



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



Iowa City Community School District

Year-to-Date General Fund Fiscal Progress & Update Regarding the Need to Issue Warrants

April 28, 2026

PFM Financial Advisors LLC

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Agenda

- Fiscal Progress Since April 1st
- Updated Year-to-Date General Fund Financial Projections
 - ✓ FY 2026 Monthly General Fund Cashflow
 - FY 2026 Positive Fiscal Variances Since April 1st Update
 - Unknown Variables are Being Resolved
 - Interfund Loans Update
 - Projected June 30, 2026 General Fund Ending Cash Balance
- Revised PFM Recommendation for the Issuance of Taxable Anticipatory Warrants
 - ✓ No Warrants Needed Prior to June 30, 2026
 - ✓ FY 2027 Warrants May or May Not be Needed Prior to September 1, 2026
- Other Observations & Considerations



Fiscal Progress Since April 1st



Fiscal Progress Since April 1st

- On April 1 PFM presented to the Board a [WORST CASE SCENARIO](#) based on very conservative assumptions while accounting for a significant number of unknown variables.
 - ✓ Unknown July 1, 2025 beginning cash balances
 - ✓ Capital encumbered vs. dollars spent
- Since April 1, the District has made tremendous progress in reducing that fiscal uncertainty
- FY 2024 audit work papers completed
 - ✓ FY 2024 audit expected to be delivered by June 30, 2026
- FY 2025 audit work underway
 - ✓ Internal control testing has been completed
 - ✓ FY 2025 audit expected to be delivery no later than December 31, 2026.
- Hiring a highly experienced CFO who joins the District May 13



Updated Year-to-Date General Fund Financial Projections



FY 2026 Monthly General Fund Cashflow

- FY 2026 Positive Fiscal Variances Since April 1st Update
 - ✓ Revenues are anticipated to be +\$4,623,722 higher
 - ✓ Expenditures are anticipated to be <\$1,969,489> lower
 - ✓ Overall net positive variance = +\$6,593,211 additional net free cashflow
- Unknown Variables are Being Resolved:
 - ✓ Audit work is rapidly being completed, increasing confidence in cash balances
 - FY 2024 work papers completed
 - FY 2025 internal controls review completed
 - ✓ Bank reconciliations are getting caught up, providing a very high level of confidence in cash balances



FY 2026 Monthly General Fund Cashflow

- Interfund Loan Update:
 - ✓ Assumes General Fund pays the new interfund loan to SAVE the amount of \$7,320,000 no later than May 22, 2026
 - ✓ PFM recommends the District wait until after July 1, 2026 to repay the insurance interfund loan
 - The loan is not legally required to be repaid until September 1, 2026
 - The District would NOT need to borrow Warrants prior to June 30, 2026.
- Projected June 30, 2026 General Fund Ending Cash Balance
 - ✓ Option 1: Repay the insurance fund interfund loan after July 1, 2026:
 - June 30, 2026 projected balance = \$21,359,514 (35 days cash on hand)
 - ❖ This is sufficient to make July payroll prior to the receipt of state aid.
 - ✓ Option 2: Repay the insurance fund interfund loan prior to June 30, 2026:
 - June 30, 2026 projected balance = \$10,959,514 (18 days cash on hand)
 - ❖ NOT sufficient to make July payroll prior to receipt of state aid
 - ✓ **PFM recommends repaying the interfund loan after July 1, 2026.**

Iowa City Community School District

Exhibit 1a

General Fund Monthly Cashflow

September 1 Repayment of Interfund Loan

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	19,610,252	16,200,455	14,240,320	37,076,714	27,827,267
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	30,156,381	4,211,857	895,682
Other GF Revenues	707,917	941,910	4,053,518	3,490,933	272,031	221,773	941,453	4,173,236	2,496,828	2,010,464	5,192,802	6,130,397
Loan Proceeds/Payment	-	10,000,000	-	-	-	-	-	-	-	-	-	-
Total Income	1,511,175	10,942,977	20,915,881	47,920,854	16,150,596	12,201,503	12,350,139	15,128,894	16,204,833	42,760,617	19,998,431	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)	(16,166,502)	(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)	(1,998,467)	(3,792,512)	(3,792,512)	(4,792,512)
Interfund Loan to SAVE											(1,259,191)	
ERate Refunding to SAVE											(7,320,000)	
Loan Expense/Payment	-	-	-	-	-	-	-	-	-	(20,000)	-	-
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)	(18,164,969)	(19,924,224)	(29,247,878)	(24,087,604)
Net Change In position	(9,928,258)	(3,416,091)	(895,687)	28,899,706	(2,256,184)	(5,379,096)	(6,778,899)	(3,409,797)	(1,960,135)	22,836,394	(9,249,447)	(6,467,753)
Ending Cash Position	9,436,504	6,020,413	5,124,726	34,024,432	31,768,248	26,389,152	19,610,252	16,200,455	14,240,320	37,076,714	27,827,267	21,359,514

Iowa City Community School District

Exhibit 1b

General Fund Monthly Cashflow

June 30 Repayment of Interfund Loan

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	19,610,252	16,200,455	14,240,320	37,076,714	27,827,267
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	30,156,381	4,211,857	895,682
Other GF Revenues	707,917	941,910	4,053,518	3,490,933	272,031	221,773	941,453	4,173,236	2,496,828	2,010,464	5,192,802	6,130,397
Loan Proceeds/Payment	-	10,000,000	-	-	-	-	-	-	-	-	-	-
Total Income	1,511,175	10,942,977	20,915,881	47,920,854	16,150,596	12,201,503	12,350,139	15,128,894	16,204,833	42,760,617	19,998,431	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)	(16,166,502)	(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)	(1,998,467)	(3,792,512)	(3,792,512)	(4,792,512)
Interfund Loan to SAVE											(1,259,191)	
ERate Refunding to SAVE											(7,320,000)	
Loan Expense/Payment	-	-	-	-	-	-	-	-	-	(20,000)	-	(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)	(18,164,969)	(19,924,224)	(29,247,878)	(34,487,604)
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Ending Cash Position	9,436,504	6,020,413	5,124,726	34,024,432	31,768,248	26,389,152	19,610,252	16,200,455	14,240,320	37,076,714	27,827,267	10,959,514



Revised PFM Recommendation for the Issuance of Taxable Anticipatory Warrants (“Warrants”)



No Warrants Needed Prior to June 30, 2026

- Based on year-to-date positive financial variance, PFM no longer recommends the District issue Warrants prior to June 30, 2026.
- PFM is confident the General Fund can cashflow the \$7,320,000 interfund loan to SAVE.
- PFM recommends repaying the \$10,000,000 insurance fund interfund loan AFTER July 1, 2026.
- Time Now Works in Your Favor
 - ✓ Further completion of audits
 - ✓ Further reconciliation of monthly cash balances in capital funds (PPEL & SAVE)
 - ✓ New CFO integrated and supportive of plan of finance
 - ✓ Right sizing the need to borrow Anticipatory Warrants (if at all)



FY 2027 Warrants May or May Not Be Needed Prior to September 1, 2026

- Warrants may be needed in FY 2027 based on final FY 2026 financial performance.
 - ✓ Worst case: \$5,000,000 to \$10,000,000 needed by September 1, 2026
 - ✓ Best case: \$0 Warrants needed by September 1, 2026*
 - *May require an interfund loan to meet monthly cashflow needs.
- Should Warrants be needed in FY 2027, PFM estimates there would be NO NEED for additional warrants in FY 2028.
 - ✓ 2027 Warrant would be repaid within the FY 2028 budget.
- 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%.



Other Observations & Considerations



Other Observations & Considerations

- PFM is committed to helping the District re-establish confidence in its fiscal integrity.
- The District is making **excellent** progress in getting historical financial information and reporting caught up.
- The audit, fund reconciliation and bank reconciliation work is happening at a rapid pace.
- The full financial picture of the District will continue to evolve until completion of this detailed work.
- PFM is committed to sharing information with the Board and the community as soon as information is verified as accurate and actionable.
- PFM and District staff thank you for your patience as this important work is occurring.

Questions?

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