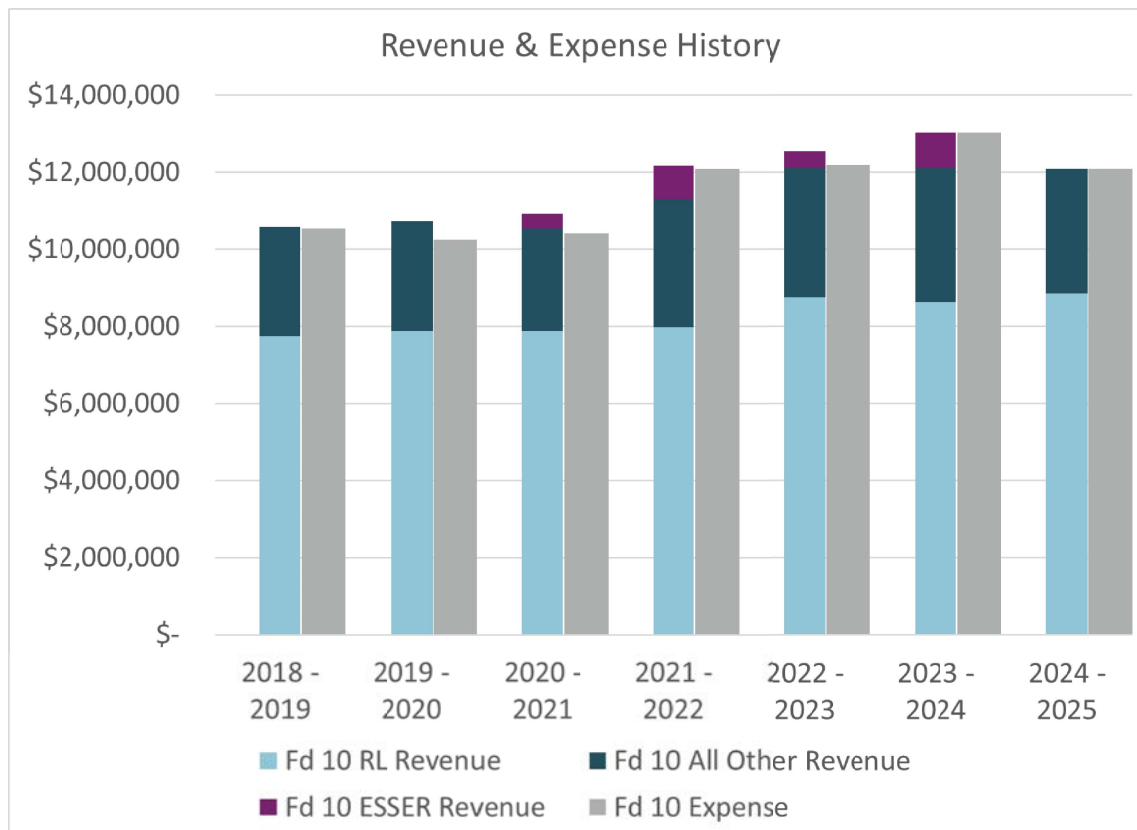
Top 3:
\$16,162
\$15,260
\$13,781

Source: Department of Public Instruction

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ESSER FUNDING SUMMARY: REVENUE

BAIRD

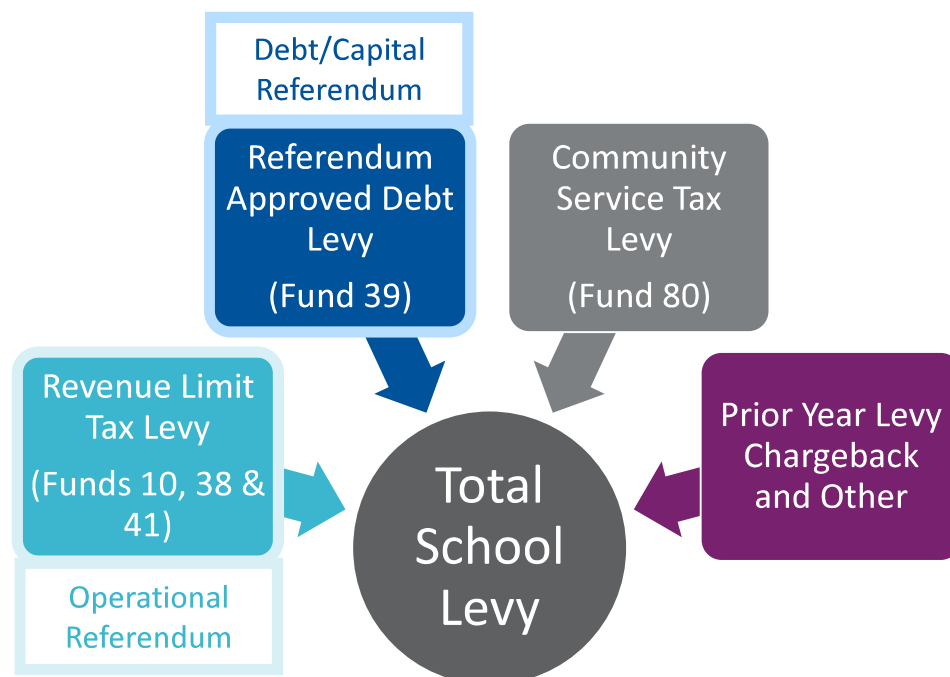


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Referendum 101

BAIRD

A referendum asks for voter approval to increase the taxing authority of the School District for the purposes of Operations or Debt



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Types of Referendums

BAIRD

	Debt Referendum	Operational Referendums	
		Recurring	Non-Recurring
Purpose	Large Capital Projects	Operating Costs	Operating Costs
Term	Up to 20-Year Loans	Unlimited Levy added to base of Revenue Limit	Annual Levy with a sunset

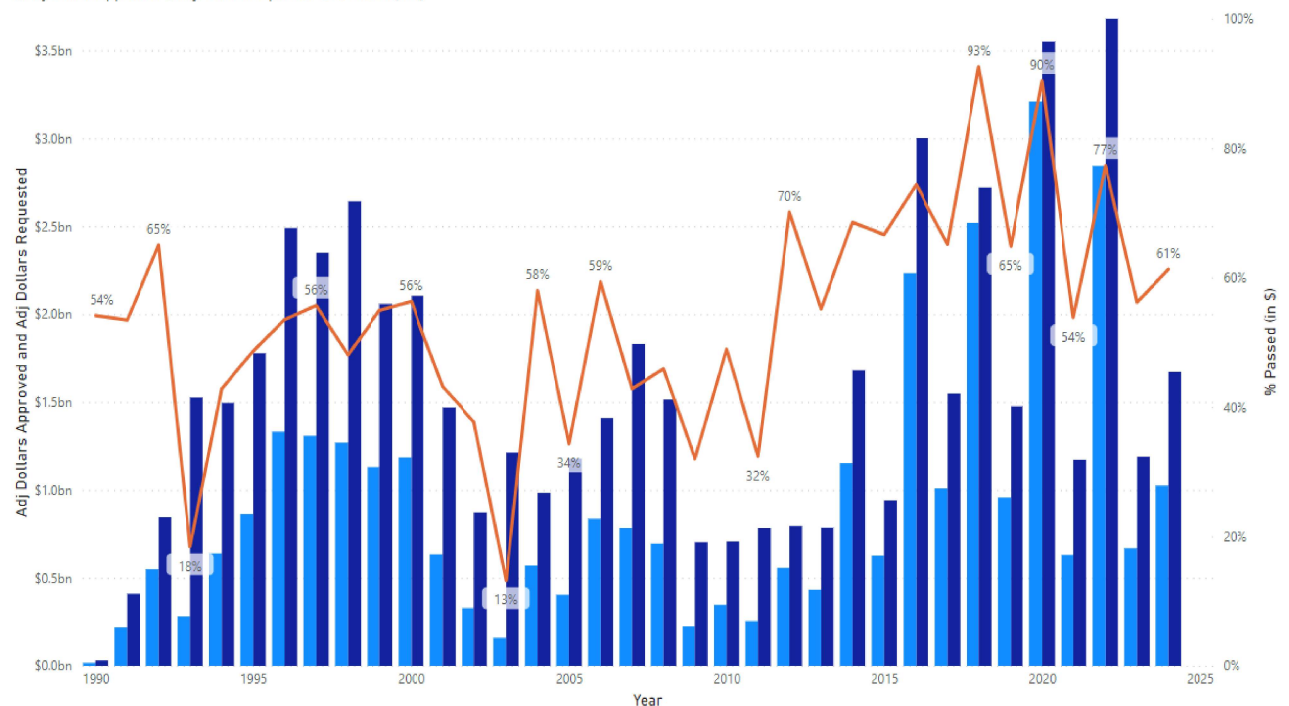
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Historical Referendum Trends

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Dollars Requested & Approved (All Refs) (Adjusted for Inflation)

● Adj Dollars Approved ● Adj Dollars Requested ● % Passed (in S)



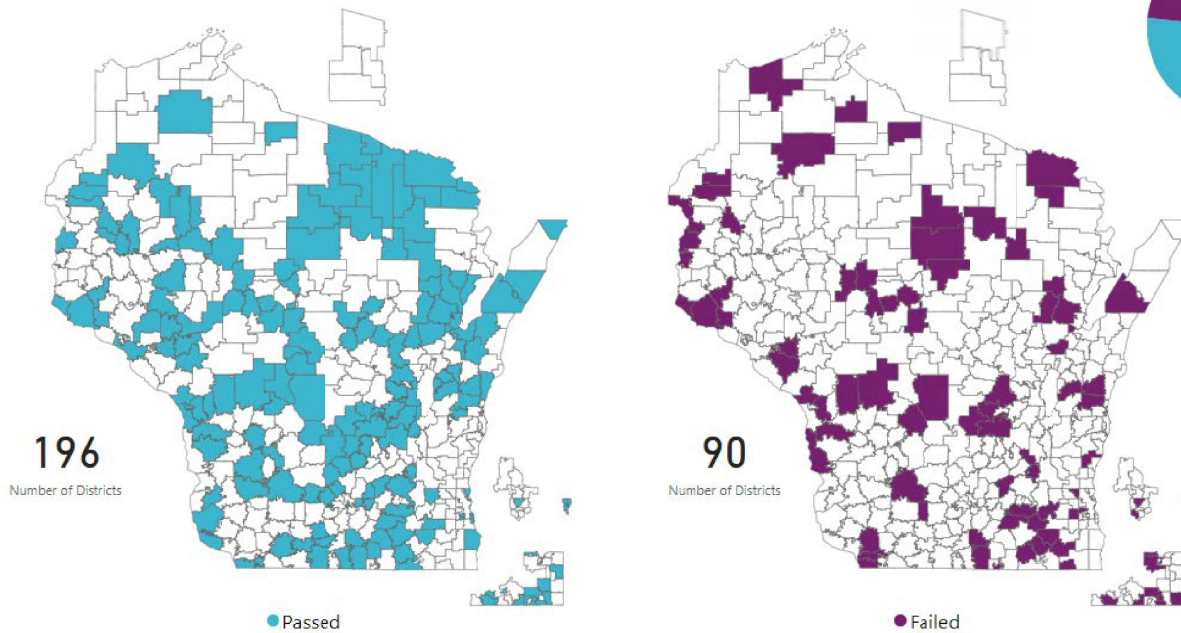
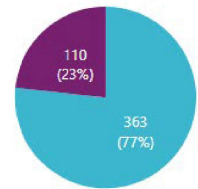
Source: Department of Public Instruction

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10 Year History - Non-Recurring Referenda

BAIRD

Questions Asked



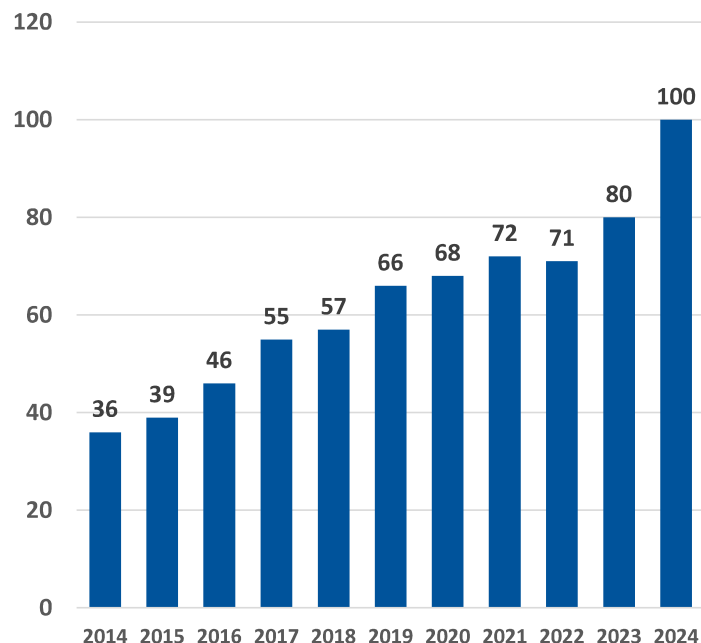
Source: Department of Public Instruction, dated through April 2024

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Dependency on Operational Referendum

BAIRD

Districts that have at least 10% of their revenue limit supplemented by non-recurring operating referendum



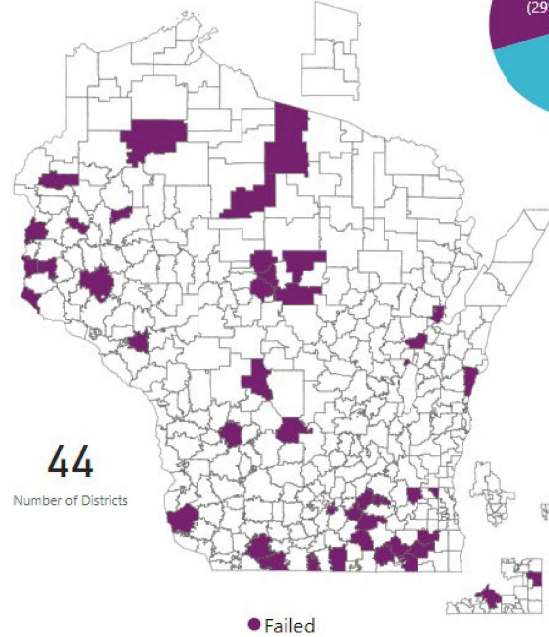
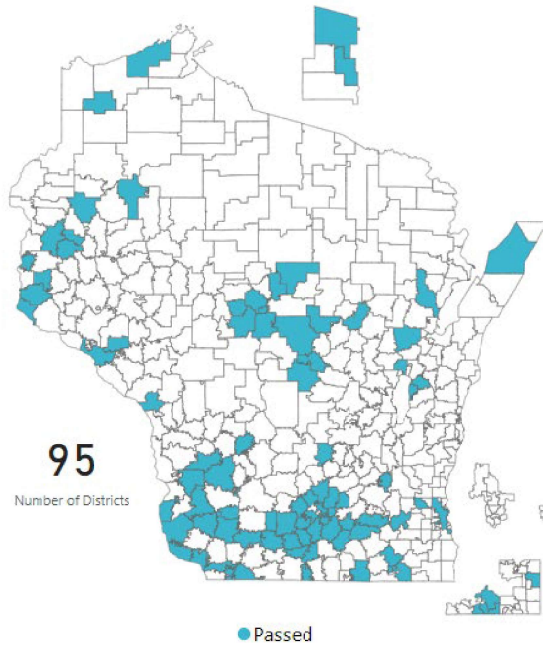
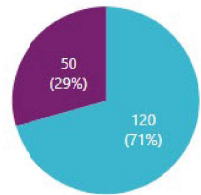
Source: Department of Public Instruction
*Numbers based on Base Revenue Limit figure for each year, per the Revenue Limit Worksheet

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10 Year History - Recurring Referenda

BAIRD

Questions Asked



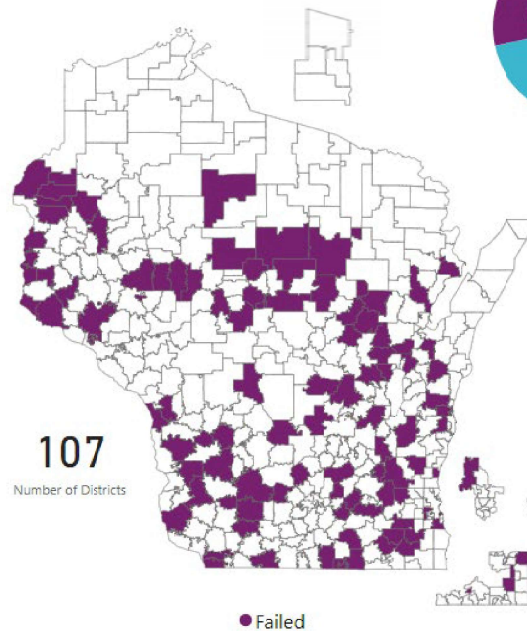
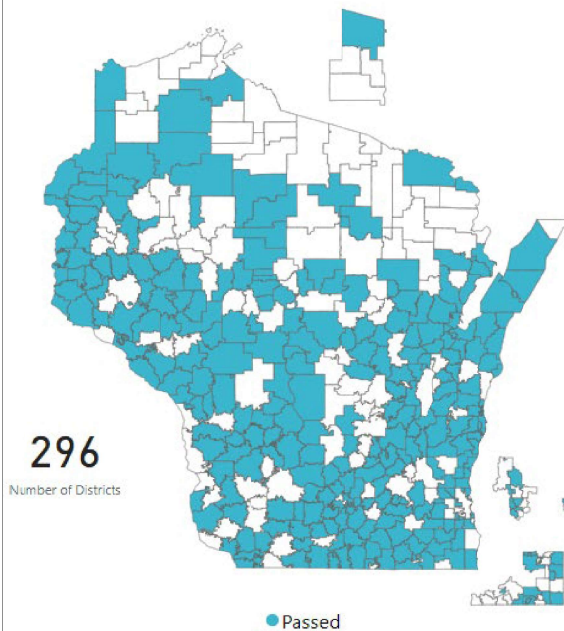
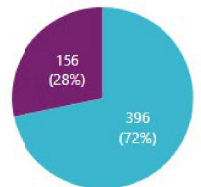
Source: Department of Public Instruction, dated through April 2024

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10 Year History - Debt Referenda

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Questions Asked



Source: Department of Public Instruction, dated through April 2024

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Referendum Success Statistics

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Based on Month (Since 2000)

Election Month	Issue Debt			Non-recurring			Recurring		
	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage
February	44	68	60.7%	27	47	63.5%	30	23	43.4%
April	270	369	57.7%	192	379	66.4%	121	103	45.9%
August/September	19	22	53.7%	14	21	60.0%	8	6	42.9%
November (Non-Presidential)	39	123	75.9%	22	72	76.6%	16	32	66.7%
November (Presidential)	43	113	72.4%	21	52	71.2%	13	36	73.5%
Special (No longer an option)	105	87	45.3%	33	56	62.9%	50	35	41.2%
Total	520	782	60.0%	309	627	66.9%	238	235	49.6%

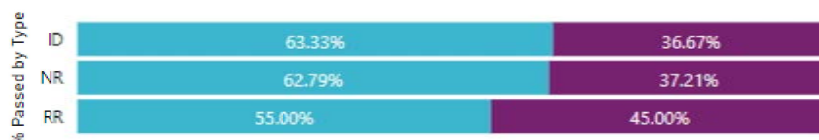
Source: Department of Public Instruction, dated through April 2024

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April 2024 Election Results

BAIRD

Type		Passed	Failed	Total
Issue Debt	# of ?s	19	11	30
	Total	\$473.3M	\$326.6M	\$799.9M
Non-Recurring	# of ?s	27	16	43
	Total	\$193.0M	\$138.6M	\$331.6M
Recurring	# of ?s	11	9	20
	Total	\$290.3M	\$31.9M	\$322.1M
Total	# of ?s	57	36	93
	Total	\$956.5M	\$497.1M	\$1,453.6M



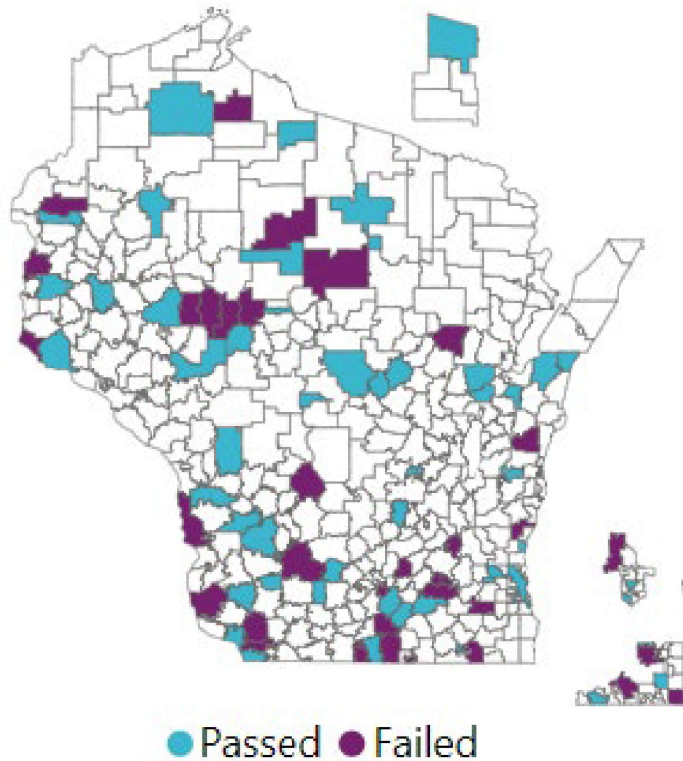
61%
of Questions Passed this Election

Source: Department of Public Instruction, dated through April 2024

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April 2024 Election Results

BAIRD



Source: Department of Public Instruction, dated through April 2024

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NR/RR/ID Information

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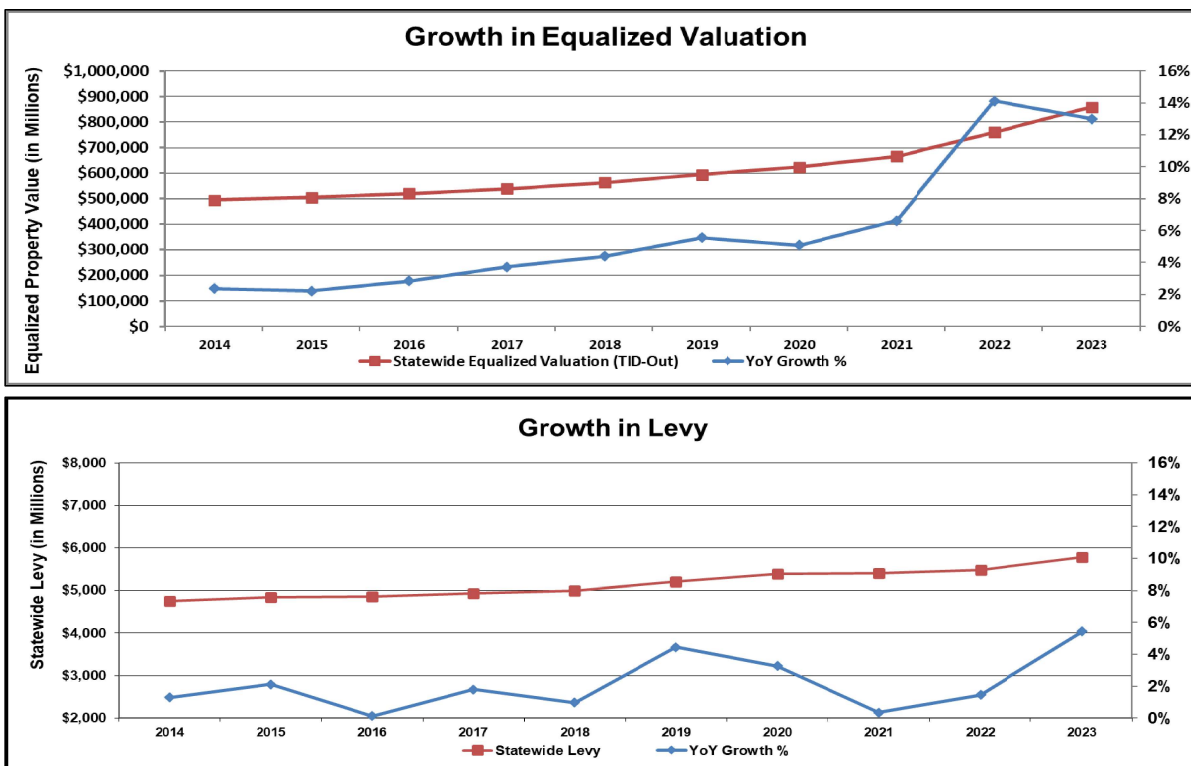
Election Year	Issue Debt			Non-recurring			Recurring		
	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage	Failed	Passed	Pass Percentage
2000	45	67	59.8%	16	17	51.5%	23	26	53.1%
2001	49	35	41.7%	13	16	55.2%	33	20	37.7%
2002	35	24	40.7%	13	11	45.8%	18	2	10.0%
2003	44	13	22.8%	13	8	38.1%	24	5	17.2%
2004	17	32	65.3%	9	16	64.0%	13	10	43.5%
2005	25	17	40.5%	14	16	53.3%	13	10	43.5%
2006	22	40	64.5%	22	32	59.3%	11	10	47.6%
2007	25	31	55.4%	18	22	55.0%	14	9	39.1%
2008	27	30	52.6%	23	32	58.2%	19	10	34.5%
2009	14	13	48.1%	17	19	52.8%	10	3	23.1%
2010	16	26	61.9%	18	19	51.4%	8	2	20.0%
2011	20	13	39.4%	10	22	68.8%	1	4	80.0%
2012	11	29	72.5%	10	19	65.5%	3	4	57.1%
2013	16	19	54.3%	11	21	65.6%	3	1	25.0%
2014	18	33	64.7%	15	39	72.2%	7	8	53.3%
2015	19	27	58.7%	9	31	77.5%	0	4	100.0%
2016	18	64	78.0%	9	38	80.9%	5	20	80.0%
2017	17	23	57.5%	8	21	72.4%	6	8	57.1%
2018	9	75	89.3%	5	46	90.2%	2	19	90.5%
2019	10	16	61.5%	4	23	85.2%	1	6	85.7%
2020	6	43	87.8%	5	37	88.1%	5	15	75.0%
2021	17	19	52.8%	8	19	70.4%	3	5	62.5%
2022	17	57	77.0%	10	59	85.5%	6	17	73.9%
2023	11	18	62.1%	22	22	50.0%	4	6	60.0%
2024	14	21	60.0%	17	28	62.2%	11	12	52.2%
Total	522	785	60.1%	319	633	66.5%	243	236	49.3%

Source: Department of Public Instruction, dated through April 2024

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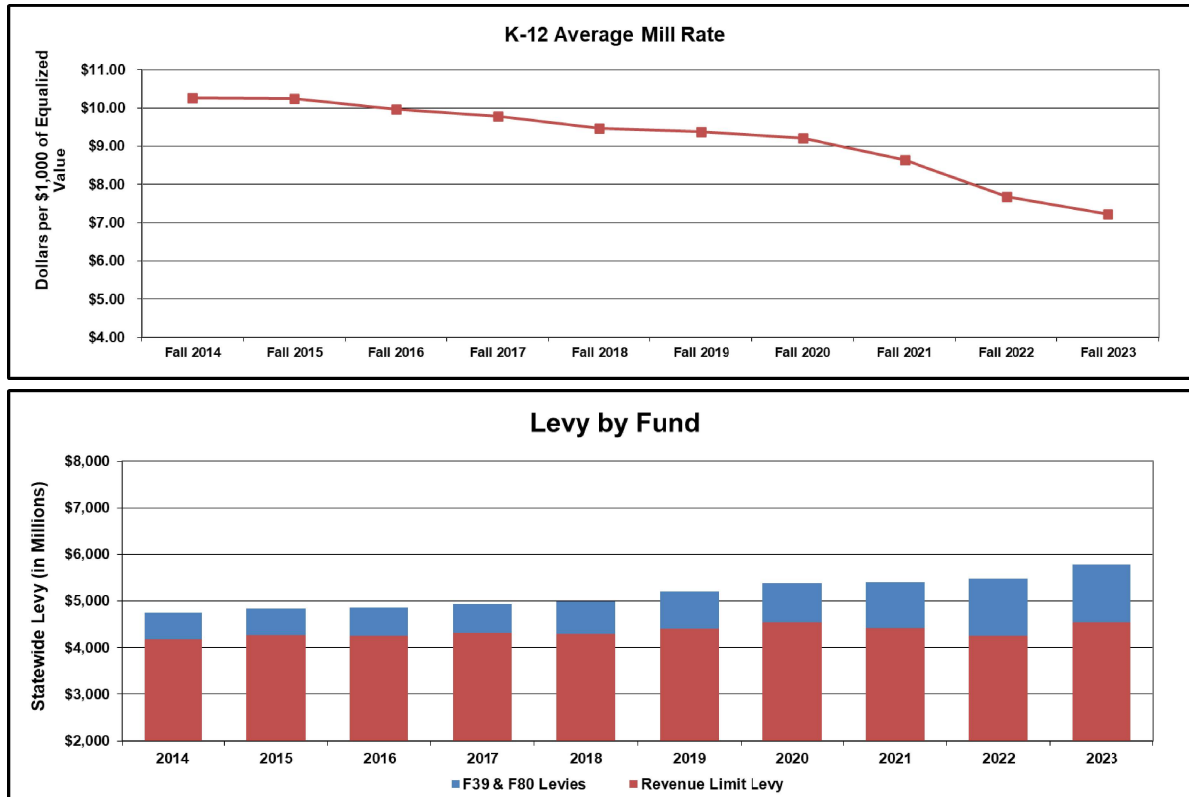
As A Result...

Valuation and Levy Growth



Mill Rate and Levy

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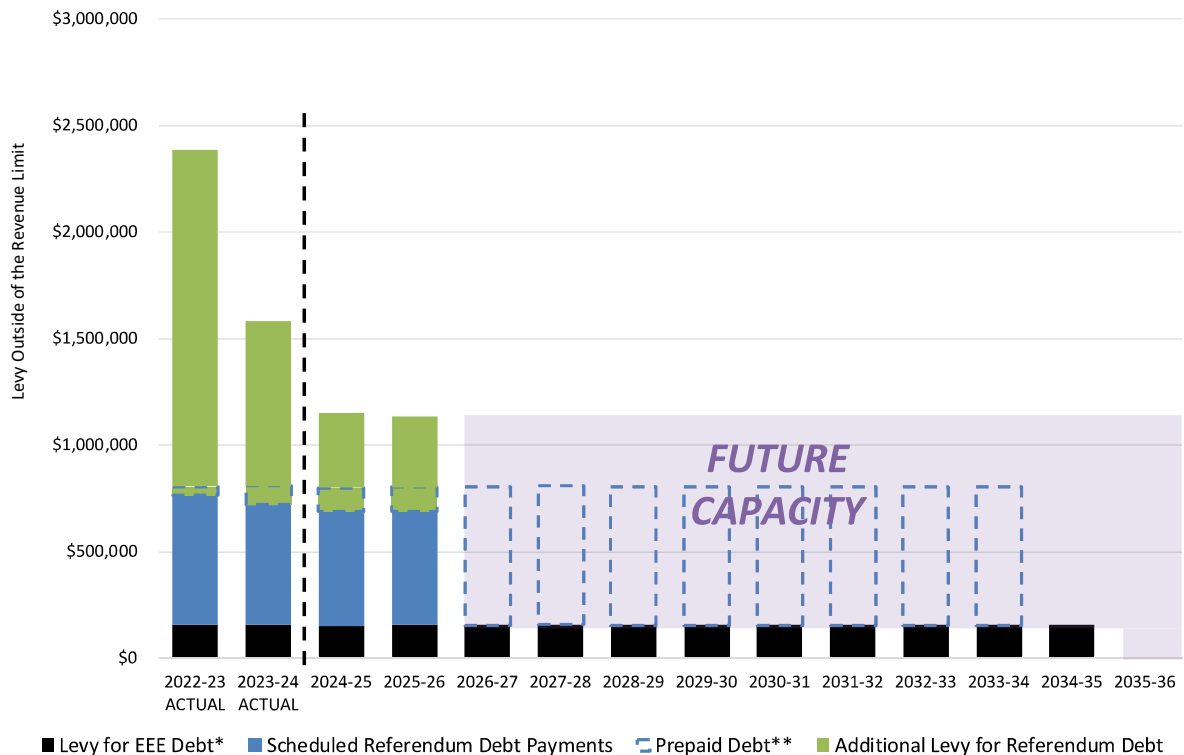


Source: Department of Public Instruction.

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Levy Management and Debt Prepayment

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*For demonstration purposes only

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Cash Defeasance – High Escrow Earnings

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ESCROW REQUIREMENTS

Cash Defeasance - Final

Period Ending	Interest	Principal Redeemed	Total
04/01/2024	8,450.00		8,450.00
10/01/2024	8,450.00		8,450.00
04/01/2025	8,450.00	520,000	528,450.00
	25,350.00	520,000	545,350.00

Sources:

Bond Proceeds:	
Cash Requirement	527,995.00
	527,995.00

Uses:

Refunding Escrow Deposits:	
SLGS Purchases	514,845.00
Cost of Issuance:	
Baird Consulting	5,000.00
Bond Counsel	4,500.00
Escrow Agent	1,150.00
CPA Verification	2,500.00
	13,150.00
	527,995.00

Bond Defeasance				
Dr. 38/39 E 000 675 281000 000	Long-Term Bond Principal	520,000		
Dr. 38/39 E 000 685 281000 000	Long-Term Bond Interest	(5,155)		
Dr. 38/39 E 000 690 281000 000	Other Debt Retirement-Closing Costs	13,150		
Cr. 38/39 R 000 968 500000 000	Debt Premium-Non-Refinancing Debt		-	
Cr. 38/39 B 000 000 711000 000	Cash		527,995	
		527,995	527,995	JE IN BALANCE

*For demonstration purposes only

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Fund 80 and Fund 50

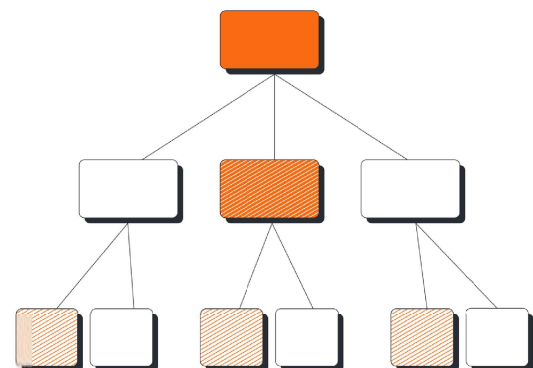
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Pool & Weight Room spreadsheet for % of Fund 80 use

	Hrs per day	7	8	9	10	11	12	1	2	3	4	5	6	Totals
COMMUNITY - Pool & Weight Room Open Hours														
Mondays: WR: 6-7:30 AM & 3:30-9:00 PM/Pool: 6-7:30 AM & 7-9 PM - 10.5 hours	10.5	52.5	42	42	52.5	42	42	52.5	42	52.5	42	42	42	546
Tuesdays: WR: 6-7:30 AM & 3:30-9:00 PM/Pool: 6-7:30 AM & 7-9 PM - 10.5 hours	10.5	52.5	42	42	52.5	42	42	52.5	42	52.5	42	42	42	546
Wednesdays: WR: 6-7:30 AM & 3:30-5:30 PM/Pool: 6-7:30 AM - 8.5 hours	8.5	42.5	34	34	42.5	34	34	42.5	34	42.5	34	34	34	442
Thursdays: WR: 6-7:30 AM & 3:30-9:00 PM/Pool: 6-7:30 AM & 7-9 PM - 10.5 hours	10.5	52.5	42	42	52.5	42	42	52.5	42	52.5	42	42	42	546
Fridays: WR: 6-7:30 AM/Pool: 6-7:30 AM - 3 hours	3	15	12	12	15	12	12	15	12	15	12	12	12	156
Total Community Use	43	215	172	172	215	172	172	215	172	215	172	172	172	2,236
Hours		744	744	720	744	720	744	744	696	744	720	744	720	8,784
Percent Community Use/Month		28.90%	23.12%	23.89%	28.90%	23.89%	23.12%	28.90%	24.71%	28.90%	23.89%	23.12%	23.89%	25%

Formula for hours per month is #hrs per day x #days of the month

How to offset costs but qualify within decision tree?



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Operational Funds

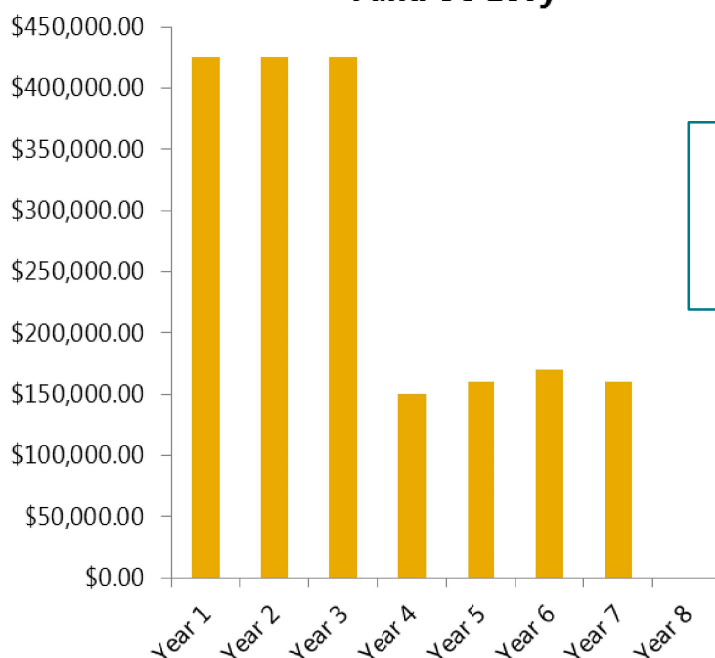
- Annual budget (Fund 10)
- Levy for projects (Fund 41)
- Fund balance (Fund 10)
- Facility “savings account” (Fund 46)
 - 10-year capital plan, 5-year wait
- ***ALL Limited by Revenue Limit Formula***

Borrowed Funds

- **Revenue limit borrowing (Fund 38)**
 - \$1 million exemption (less for some)
 - Petition process for amounts over \$1 million
 - *Repaid within Revenue Limits*
- **Referendum borrowing (Fund 39)**
 - *Outside of Revenue Limit Formula*

Fund 38 Debt Impacts

Fund 38 Levy



Referendum **is not** required to replace or add to Fund 38 debt

If not replaced, it has a **budget impact.**

Sample Debt Impact to Budget

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			SCENARIO 1			SCENARIO 2					
			\$1,400,000			\$1,600,000					
			G.O. PROMISSORY NOTES			G.O. PROMISSORY NOTES					
			Dated: July 10, 2024			Dated: July 10, 2024					
			(First Interest: March 1, 2025)			(First Interest: March 1, 2025)					
LEVY YEAR	YEAR DUE	EXISTING FUND 38 DEBT SERVICE	PRINCIPAL (3/1)	NET INT. (3/1 & 9/1)	TOTAL	COMBINED FUND 38 DEBT SERVICE	PRINCIPAL (3/1)	NET INT. (3/1 & 9/1)	TOTAL	COMBINED FUND 38 DEBT SERVICE	YEAR DUE
			AIC= 4.47%								
2023	2024	\$48,263				\$48,263				\$48,263	2024
2024	2025	\$46,958	\$70,000	\$19,372	\$89,372	\$136,329	\$90,000	\$17,002	\$107,002	\$153,959	2025
2025	2026	\$45,653	\$25,000	\$67,819	\$92,819	\$138,471	\$35,000	\$76,856	\$111,856	\$157,509	2026
2026	2027		\$70,000	\$65,325	\$135,325	\$135,325	\$80,000	\$73,838	\$153,838	\$153,838	2027
2027	2028		\$75,000	\$61,519	\$136,519	\$136,519	\$85,000	\$69,506	\$154,506	\$154,506	2028
2028	2029		\$80,000	\$57,450	\$137,450	\$137,450	\$90,000	\$64,913	\$154,913	\$154,913	2029
2029	2030		\$85,000	\$53,119	\$138,119	\$138,119	\$95,000	\$60,056	\$155,056	\$155,056	2030
2030	2031		\$90,000	\$48,525	\$138,525	\$138,525	\$100,000	\$54,938	\$154,938	\$154,938	2031
2031	2032		\$95,000	\$43,669	\$138,669	\$138,669	\$105,000	\$49,556	\$154,556	\$154,556	2032
2032	2033		\$100,000	\$38,550	\$138,550	\$138,550	\$110,000	\$43,913	\$153,913	\$153,913	2033
2033	2034		\$105,000	\$33,169	\$138,169	\$138,169	\$120,000	\$37,875	\$157,875	\$157,875	2034
2034	2035		\$110,000	\$27,525	\$137,525	\$137,525	\$125,000	\$31,444	\$156,444	\$156,444	2035
2035	2036		\$115,000	\$21,619	\$136,619	\$136,619	\$130,000	\$24,750	\$154,750	\$154,750	2036
2036	2037		\$120,000	\$15,450	\$135,450	\$135,450	\$140,000	\$17,663	\$157,663	\$157,663	2037
2037	2038		\$125,000	\$9,019	\$134,019	\$134,019	\$145,000	\$10,181	\$155,181	\$155,181	2038
2038	2039		\$135,000	\$2,869	\$137,869	\$137,869	\$150,000	\$3,188	\$153,188	\$153,188	2039
			\$140,873	\$1,400,000	\$564,997	\$1,964,997	\$2,105,869	\$1,600,000	\$635,677	\$2,235,677	\$2,376,549

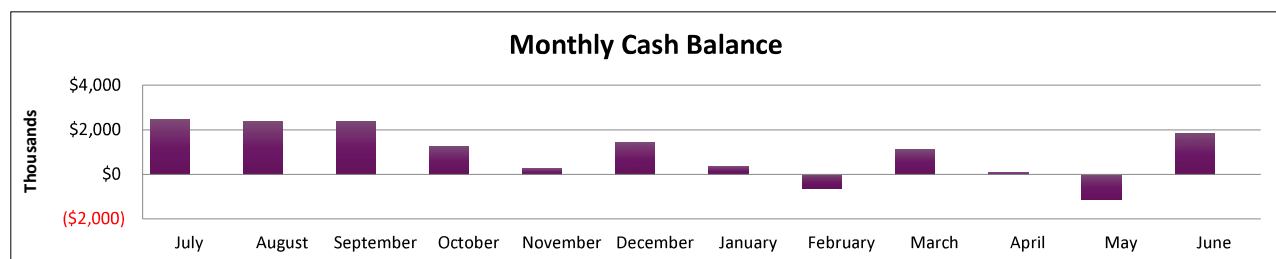
Hypothetical example for demonstration purposes only

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Manage Cash Flow

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- Get cash in-hand as soon as possible
 - Why?
 - Limit cash flow borrowing needs
 - Increase funds available for investments
 - How?
 - Have a cash flow estimate
 - Budget management and cash management are two different things
 - Focus on revenue timing:
 - More frequent grant claims
 - Shared service agreements
 - Transited revenue, i.e. Medicaid or transit of categorical aid
 - Managing bill payment due date



*For demonstration purposes only

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- Federal legislation passed in 2022
- Offers a number of clean energy and clean vehicle tax credits for eligible projects
- Even though school districts do not pay taxes and are not typically eligible for tax credits, "applicable entities" may elect direct payments instead of tax credits for eligible projects or eligible equipment purchases
 - "Applicable entities" include states and political subdivisions

- To receive direct payments, applicable entities will need to:
 - Identify a capital project or capital equipment purchase that is eligible for one of the available credits
 - Complete the project or acquire the equipment
 - Complete pre-filing registration with the IRS before the tax return is due
 - File a timely tax return to claim the direct payments
 - Receive the direct payment
- *More to come on the filing specifics when additional guidance is released by the Treasury*

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