

Summary of Progress as of April 10, 2026

The chart attached includes a summary of activities that are in progress for the FY2024, FY 2025 and the FY2026 fiscal years clean up and audit preparation.

Bank Statements for 2023 and 2024 have been completed. Fiscal Year 2025 has begun, the General Fund has been reconciled thru May 2025. Journal entries posted for the general fund and have been cleared back within the reconciliations and posted. Draft entries for the rest of the year continue. Once the General Fund is completed the other funds for FY25 will be started, we anticipate that most of the corrections will have flowed through the general fund so anticipate the reconciliation of the other funds to proceed quicker. For FY25 General Fund reconciliations, the draft entries through May 2025, and now sorting through June along with year-end 13th period. As we mentioned before, there's several year-end entries hitting cash that shouldn't be, so we are sorting through those trying to figure out how they need to be corrected.

The remaining funds are still pending for FY2025, as the General Fund is being reconciled several entries and corrections impact the other accounts which will help with those reconciliations once all the General Fund is completed. FY2026 has not yet begun.

In order to improve capital project and asset reporting during the year, we have begun conversations on implementing a formal fixed asset module within our ERP. Formal initial planning will take place in late May or early June to outline procedures for departments impacted (Facilities, Nutritional Service and accounts payable).

Part of the remaining clean-up for FY2024 that still needs to occur includes the following tasks – this remains unchanged from the prior week.

- Tie out year-end receivables and Payables against state reporting (Provided annually)
Completed
- Capitalization worksheets - completed
SOA - Pending completion of Audit Fieldwork
- Lease Worksheet - Completed
- GASB 75 calculations - Completed
- GASB 34 worksheet
Pending review of major accruals by auditors
- Revenue tie out to state and county reports.
Completed

Audit field work for FY2024 began Monday, April 6th. Meeting with the Auditors took place on March 30th.

The audit currently is on schedule. We have been working with the auditors for ongoing requests for documentation required as part of the audit fieldwork. Known outstanding adjustments at this time include an adjustment to the insurance claims payable, contingent on the 509a expected early next week. The adjustment would result in a likely immaterial change to claims expense for the fiscal year. Per meeting with the auditors, they believe the audit is moving along well.

The Schedule of Expenditures of Federal Awards (SEFA) reconciliation is in process. This is a schedule that gets prepared every year to reconcile the federal awards received and the expenditures they were used for.

Matt Degner – Superintendent of Schools

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Efficiencies and Internal Control Items for the week of April 3, 2026

Monthly close schedule development continues as the reconciliations move forward. Once reconciliations are currently this will be the document that all staff uses each month for the close. New templates will be needed to help with standardized journals that need to be made, for example recording property taxes when received so the appropriate accounts and funds are correctly credited, and this then will avoid correcting entries needed later.

Part of the monthly close schedule, the schedule 941 has been reconciled and filed for 1st Qtr. 2026. Iowa State will be filed April 10th.

We have started daily cash monitoring to assist in both cash management and reconciliations. All cash receipts and checks are now being applied on a daily basis to promptly identify any variances between ledger and bank, as well as providing more current information for monitoring cash position. We have begun the process of correcting the accounts receivable aging. The Accounts receivable ledger dating back to at least 2022 has been updated, where the same "department" code was not used for both the receivable, and the receipt, resulting in customers with no account balances due listed as 180+ past current.

In conjunction with the daily cash monitoring noted above and cleanup of the AR aging schedule, Accounts receivable is conducting a monthly cash receipts journal for items that should have been applied to a receivable balance, to assist in AR accuracy, and past due collection efforts.

The PCard policy has been given to the board for discussion and additional comments have been made to the policy per the board's request. The new policy will be rolled out and communicated to appropriate staff.

There has been progress on the vendor ACH initiative. New forms have been created to be able to send to the vendors to complete in order to get their information into the system. However, most of this is being done manually as the Accounts Payable (AP) system doesn't have good contact information for the person where this information needs to be sent to. So, the clean-up of the system and gathering information to be able to produce a mailing continues. We are looking at rolling this out in a three-phase process for efficiency.

Please read through Section 3, *Detailed Procedures and Timelines for Implementation*. For each area, my main question is: "Were these goals accomplished at the time of your arrival?" If the answer is not yes or no, but somewhere in between, that is a fine answer too. I would appreciate any additional details you could provide as well. The areas I would like examined are the following:

- *Bank Reconciliations - No, they had not been reconciled since the FY2023 fiscal year. The designated person in the implementation to perform the reconciliations was not hired until Dec 2023. The staff member responsible and CFO were both here prior to that time.*
- *Depositing and Posting of Receipts - No, they were not readily available, reconciled or tied out. This task had been assigned to the Business Manager and a new position that wasn't filled until December 2023.*

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- *Update Account Codes - This appears to have had a completion date of November 2023, so unclear to if this was completed by then.*
- *Test Account Codes - This appears to have had a completion date that has already passed, and should have been completed by the Business Manager and CFO at the time, it appears that it did not happen.*
- *Fixed Asset Accounting - No, the district has not implemented the fixed asset system in the current accounting system. It is currently being kept in an excel file that is updated annually.*
- *Accrual Entries - No, they are not done monthly only annual accrual are being prepared. A 13th period has been used to enter all accrual entries in then those amounts and entries are moved annually by the Business Manager or CFO. Currently, a software platform is being used to scan and upload all accounts payable checks and invoices into the SU financial system so backup documentation is readily available to drill through in the system.*
- *SES Requirements - Enrollment is harvested in IT, additionally Weblink reporting does currently exist and the reporting is reconciled and reviewed on an annual basis for each fiscal year end. FY2023 is the last year that this was reviewed.*

Please Review Section 4. *Administrative Roles and Contingency Planning for State Report Completion*

- Business Services Manager
 - From what you have reviewed thus far, does it appear that the "Report Execution" occurred?
 - *No, not in a timely manner and not with oversight.*
 - When you arrived, was anyone performing these duties with any semblance of efficacy?
 - *Efficiency and direction within the business office were critically missing from what I have observed.*
- Contingency Plan
 - When you arrived, were at least two staff members able to complete all functions required to prepare the CAR, SES, and ATR for submission?
 - *No*
 - In the school districts you have worked in the past, is it normal for a district to bring in staff from other areas, such as Special Education, Facilities Management, Technology & Innovation, and Curriculum & Instruction, to complete financial reports?
 - *Each entity has its unique circumstances and has found people from different areas to temporarily assist when it's been critical. Such as an individual in the math department coming over to business to assist some functions then either staying in the department or going back to their teaching position. The practices being referenced in this question date back to starting prior to July 2023 in this district.*
 - If you have seen it before, how well did it work?

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