



**IOWA CITY COMMUNITY
SCHOOL DISTRICT**
All In for All Kids



Iowa City Community School District

PFM Summary of Comprehensive Fiscal Analysis & Recommendation for the Issuance of Taxable General Fund Tax Anticipation Warrants

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Agenda

- Summary of PFM's Comprehensive Fiscal Analysis
- Debt Service Fiscal Analysis
- PPEL Fiscal Analysis
- SAVE Fiscal Analysis
- General Fund Fiscal Analysis
- PFM Recommendation for the Issuance of Taxable General Fund Tax Anticipation Warrants
- Warrant Issuance Process & Proposed Timeline
- Interfund Loans Summary by Fund
- Other Observations & Considerations



Summary of PFM's Comprehensive Fiscal Analysis



Summary of PFM Fiscal Analysis

- PFM has completed a thorough review of the District's finances.
- This review included the following funds:
 - ✓ General Fund
 - ✓ SAVE Fund
 - ✓ Debt Service Fund
 - ✓ PPEL Fund
- Our analysis includes a full review of the following fiscal periods:
 - ✓ FY 2022-23 (audited)
 - ✓ FY 2023-24 & FY 2024-25 (unaudited actual)
 - ✓ Estimated FY 2025-26 (based on year-to-date vs budget)
 - ✓ Projected FY 2026-27 Budget
- PFM's review included reviewing:
 - ✓ Audited financial statements
 - ✓ Certified Annual Reports
 - ✓ Discussion with District staff
 - ✓ Internal estimates for revenues & expenditures and cash balances
 - ✓ Internal cashflow projections



Summary of PFM Fiscal Analysis

- PFM has prepared an independent cashflow for each fund to provide an independent third party “worst case” estimate for annual and monthly cashflows for all funds.
- As we review PFM’s worst-case cashflow projections in each fund, we will highlight key assumptions and other variables that could significantly impact our projections.
- Please note FY 2023-24 and FY 2024-25 fund reconciliations and audit reviews are still in progress.
- The most significant assumption that would significantly impact PFM’s cashflow projections is July 1, 2025 beginning cash balances.
 - ✓ Based on conversations with District staff, July 1, 2025 cash positions *could* be overstated. Overstated by exactly how much is yet to be determined.



Debt Service Fiscal Analysis



Debt Service Fund Fiscal Analysis

- Interfund Loan to PPEL:
 - ✓ July 2025 – February 2026 property tax receipts originally levied for Debt Service in the amount of \$7,409,947 were placed into the PPEL fund.
 - ✓ PPEL paid the 12-1-2025 interest due on the G.O. Bonds in the amount of \$2,470,343.13.
 - ✓ PPEL owes the Debt Service Fund \$4,939,604 and must repay this interfund loan no later than May 15, 2026 to make June 1, 2026 G.O. Bond principal & interest payments.
- Consider Separate Bank Accounts:
 - ✓ PFM recommends moving the Debt Service Fund to a bank account separate from the PPEL & SAVE Funds to ensure property tax receipts are accounted for appropriately between Debt Service and PPEL.
 - *Ongoing fund reconciliations will be necessary to ensure the correct cash balances are accounted for in the single bank account that currently includes Debt Service, PPEL and SAVE Funds.*



Debt Service Fund Fiscal Analysis

- FY 2025-26 Considerations:

- ✓ 1-1-2024 taxable valuations for FY 2025-26 = \$8,067,275,199 (+2.79%)
- ✓ Tax rate = \$1.66699
- ✓ Property tax revenue = \$13,448,067 (estimated)
- ✓ G.O. Bond total principal and interest due = \$13,447,486 (includes fiscal fees)
- ✓ Estimated ending cash balance = \$374,741

- FY 2026-27 Considerations:

- ✓ 1-1-2025 taxable valuations for FY 2026-27 = \$8,396,929,367 (+4.09%)
- ✓ Tax rate = \$1.61812 (projected)
- ✓ Property tax revenue = \$13,587,236 (projected)
- ✓ G.O. Bond total principal and interest due = \$13,587,236 (includes fiscal fees)
- ✓ Estimated ending cash balance = \$374,741



Debt Service Fund Fiscal Analysis

- Minimum Cash Balance Recommendation:
 - ✓ Debt Service is a bona fide fund and should have a net \$0 balance each year.
 - Bona fide fund = revenues should equal expenditures
 - ✓ The District is not allowed to levy additional dollars to build a cash balance in the Debt Service Fund.
 - Any annual surplus or positive ending cash balance is due to miscellaneous revenues (interest earnings, commercial & industrial rollback backfill, etc.)
- Future Capacity:
 - ✓ Currently outstanding G.O. Bonds mature:
 - June 1, 2037 (Series 2017C)
 - June 1, 2038 (Series 2019)
 - June 1, 2039 (Series 2020)



Debt Service Fund Fiscal Analysis

- Future Capacity:
 - ✓ PFM estimates the FY 2026-27 Debt Service Levy tax rate to be \$1.61812.
 - ✓ Depending on the District's targeted Debt Service Levy tax rate, G.O. Bonds could be an option to fund future capital needs.
 - Credit considerations:
 - The District's Moody's rating was withdrawn due to lack of information.
 - Current audits issued within 12 months of fiscal year end would be required to seek a new rating.
 - The District should NOT assume the prior rating will automatically be reinstated.
 - The District would need an investment grade rating to go to the market for new G.O. Bonds.

IOWA CITY COMMUNITY SCHOOL DISTRICT

Debt Service Levy Planning Analysis

Accelerated Plan of Finance

Fiscal Year	% Growth	Taxable Valuation	Tax Rate	Total Taxes	Misc Revenues	Total Revenues	Par => Proceeds =>				Fiscal Fees	Total		Other Adjustments	Surplus/ (Deficit)	Ending Cash
							\$58,955,000 G.O. 2017C	\$66,645,000 G.O. 2019	\$65,925,000 G.O. 2020	Current Tax Rate		Debt Levy	Tax Rate (Per 1,000)			
FY 2020/21	6.08%	7,248,667,366	1.78785	12,959,530	511,406	13,470,936	3,616,580	5,449,225	3,893,731	1.78785	1,800	12,961,336	1.78785	(10,201)	499,399	611,235
FY 2021/22	3.33%	7,489,730,688	1.72630	12,929,522	263,170	13,192,692	3,614,330	5,389,975	3,925,231	1.72630	1,800	12,931,336	1.72654	58,391	319,747	930,982
FY 2022/23	0.55%	7,531,212,452	1.72220	12,970,254	213,497	13,183,751	3,617,330	5,331,975	4,270,981	1.75540	1,800	13,222,086	1.75564	(28,136)	(66,471)	864,511
FY 2023/24	0.43%	7,563,716,510	1.71436	12,966,933	221,357	13,188,290	3,615,080	5,338,875	4,209,981	1.74041	1,800	13,165,736	1.74064	1,266,276	1,288,830	2,153,341
FY 2024/25	3.76%	7,848,051,436	1.71616	13,468,512	(111,739)	13,356,773	3,617,580	5,282,625	4,566,481	1.71593	1,800	13,468,486	1.71616	(1,891,587)	(2,003,300)	150,041
FY 2025/26	2.79%	8,067,275,199	1.66699	13,448,067	224,120	13,672,187	3,619,330	5,226,875	4,599,481	1.66669	1,800	13,447,486	1.66692		224,700	374,741
FY 2026/27	4.09%	8,396,929,367	1.61812	13,587,236		13,587,236	3,615,080	5,176,375	4,793,981	1.61791	1,800	13,587,236	1.61812			374,741
FY 2027/28	1.50%	8,522,883,308	1.58805	13,534,786		13,534,786	3,615,880	5,120,625	4,796,481	1.58784	1,800	13,534,786	1.58805			374,741
FY 2028/29	3.50%	8,821,184,223	1.52874	13,485,286		13,485,286	3,618,130	5,069,625	4,795,731	1.52853	1,800	13,485,286	1.52874			374,741
FY 2029/30	1.50%	8,953,501,987	1.49948	13,425,636		13,425,636	3,618,630	5,012,875	4,792,331	1.49928	1,800	13,425,636	1.49948			374,741
FY 2030/31	3.50%	9,266,874,556	1.44310	13,373,011		13,373,011	3,615,255	4,960,375	4,795,581	1.44290	1,800	13,373,011	1.44310			374,741
FY 2031/32	1.50%	9,405,877,674	1.42049	13,360,986		13,360,986	3,615,430	4,948,375	4,795,381	1.42030	1,800	13,360,986	1.42049			374,741
FY 2032/33	3.50%	9,735,083,393	1.37145	13,351,141		13,351,141	3,616,635	4,935,975	4,796,731	1.37126	1,800	13,351,141	1.37145			374,741
FY 2033/34	1.50%	9,881,109,644	1.34989	13,338,454		13,338,454	3,618,635	4,922,975	4,795,044	1.34971	1,800	13,338,454	1.34989			374,741
FY 2034/35	3.50%	10,226,948,482	1.30327	13,328,494		13,328,494	3,616,188	4,914,175	4,796,331	1.30310	1,800	13,328,494	1.30327			374,741
FY 2035/36	1.50%	10,380,352,709	1.28463	13,334,946		13,334,946	3,617,553	4,920,113	4,795,481	1.28446	1,800	13,334,946	1.28463			374,741
FY 2036/37	3.50%	10,743,665,054	1.24241	13,348,013		13,348,013	3,618,913	4,930,250	4,797,050	1.24224	1,800	13,348,013	1.24241			374,741
FY 2037/38	1.50%	10,904,820,029	0.89280	9,735,825		9,735,825		4,938,500	4,796,125	0.89269	1,200	9,735,825	0.89280			374,741
FY 2038/39	3.50%	11,286,488,730	0.42507	4,797,600		4,797,600			4,797,000	0.42502	600	4,797,600	0.42507			374,741
FY 2039/40	1.50%	11,455,786,061														374,741
FY 2040/41	3.50%	11,856,738,573														374,741
							78,150,468	98,149,910	88,488,611							



PPEL Fiscal Analysis



PPEL Fund Fiscal Analysis

- FY 2025-26 Considerations:
 - ✓ 1-1-2024 taxable valuations for FY 2025-26 = \$8,067,275,199 (+2.8%)
 - ✓ PPEL revenues = \$13,472,350
 - ✓ PPEL encumbered capital expenses = \$6,925,933
 - ✓ PPEL interfund loan repayment to debt service = \$4,928,682 (no later than May 15, 2026)
 - ✓ Estimated June 30, 2026 cash balance = \$11,424,986
- FY 2026-27 Considerations:
 - ✓ 1-1-2025 taxable valuations for FY 2026-27 = \$8,396,929,367 (+4.09%)
 - ✓ PPEL revenues = \$14,022,872
 - ✓ PPEL capital expenses = \$9,813,382
 - Includes \$3,252,067 of technology expense moved from SAVE
 - ✓ Estimated June 30, 2027 cash balance = \$15,652,672



PPEL Fund Fiscal Analysis

- Consider Separate Bank Accounts:
 - ✓ PFM recommends moving the Debt Service Fund to a bank account separate from the PPEL & SAVE Funds to ensure property tax receipts are accounted for appropriately between Debt Service and PPEL.
 - *Ongoing fund reconciliations will be necessary to ensure the correct cash balances are accounted for in the single bank account that currently includes Debt Service, PPEL and SAVE Funds.*
- Minimum Cash Balance Recommendation:
 - ✓ PFM recommends a minimum PPEL cash balance of at least \$10,000,000 for at least the next 3-5 fiscal years.
 - SAVE will need internal loans for at least the next 2 fiscal years.
 - PPEL will be covering SAVE technology expenses over at least the next 2 fiscal years, which are paid early in the fiscal year before property taxes may be received.
 - Strong June 30 cash balances will help cashflow summer capital projects before property taxes are received in October.



PPEL Fund Fiscal Analysis

- Future Capacity:
 - ✓ The District currently has no G.O. PPEL Capital Loan Notes outstanding.
 - ✓ PPEL G.O. Capital Loan Notes could be an option to fund future capital needs.
 - ✓ However, PPEL will have reduced capacity over the next 2 fiscal years as SAVE recovers its fiscal strength.
 - ✓ PFM recommends using PPEL for ongoing facility maintenance and holding off on large capital projects for at least 2 fiscal years (if possible).
 - Credit considerations:
 - The same credit considerations apply to leverage new PPEL G.O. Capital Loan Notes as with new G.O Bonds.
 - Current audits issued within 12 months of fiscal year end would be required before the District could seek a new rating.

Iowa City Community School District

PPEL Cashflow

Growth Factor	2.0%	Interest Rate	0.000%
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*PPEL levy expires June 30, 2035.

Fiscal Year Ending June 30	Audit 2022	Audit 2023	Unaudited 2024	Unaudited 2025	Budget 2026	Estimated 2027	Projection 2028	Projection 2029	Projection 2030	Projection 2031	Projection 2032	Projection 2033	Projection 2034	Projection 2035	
Taxable Valuation:	1	7,489,730,688	7,531,212,452	7,563,716,510	7,848,051,436	8,067,275,199	8,396,929,367	8,564,867,954	8,736,165,313	8,910,888,620	9,089,106,392	9,270,888,520	9,456,306,290	9,645,432,416	9,838,341,064
Historical Valuation Growth =>		3.3%	0.6%	0.4%	3.8%	2.8%	4.1%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Tax Rates:															
Regular	2	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33
Voted	3	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34	\$1.34
Revenues:															
Regular Levy	4	\$2,471,611	\$2,485,300	\$2,496,026	\$2,589,857	\$2,662,201	\$2,770,987	\$2,826,406	\$2,882,935	\$2,940,593	\$2,999,405	\$3,059,393	\$3,120,581	\$3,182,993	\$3,246,653
Voted Levy	5	10,036,239	10,091,825	10,135,380	10,516,389	10,810,149	11,251,885	11,476,923	11,706,462	11,940,591	12,179,403	12,422,991	12,671,450	12,924,879	13,183,377
Interest Income	6	12,681	518,011	534,105	18,607	0	0	0	0	0	0	0	0	0	0
Other Income	7	169,599	27,747	121,217	294,531	68,718	18,195	0	0	0	0	0	0	0	0
Adjustment to Levy	8	(8,139)	56,444	(19,791)	(341,448)	0	0	0	0	0	0	0	0	0	0
Comm/Ind State Reimbursement	9	258,821	0	130,980	133,688	0	0	0	0	0	0	0	0	0	0
Total Revenue:	10	\$12,940,812	\$13,179,327	\$13,397,917	\$13,211,624	\$13,541,067	\$14,041,068	\$14,303,329	\$14,589,396	\$14,881,184	\$15,178,808	\$15,482,384	\$15,792,032	\$16,107,872	\$16,430,030
Expenditures:															
Series 2014	11	(\$955,263)	(\$957,663)	(\$959,663)	(\$966,263)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserved	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total PPEL Debt Service	13	(\$955,263)	(\$957,663)	(\$959,663)	(\$966,263)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Coverage (Voted Only)	14	10.51 x	10.54 x	10.56 x	10.88 x	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cashflow After Debt	15	\$11,985,550	\$12,221,665	\$12,438,255	\$12,245,362	\$13,541,067	\$14,041,068	\$14,303,329	\$14,589,396	\$14,881,184	\$15,178,808	\$15,482,384	\$15,792,032	\$16,107,872	\$16,430,030
Fiscal Fees	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bond Proceeds	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Outlays	18	(8,628,602)	(10,952,895)	(8,420,029)	(7,819,774)	(6,925,933)	(9,813,382)	(9,910,944)	(13,408,543)	(13,408,543)	(15,408,543)	(15,408,543)	(15,408,543)	(15,408,543)	(15,408,543)
Transfer In /(Out)	19	1,999,400	622,969	0	0	(4,939,604)	0	0	0	0	0	0	0	0	0
Other Sources/Uses	20	1,225,000	0	0	(11,368,738)	0	0	0	0	0	0	0	0	0	0
Accrual to Cash Adjustment	21	2,904,869	(2,454,698)	(577,880)	1,315,508	0	0	0	0	0	0	0	0	0	0
Transfer (To)/From Restricted Cash	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses:	23	(\$2,499,333)	(\$12,784,624)	(\$8,997,909)	(\$17,873,004)	(\$11,865,537)	(\$9,813,382)	(\$9,910,944)	(\$13,408,543)	(\$13,408,543)	(\$15,408,543)	(\$15,408,543)	(\$15,408,543)	(\$15,408,543)	(\$15,408,543)
Annual Surplus/(Deficit)	24	\$9,486,217	(\$562,960)	\$3,440,346	(\$5,627,642)	\$1,675,531	\$4,227,685	\$4,392,385	\$1,180,853	\$1,472,641	(\$229,736)	\$73,841	\$383,488	\$699,329	\$1,021,486
Beginning Unrestricted Cash	25	\$3,013,495	\$12,499,711	\$11,936,752	\$15,377,098	\$9,749,455	\$11,424,986	\$15,652,672	\$20,045,057	\$21,225,910	\$22,698,551	\$22,468,815	\$22,542,656	\$22,926,144	\$23,625,473
Ending Unrestricted Cash	26	\$12,499,711	\$11,936,752	\$15,377,098	\$9,749,455	\$11,424,986	\$15,652,672	\$20,045,057	\$21,225,910	\$22,698,551	\$22,468,815	\$22,542,656	\$22,926,144	\$23,625,473	\$24,646,959
Total Restricted Cash	27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total PPEL Cash per Audit	28	\$12,499,711	\$11,936,752	\$15,377,098	\$9,749,455	\$11,424,986	\$15,652,672	\$20,045,057	\$21,225,910	\$22,698,551	\$22,468,815	\$22,542,656	\$22,926,144	\$23,625,473	\$24,646,959
Capital Outlays:															
Student Services	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Instructional Services	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration Services	31	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operation & Maintenance	32	289,726	397,442	282,422	363,331	363,331	363,331	363,331	363,331	363,331	363,331	363,331	363,331	363,331	363,331
Transportation Services	33	1,172,168	1,079,774	1,545,212	1,545,212	1,545,212	1,545,212	1,545,212	1,545,212	1,545,212	1,545,212	1,545,212	1,545,212	1,545,212	1,545,212
Technology	34	0	0	0	0	0	3,252,067	3,349,629	0	0	0	0	0	0	0
LifeCycle	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Outlays	36	7,166,708	9,475,679	6,592,394	5,911,231	5,017,389	4,652,771	4,652,771	11,500,000	11,500,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Total Capital Projects	37	8,628,602	10,952,895	8,420,029	7,819,774	6,925,933	9,813,382	9,910,944	13,408,543	13,408,543	15,408,543	15,408,543	15,408,543	15,408,543	15,408,543



SAVE Fiscal Analysis



SAVE Fund Fiscal Analysis

- FY 2025-26 Considerations:
 - ✓ Preliminary Statewide Average Funding per Pupil = \$1,357.87
 - ✓ October 2024 enrollment = 14,551 (+172 students)
 - ✓ SAVE revenues = \$19,874,480
 - ✓ SAVE debt service payments = \$14,230,497
 - ✓ SAVE cashflow after debt service = \$6,013,885
 - ✓ SAVE encumbered capital expenses = \$17,765,643
 - ✓ SAVE requires an interfund loan from General Fund to pay debt service
 - \$7,320,000 interfund loan no later than May 15, 2026
 - ✓ Estimated June 30, 2026 cash balance = \$2,061,899



SAVE Fund Fiscal Analysis

- FY 2026-27 Considerations:
 - ✓ Projected Statewide Average Funding per Pupil = \$1,357.87 (+0.0%)
 - ✓ October 2024 enrollment = 14,370 (<181> students)
 - ✓ SAVE revenues = \$19,512,049
 - ✓ SAVE debt service payments = \$14,230,418
 - ✓ SAVE cashflow after debt service = \$5,364,107
 - ✓ SAVE expenses = \$812,000 (Family Resource Center)
 - Technology and all capital expenses moved to PPEL
 - ✓ SAVE may require an interfund loan from PPEL to repay the General Fund interfund loan by October 1, 2026
 - \$2,500,000 to \$3,500,000 needed to repay General Fund interfund loan
 - ✓ SAVE requires an interfund loan from General Fund to pay 6-1-2027 debt service and keep ending cash positive
 - Estimated to be \$2,500,000 no later than May 15, 2027
 - ✓ Estimated June 30, 2027 cash balance = \$1,354,805



SAVE Fund Fiscal Analysis

- Consider Separate Bank Accounts:
 - ✓ PFM recommends moving the SAVE Fund to a bank account separate from the Debt Service & PPEL Funds.
 - *Ongoing fund reconciliations will be necessary to ensure the correct cash balances are accounted for in the single bank account that currently includes Debt Service, PPEL and SAVE Funds.*
- Minimum Cash Balance Recommendation:
 - ✓ PFM recommends a minimum SAVE cash balance of at least \$6,500,000 as soon as possible.
 - Annual debt service costs are around \$14,230,000 annually.
 - A normal sinking fund balance at June 30 should be equal 1/6 of the next interest payment and 1/12 of the next principal payment = \$1,200,000.
 - Average cashflow after debt service is only \$5,000,000.
 - Keeping a strong June 30 cash reserve will allow the District to fund summer construction during lower SAVE collection months.



SAVE Fund Fiscal Analysis

- Future Capacity:
 - ✓ The District has fully leveraged SAVE funds with the existing debt through June 1, 2038.
 - ✓ Debt service coverage is required to be 1.25x or higher and is currently around 1.35x.
 - ✓ Once technology (\$3.5M+) is added back to SAVE, cash available for other pay-as-you-go capital needs is less than \$1,000,000 annually
 - Based on currently enrollment projects and with 0% growth in SAVE funding per pupil.
 - ✓ The District should look to PPEL or G.O. Bonds to fund capital projects.

Iowa City Community School District
Statewide Penny (SAVE) Cash Flow Analysis

Exhibit 1b

		Audit FY 2021-22	Audit FY 2022-23	Unaudited FY 2023-24	Unaudited FY 2024-25	Budget FY 2025-26	Projected FY 2026-27	Projected FY 2027-28	Projected FY 2028-29	Projected FY 2029-30	Projected FY 2030-31	Projected FY 2031-32
Dept of Rev Statewide Avg/Pupil Estimate	1	\$1,116.33	\$1,231.82	\$1,233.37	\$1,367.46	\$1,357.87	\$1,357.87	\$1,357.87	\$1,357.87	\$1,357.87	\$1,357.87	\$1,357.87
Projected Growth in Est. Statewide Average	2	9.57%	10.35%	0.13%	10.87%	(0.70%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Enrollment Change (# Students)	3	(289)	110	45	(61)	172	(181)	(28)	7	(113)	(93)	(86)
Actual/Projected Enrollment	4	14,285	14,395	14,440	14,379	14,551	14,370	14,342	14,349	14,236	14,143	14,057
100% Actual Fiscal Year Payout	5	\$1,228.53	\$1,200.89	\$1,317.36	\$1,322.69	\$1,366	\$1,358	\$1,358	\$1,358	\$1,358	\$1,358	\$1,358
Annual Revenues	6	\$17,240,332	\$19,687,857	\$19,022,440	\$19,018,587	\$19,874,480	\$19,512,049	\$19,474,028	\$19,483,533	\$19,330,094	\$19,203,812	\$19,087,035
Interest Inc.	7	4.00% \$17,654	\$1,441,540	\$342,941	\$130,251	\$369,901	\$82,476	\$54,192	\$127,804	\$172,697	\$209,073	\$237,630
Other Income	8	337,231	32,439	0	0	0	0	0	0	0	0	0
Total Rev. Available for Debt Service:	9	\$17,595,217	\$21,161,836	\$19,365,380	\$19,148,838	\$20,244,381	\$19,594,525	\$19,528,221	\$19,611,338	\$19,502,791	\$19,412,885	\$19,324,666
Expenditures:												
Series 2015 (Bonds)	10	(\$5,587,205)	(\$5,582,205)	(\$85,969)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Series 2016 (PP)	11	(961,150)	(963,038)	(959,475)	(955,575)	(956,338)	(956,650)	(956,513)	(950,925)	0	0	0
Series 2017A (PP)	12	(1,098,656)	(1,095,616)	(1,092,064)	(1,088,000)	(1,083,424)	(1,078,336)	(1,072,736)	(1,066,624)	0	0	0
Series 2017B (PP)	13	(2,036,167)	(2,046,183)	(2,060,009)	(2,072,526)	(2,083,734)	(2,093,633)	(2,107,223)	(2,124,385)	0	0	0
Series 2018A (PP)	14	(956,150)	(941,730)	(941,980)	(941,405)	(945,005)	(942,615)	(944,400)	(945,195)	0	0	0
Series 2022A (PP)	15	0	(2,225,789)	(2,218,024)	(2,206,855)	(2,201,020)	(2,195,352)	(2,189,851)	(2,179,517)	(9,429,517)	(9,427,367)	(9,432,201)
Proposed 2023 (PP)	16	0	0	(6,875,306)	(6,967,184)	(6,960,976)	(6,963,832)	(6,955,196)	(6,960,252)	(4,798,260)	(4,799,354)	(4,795,997)
Reserved	17	0	0	0	0	0	0	0	0	0	0	0
Total Parity SILO/SAVE Bonds	18	(\$10,639,328)	(\$12,854,561)	(\$14,232,828)	(\$14,231,545)	(\$14,230,497)	(\$14,230,418)	(\$14,225,918)	(\$14,226,898)	(\$14,227,777)	(\$14,226,721)	(\$14,228,198)
Debt Service Coverage Parity Bonds:	19	1.65	1.65	1.36	1.35	1.42	1.38	1.37	1.38	1.37	1.36	1.36
Cashflow After Debt Service	20	\$6,955,889	\$8,307,275	\$5,132,553	\$4,917,293	\$6,013,885	\$5,364,107	\$5,302,303	\$5,384,440	\$5,275,015	\$5,186,164	\$5,096,468
Accrual Adjustments	21	(1,078,338)	4,435,475	14,443,613	(4,141,745)	0	0	0	0	0	0	0
Transfer (to)/from Restricted Cash	22	0	5,587,205	0	0	0	0	0	(0)	0	0	0
Other Transfers In/(Out)	23	(2,018,898)	(29,906,569)	(1,201,747)	(966,263)	1,259,191	(7,759,200)	(2,650,000)	0	0	0	0
Other Revenues / (Expenses)	24	0	(626,524)	0	0	7,320,000	2,500,000	0	0	0	0	0
Bond Proceeds	25	263,145	137,285,000	0	0	0	0	0	0	0	0	0
Capital Outlays												
Technology	26	3% (2,004,600)	(2,889,420)	(2,976,103)	(3,065,386)	(3,157,347)	0	0	(3,450,118)	(3,553,621)	(3,660,230)	(3,770,037)
Family Resource Centers	27	(300,000)	(666,668)	(813,002)	(1,020,346)	(855,717)	(812,000)	(812,000)	(812,000)	(812,000)	(812,000)	(812,000)
Construction Manager	28	(283,005)	(155,847)	(87,500)	0	0	0	0	0	0	0	0
Other Capital Outlays	29	0	0	0	0	0	0	0	0	0	0	0
Capital Projects FMP 2.0 / 2.3	30	(312,437)	(31,335,819)	(51,948,809)	(36,463,798)	(17,765,643)	0	0	0	0	0	0
Total Capital & Other Adjustments:	31	(\$5,734,133)	\$81,726,833	(\$42,583,549)	(\$45,657,537)	(\$13,199,515)	(\$6,071,200)	(\$3,462,000)	(\$4,262,118)	(\$4,365,621)	(\$4,472,230)	(\$4,582,037)
Annual Surplus/(Deficit)	32	\$1,221,756	\$90,034,108	(\$37,450,996)	(\$40,740,244)	(\$7,185,631)	(\$707,093)	\$1,840,303	\$1,122,322	\$909,393	\$713,934	\$514,431
Beginning Unrestricted Cash	33	(\$3,817,096)	(\$2,595,339)	\$87,438,769	\$49,987,773	\$9,247,529	\$2,061,899	\$1,354,805	\$3,195,108	\$4,317,430	\$5,226,823	\$5,940,757
Ending Unrestricted Cash	34	(\$2,595,339)	\$87,438,769	\$49,987,773	\$9,247,529	\$2,061,899	\$1,354,805	\$3,195,108	\$4,317,430	\$5,226,823	\$5,940,757	\$6,455,189
Designated/Restricted												
Family Resource Centers	35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Reserve Fund	36	5,587,205	0	0	0	0	0	0	0	0	0	0
Total Designated/Restricted Cash	37	\$5,587,205	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total SILO/SAVE Cash per Audit	38	\$2,991,866	\$87,438,769	\$49,987,773	\$9,247,529	\$2,061,899	\$1,354,805	\$3,195,108	\$4,317,430	\$5,226,823	\$5,940,757	\$6,455,189



General Fund Fiscal Analysis



General Fund Fiscal Analysis

Annual Cashflow Projections

- FY 2025-26 Considerations:
 - ✓ Revenue: \$219,082,029
 - State Aid = \$106,582,720
 - Property Taxes = \$86,743,494
 - Other = \$25,755,814
 - ✓ Expenditures: \$225,081,295
 - Salaries & Benefits = \$188,771,146
 - Other General Fund Expenses = \$36,310,149
 - ✓ Internal Loans:
 - General Fund must repay an interfund loan from the Insurance Fund = \$10,400,000
 - New interfund loan to SAVE = \$7,320,000 (no later than May 15, 2026)
 - ✓ Estimated June 30, 2026 cash balance (before new Warrant) = \$4,376,303
 - \$4.37M = 7 days of operating cash on hand
 - Ending cash balance is not sufficient to cover July 2026 payroll expenses (\$11,532,310) before first quarterly state aid payment is received.



General Fund Fiscal Analysis

Annual Cashflow Projections

- FY 2026-27 Considerations:
 - ✓ Revenue: \$224,333,277
 - State Aid = \$106,158,916 (Paid quarterly beginning July 15, 2026)
 - Property Taxes = \$94,743,494
 - Other = \$22,255,814
 - ✓ Expenditures: \$222,843,509
 - Salaries & Benefits = \$188,071,150
 - Other General Fund Expenses = \$34,772,359
 - ✓ Internal Loans:
 - General Fund will receive repayment of SAVE interfund loan no later than October 1, 2026 = \$7,759,200 (with interest)
 - New interfund loan to SAVE = \$2,500,000 (no later than May 15, 2027)
 - ✓ Estimated June 30, 2027 cash balance (before new Warrant) = \$9,950,219
 - \$9.95M = 16 days of operating cash on hand
 - Ending cash balance is not sufficient to cover July 2027 payroll expenses (\$11,762,956)

IOWA CITY COMMUNITY SCHOOLS

EXHIBIT 1

General Fund Annual Fiscal Year Cashflow

		Audited	Unaudited Actual		Budget	Estimated	Projected	Projected
		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
GENERAL FUND REVENUES			4.66%	5.08%	10.16%	(0.4%)	2.00%	2.00%
Local Sources (Property Taxes, etc.)	1	\$87,976,516	\$92,074,027	\$96,754,887	\$106,582,720	\$106,158,916	\$108,282,094	\$110,447,736
State Sources (State Aid, etc.)	2	95,433,069	101,519,250	104,025,291	86,743,494	94,743,494	98,533,234	100,503,899
Other GF Revenues	3	25,523,235	11,499,448	9,839,282	25,755,814	22,255,814	22,478,372	22,927,940
Earnings on investments	4	555,212	1,437,491	1,154,692	0	1,175,052	785,011	578,144
TOTAL GENERAL FUND REVENUES	5	\$209,488,033	\$206,530,216	\$211,774,151	\$219,082,029	\$224,333,277	\$230,078,712	\$234,457,719
<i>Total General Fund Revenue Growth Rate</i>			<i>(1.4%)</i>	<i>2.5%</i>	<i>3.5%</i>	<i>2.4%</i>	<i>2.6%</i>	<i>1.9%</i>
GENERAL FUND EXPENDITURES								
Salaries & Benefits Expense Growth Rates			(4.9%)	10.3%	1.0%	(0.4%)	2.0%	2.0%
Salaries	6	(\$178,134,095)	(\$169,413,415)	(\$186,943,823)	(\$188,771,146)	(\$188,071,150)	(\$191,832,573)	(\$195,669,225)
Other General Fund Exp (Purch Serv, Supplies, etc.)	7	(\$29,742,202)	(\$28,744,815)	(\$25,038,361)	(\$36,310,149)	(\$34,772,359)	(\$35,467,806)	(\$36,177,162)
TOTAL GENERAL FUND EXPENDITURES	8	(\$207,876,297)	(\$198,158,230)	(\$211,982,184)	(\$225,081,295)	(\$222,843,509)	(\$227,300,379)	(\$231,846,387)
<i>Total General Fund Expenditure Growth Rate</i>			<i>(4.7%)</i>	<i>7.0%</i>	<i>6.2%</i>	<i>(1.0%)</i>	<i>2.0%</i>	<i>2.0%</i>
NET GENERAL FUND CASHFLOW	9	\$1,611,736	\$8,371,986	(\$208,033)	(\$5,999,267)	\$1,489,768	\$2,778,332	\$2,611,332
Proposed 2026 Taxable General Fund Warrants	10	\$0	\$0	\$0	\$25,000,000	(\$26,500,000)	\$0	\$0
Proposed 2027 Taxable General Fund Warrants	11	\$0	\$0	\$0	\$0	\$10,000,000	(\$10,600,000)	\$0
Cashflow After Debt Service	12	\$1,611,736	\$8,371,986	(\$208,033)	\$19,000,733	(\$15,010,232)	(\$7,821,668)	\$2,611,332
Other Revenues / (Expenses)	13	0	0	(426,754)	(\$10,000)	0	0	0
General Fund Interfund Loan Received	14	0	0	0	10,000,000	0	0	0
General Fund Interfund Loan Repayment	15	0	0	0	(10,400,000)	0	0	0
Interfund Loans to SAVE	16	0	0	0	(7,320,000)	(2,500,000)	0	0
Interfund Loans Repayment from SAVE	17	0	0	0	0	7,759,200	2,650,000	0
General Fund Transfers In/(Out)	18	(1,523,569)	0	156,986	(1,259,191)	0	0	0
Accural Adjustment	19	(2,551,439)	(1,470,733)	(6,071,371)	0	0	0	0
Fiscal Year Surplus / (Deficit)	20	(\$2,463,272)	\$6,901,253	(\$6,549,172)	\$10,011,542	(\$9,751,032)	(\$5,171,668)	\$2,611,332
Beginning Cash Balance	21	\$21,475,952	\$19,012,680	\$25,913,933	\$19,364,761	\$29,376,303	\$19,625,270	\$14,453,603
Ending Cash Balance	22	\$19,012,680	\$25,913,933	\$19,364,761	\$29,376,303	\$19,625,270	\$14,453,603	\$17,064,935
Days of Operating Cash on Hand	23	(32.9)	(47.1)	(32.9)	(47.0)	(31.7)	(22.9)	(26.5)



General Fund Fiscal Analysis

Monthly Cashflow Projections

- In addition to the annual General Fund Cashflows, PFM has reviewed internal monthly cashflow projections and computed an independent General Fund monthly cashflow.
- FY 2026-27 Considerations:
 - ✓ Even with quarterly state aid payments, monthly cashflow would go negative in July 2026 since payroll is due before state aid would be received.
 - Estimated July 2026 ending cash balance = <\$6,568,635>
 - ✓ September 2026 and March 2027 would also have negative ending cash balances
 - Estimated September 2026 ending cash balance = <\$4,474,647>
 - Estimated March 2027 ending cash balance = <\$2,052,305>
 - ✓ Ending June 30, 2027 cash balance of \$9,950,219 is not sufficient to cover July 2027 payroll expenses (\$11,236,759).

Iowa City Community School District

Exhibit 1

General Fund Monthly Cashflow

FY 2025-26

	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26
Opening Cash Position	19,364,761	9,436,504	6,020,413	5,124,726	34,024,432	31,768,248	26,389,152	18,790,410	12,486,510	7,393,383	30,493,503	46,244,056
State Aid	423,804	-	10,648,629	10,649,513	10,649,071	10,649,071	10,593,772	10,593,772	10,593,772	10,593,772	10,593,772	10,593,772
Local Taxes	379,454	1,067	6,213,734	33,780,407	5,229,494	1,330,659	814,914	361,885	3,114,234	30,410,107	4,211,857	895,682
Other GF Revenues	707,917	941,910	4,053,518	3,490,933	272,031	221,773	121,611	1,279,133	1,333,325	2,010,464	5,192,802	6,130,397
Loan Proceeds/Payment	-	10,000,000	-	-	-	-	-	-	-	-	25,000,000	-
Total Income	1,511,175	10,942,977	20,915,881	47,920,854	16,150,596	12,201,503	11,530,297	12,234,790	15,041,331	43,014,343	44,998,431	17,619,851
Payroll & Benefits	(11,590,643)	(11,884,972)	(15,878,236)	(16,354,093)	(16,376,879)	(16,133,248)	(15,607,846)	(16,320,308)	(16,341,945)	(16,111,711)	(16,876,174)	(19,295,092)
Other General Expenses	151,210	(2,474,096)	(5,933,331)	(2,667,054)	(2,029,901)	(1,447,351)	(3,521,192)	(2,218,383)	(3,792,512)	(3,792,512)	(3,792,512)	(4,792,512)
Loan Expense/Payment	-	-	-	-	-	-	-	-	-	(10,000)	(8,579,191)	(10,400,000)
Total Expenses	(11,439,433)	(14,359,068)	(21,811,567)	(19,021,147)	(18,406,780)	(17,580,599)	(19,129,038)	(18,538,691)	(20,134,457)	(19,914,224)	(29,247,878)	(34,487,604)
Net Change In position	(9,928,258)	(3,416,091)	(895,687)	28,899,706	(2,256,184)	(5,379,096)	(7,598,741)	(6,303,901)	(5,093,127)	23,100,120	15,750,553	(16,867,753)
Ending Cash Position	9,436,504	6,020,413	5,124,726	34,024,432	31,768,248	26,389,152	18,790,410	12,486,510	7,393,383	30,493,503	46,244,056	29,376,303

Iowa City Community School District

Exhibit 2

General Fund Monthly Cashflow

FY 2026-27

	July-26	August-26	September-26	October-26	November-26	December-26	January-27	February-27	March-27	April-27	May-27	June-27
Opening Cash Position	29,376,303	18,431,365	31,812,336	20,525,353	50,792,079	62,183,886	46,413,052	28,477,872	38,377,261	22,947,695	39,721,376	25,254,411
State Aid	-	26,539,729	-	-	26,539,729	-	-	26,539,729	-	-	26,539,729	-
Local Taxes	379,454	1,067	6,213,734	37,780,407	5,229,494	1,330,659	814,914	361,885	3,114,234	34,410,107	4,211,857	895,682
Other GF Revenues	707,917	941,910	4,053,518	3,490,933	272,031	221,773	121,611	1,279,133	1,333,325	2,010,464	1,692,802	6,130,397
Loan Proceeds/Payment	-	-	-	7,759,200	-	-	-	-	-	-	-	10,000,000
Total Income	1,087,371	27,482,706	10,267,252	49,030,541	32,041,254	1,552,432	936,525	28,180,747	4,447,559	36,420,571	32,444,388	17,026,079
Payroll & Benefits	(11,532,310)	(11,826,639)	(15,819,903)	(16,295,760)	(16,318,546)	(16,074,915)	(15,549,513)	(16,261,975)	(16,283,612)	(16,053,378)	(16,817,841)	(19,236,759)
Other General Expenses	(500,000)	(2,275,096)	(5,734,331)	(2,468,054)	(1,830,901)	(1,248,351)	(3,322,192)	(2,019,383)	(3,593,512)	(3,593,512)	(3,593,512)	(4,593,512)
Loan Expense/Payment	-	-	-	-	(2,500,000)	-	-	-	-	-	(26,500,000)	-
Total Expenses	(12,032,310)	(14,101,735)	(21,554,234)	(18,763,814)	(20,649,447)	(17,323,266)	(18,871,705)	(18,281,358)	(19,877,124)	(19,646,891)	(46,911,353)	(23,830,271)
Net Change In position	(10,944,938)	13,380,971	(11,286,983)	30,266,726	11,391,807	(15,770,834)	(17,935,180)	9,899,389	(15,429,566)	16,773,681	(14,466,965)	(6,804,192)
Ending Cash Position	18,431,365	31,812,336	20,525,353	50,792,079	62,183,886	46,413,052	28,477,872	38,377,261	22,947,695	39,721,376	25,254,411	18,450,219

Iowa City Community School District

Exhibit 3

General Fund Monthly Cashflow

FY 2027-28

	July-27	August-27	September-27	October-27	November-27	December-27	January-28	February-28	March-28	April-28	May-28	June-28
Opening Cash Position	18,450,219	7,286,891	20,926,084	9,497,101	35,825,477	50,096,989	34,035,134	15,756,332	25,848,156	10,158,950	27,936,202	29,677,206
State Aid	-	27,070,524	-	-	27,070,524	-	-	27,070,524	-	-	27,070,524	-
Local Taxes	394,632	1,110	6,462,283	39,291,623	5,438,674	1,383,885	847,510	376,361	3,238,803	35,786,511	4,380,332	931,510
Other GF Revenues	714,996	951,329	4,094,053	3,525,843	274,751	223,991	122,827	1,291,924	1,346,658	2,030,569	1,709,730	6,191,701
Loan Proceeds/Payment	-	-	-	2,650,000	-	-	-	-	-	-	-	-
Total Income	1,109,629	28,022,963	10,556,336	45,467,466	32,783,949	1,607,876	970,337	28,738,809	4,585,461	37,817,080	33,160,585	7,123,211
Payroll & Benefits	(11,762,956)	(12,063,172)	(16,136,301)	(16,621,675)	(16,644,917)	(16,396,414)	(15,860,503)	(16,587,214)	(16,609,284)	(16,374,446)	(17,154,198)	(19,621,494)
Other General Expenses	(510,000)	(2,320,598)	(5,849,018)	(2,517,416)	(1,867,519)	(1,273,318)	(3,388,636)	(2,059,771)	(3,665,383)	(3,665,383)	(3,665,383)	(4,685,383)
Loan Expense/Payment	-	-	-	-	-	-	-	-	-	-	(10,600,000)	-
Total Expenses	(12,272,956)	(14,383,770)	(21,985,319)	(19,139,091)	(18,512,436)	(17,669,731)	(19,249,139)	(18,646,985)	(20,274,667)	(20,039,828)	(31,419,580)	(24,306,877)
Net Change In position	(11,163,327)	13,639,193	(11,428,983)	26,328,375	14,271,512	(16,061,855)	(18,278,802)	10,091,824	(15,689,206)	17,777,252	1,741,005	(17,183,666)
Ending Cash Position	7,286,891	20,926,084	9,497,101	35,825,477	50,096,989	34,035,134	15,756,332	25,848,156	10,158,950	27,936,202	29,677,206	12,493,540



General Fund Fiscal Analysis

- Minimum Cash Balance Recommendation:
 - ✓ PFM recommends a minimum General Fund cash balance of at least one month (30 days) cash on hand = \$21,000,000.
 - Average monthly payroll is \$15,675,000 annually
 - This targeted cash balance keeps one month of payroll on hand plus a cushion for other expenses that may be needed in months there is no state aid or property taxes received.
- Future Capacity:
 - ✓ There is very limited capacity for growth in General Fund expenses.
 - ✓ PFM's cashflow projections assumes the District budgets no more than 2% growth annually for General Fund expenditures.
 - ✓ Additional cuts will be needed OR the District will need to continue borrowing Taxable Warrants if expenditure growth exceeds 2%.



PFM Recommendations for the Issuance of Taxable General Fund Tax Anticipation Warrants (“Warrants”)



PFM Recommendation for the Warrants

- PFM recommends the District borrow \$25,000,000 in Taxable General Fund Tax Anticipation Warrants (the “Warrants”) as soon as possible, closing no later than May 22, 2026.
- This allows the District to:
 - ✓ Repay the \$10,000,000 internal loan + interest
 - ✓ Fund an interfund loan to SAVE in the amount of \$7,320,000 to pay June 1, 2026 principal and interest payments on outstanding SAVE debt
 - ✓ Provide monthly general fund liquidity to mitigate the monthly cashflow volatility
 - ✓ Invest cash without earning restrictions
- Warrants must be repaid by the end of the next fiscal year
 - ✓ 2026 Warrant matures June 30, 2027
- PFM estimates it will take 2 fiscal years to no longer need to issue new anticipatory warrants (*based on current fiscal assumptions*).



PFM Recommendation for the Warrants

- PFM estimates a second Warrant will be needed in June 2027.
 - ✓ The final amount will be based on actual general fund cashflows between now and March 2027.
 - ✓ PFM currently estimates the District will need at least \$10,000,000 no later than June 2027 for FY 2027-28 cashflows (to fund July 2027 payroll).
- Warrants must be repaid by the end of the next fiscal year
 - ✓ 2027 Warrant matures June 30, 2028
- PFM estimates it will take 2 fiscal years to no longer need to issue new warrants.
 - ✓ PFM anticipates no Warrants needed in June 2028 to fund July 2028 payroll in FY 2028-29 (assuming a cash balance of at least \$19.6M).
- This assumes the District ***budgets no more than 2% growth annually for General Fund expenditures.***
 - ✓ Additional cuts will be needed OR the District will need to continue borrowing Warrants if expenditure growth exceeds 2%.



Warrant Issuance Process & Proposed Timeline



Warrants Issuance Process

- Tonight, the Board will direct PFM to proceed with distribution of a Terms of Offering for the Warrants.
 - ✓ PFM will distribute the Terms of Offering to banks seeking proposals to purchase the \$25,000,000 Warrants.
 - ✓ The Terms of Offering will outline:
 - Specific terms of the Warrants (amount, call provisions, maturity date, etc.)
 - Provide background information on why the District is issuing Warrants (general fund monthly cashflow / liquidity, repayment of interfund loans, etc.)
 - Provide other general information about District (enrollment, valuations, cash balances, larger taxpayers, etc.)
- PFM will receive proposals no later than April 22 and determine the winning proposer.
- The Board will hold a special meeting the business day after proposals are received to award the Warrants to the winning proposer.
- The Board will authorize issuance proceedings at its first regular meeting in May
- The Warrants will close no later than May 22, 2026.
- The Warrants must be repaid no later than June 30, 2027.



Proposed Issuance Timeline

Warrant Issuance Timeline:

- April 1, 2026: Board directs PFM to distribute *Terms of Offering*
- April 17-22, 2026: Proposals due from banks (TBD based on bank feedback)
- Day after Proposals
are Received: *Special Meeting* to award Warrants to winning proposer
- May 12, 2026: Authorize issuance proceedings
Authorize interfund loans (see next section for details)
- May 21, 2026: Closing; Warrant proceeds delivered
- May 22, 2026: \$10M Insurance Fund interfund loan is repaid
\$7,320,000 interfund loan is issued to SAVE



Interfund Loan Summary



General Fund Interfund Loan Summary

General Fund Interfund Loan Summary FY 2025-26:

1. \$10,000,000 interfund loan TO the General Fund FROM the Insurance Fund received in fall 2025.
 - \$10,400,000 repaid from General Fund to Insurance Fund
 - Repaid on May 22, 2026
 - Repayment funded by 2026 Warrant proceeds
2. \$7,320,000 interfund loan FROM the General Fund TO the SAVE Fund
 - Interfund loan funded by 2026 Warrant proceeds
 - Repaid by SAVE no later than October 1, 2026
 - \$7,759,200 repaid from SAVE to General Fund (estimated at 6% interest)

General Fund Interfund Loan Summary FY 2026-27:

1. \$2,500,000 interfund loan FROM the General Fund TO the SAVE Fund
 - Issued in November 2026 (prior to December 1, 2026 interest payments)
 - Interfund loan funded by 2027 Warrant proceeds
 - Repaid by SAVE no later than October 1, 2027
 - \$2,650,000 repaid from SAVE to General Fund (estimated at 6% interest)



SAVE Fund Interfund Loan Summary

SAVE Fund Interfund Loan Summary FY 2025-26:

1. \$7,320,000 interfund loan FROM the General Fund TO the SAVE Fund
 - \$7,759,200 repaid from SAVE to General Fund (estimated at 6% interest)
 - Repaid by SAVE no later than October 1, 2026
 - Repayment funded by SAVE monthly revenues, SAVE cash balance, and PPEL interfund loan (if needed)

SAVE Fund Interfund Loan Summary FY 2026-27:

1. \$2,500,000 interfund loan FROM the PPEL Fund TO the SAVE Fund (if needed)
 - Issued in September 2026
 - Repaid by SAVE no later than March 30, 2027 (estimated)
 - \$2,575,000 repaid from SAVE to PPEL (estimated at 6% interest for 6 months)
 - Repayment funded by SAVE monthly revenues and/or SAVE cash balance
2. \$2,500,000 interfund loan FROM the General Fund TO the SAVE Fund
 - Issued in May 2027
 - Repaid by SAVE no later than October 1, 2027
 - \$2,650,000 repaid from SAVE to General Fund (estimated at 6% interest)
 - Repayment funded by SAVE monthly revenues and/or SAVE cash balance



PPEL Fund Interfund Loan Summary

PPEL Fund Interfund Loan Summary FY 2025-26:

1. \$7,409,947 interfund loan FROM the PPEL Fund TO the Debt Service Fund
 - Issued July 2025 – February 2026
 - Interfund loan funded by Debt Service property tax receipts
 - \$4,939,604* repaid by PPEL to Debt Service no later than May 22, 2026
 - Repayment funded by PPEL cash on hand

PPEL Fund Interfund Loan Summary FY 2026-27:

1. \$2,500,000 interfund loan FROM the PPEL Fund TO the SAVE Fund (*if needed*)
 - Issued in September 2026
 - Repaid by SAVE to PPEL no later than March 30, 2027 (estimated)
 - \$2,575,000 repaid from SAVE to PPEL (estimated at 6% interest for 6 months)
 - Funded by PPEL cash on hand

*Note: Original interfund loan amount was for \$7,409,947. However, \$4,939,604 is the net amount owed to Debt Service from PPEL after PPEL paid the December 1, 2025 interest payments due on outstanding G.O. Bonds in the amount of \$2,470,343.



Other Observations & Considerations



Observations & Considerations

- All interfund loans should be authorized by the School Board **PRIOR** to the actual transfer of funds.
- General fund capacity for increased payroll & benefit expenses is limited (2% annually).
- Now is the time to review general fund expenditures and make the hard decisions necessary to ensure you are not in the same cashflow position in 3-5 fiscal years.
- Limited funding available for capital outlays outside of annual facility maintenance for the next 2 fiscal years.
 - ✓ \$0 capacity in SAVE fund until FY 2038-39 when existing bonds mature
 - ✓ Limited capacity in PPEL that should be reserved to fund annual facility maintenance needs.
- The District should prioritize conserving cash balances to support ongoing operational and capital needs.



Observations & Considerations

- Continue to prioritize internal control reviews, fund reconciliations and the completion of FY 2024, FY 2025 and FY 2026 audits.
 - ✓ Moody's Ratings will not conduct a rating review until District's audits are released within 12 months of the most recent fiscal year.
 - ✓ The District will have no access to new capital funding without timely audited financial statements and an investment grade credit rating.
 - ✓ PFM estimates it may be sometime in 2028 before the District will be able to seek a credit rating with timely audits.
 - ✓ A well-defined fiscal plan is essential to securing the funding necessary to the District's future financial success.
- The District should prioritize internal control reviews and demonstration of responsible fiscal management.

Questions?

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