



## **Board Financial Leadership Update<sup>1</sup>**

Board Policy 701.5 states

*“The Board recognizes its fiduciary responsibility to oversee the management of school district funds in keeping with the school district vision, mission and goals. To achieve this purpose, the board may engage in learning about the financial needs, operations and requirements of the district as appropriate for the board’s understanding of the district’s financial position. The Board also commits to engaging in annual financial goal setting for the district based upon measurable data and projections for the district.”*

The Board is committed to its fiduciary responsibility as well as providing effective leadership regarding the District’s current financial situation. **Beginning with learning of the financial situation in January 2026**, the Board has taken the following actions:

- The Board established a direct line of communication to District legal counsel, Ahlers and Cooney regarding all non-personnel matters related to the District’s current financial situation. **(February 17, 2026)**
- The Board established a direct line of communication with Bohnsack and Frommet, the audit firm responsible for completing the audits for FY24, FY25, and FY26. Bohnsack and Frommet anticipate completing these audits no later than May of 2027. **(February 19, 2026)**
- The Board in tandem with the Superintendent notified the State Auditor of the current financial situation. **(February 19, 2026)**
- The Board passed the following resolution: “The district seeks the assistance of the State Auditor to perform additional procedures regarding the District financial statements. Pursuant to Iowa Code 11.6(4)(2), the board requests the state Auditor conduct a reaudit of the district’s financial activity. Upon the conclusion of the FY24 and FY25 financial statement audits by Bohnsack & Frommet, LLP., the district shall consult with the state Auditor as to any necessary further action. In the event the Auditor determines additional procedures are necessary, the cost of such procedures shall be paid by the District.” **(March 2026)**
- The Board hired an Interim CFO who **works within the superintendent’s administrative team and then reports directly to the Board during Board Meetings.** **(February 24, 2026)**

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<sup>1</sup> **Red** - changes post March 10 meeting

**Blue** - changes post March 24 meeting

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- The Board requested a monthly written report of all receipts, disbursements, and balances of its funds. Interim CFO Michael-Lee will lead this work. (March 5, 2026)
- The Board requested the Iowa Association of School Boards provide all board members with professional development sessions in the area of school finance. (March 11, 2026)
- The Board is re-examining the charter of its Financial Oversight Committee with the goal of establishing a robust committee composed of community stakeholders to provide better oversight and expertise regarding the District's finances and financial management. (March 2026)
- The District engaged with an outside search firm to lead the process for selection of the next CFO. The Board is actively participating in this process. Board Members will play a role by serving on the interview panels, providing input on the recommended candidate, and then the full Board will make the final decision regarding hiring of the next CFO. Interviews are currently scheduled for the end of March, with a recommendation to hire presented to the Board in April. (March 2026)
- A detailed accounting of all deficiencies and corrective actions taken by the interim CFO will be provided at the end of the Interim CFO's tenure with the District. (Spring 2026)
  - Utilize report to learn and to improve practices and oversight
- The Board will engage in a multistage approach to obtaining and sustaining financial health and stability (March 10, 2026)
  - Stage 1 - Spring 2026 Budget Reductions (March 24, 2026)
  - Stage 2 - Review of District organizational chart and utilization of outside firm to review current district staffing approach (Summer 2026)
  - Stage 3 - Elementary attendance center capacity review and class size study for long term fiscal sustainability (Fall/Winter 2026-27)
- Review and updating of admin policies, specifically 303.2 and other related policies
  - Board involvement in the administrator hiring process
- Interim CFO to review the SBRC Corrective Action Document from fall 2023 and identify what actions have been made and what ones still need to be made
- Update to P-Card policy and processes, and increased monitoring of p-card use by the Board through monthly inclusion of p-card usage as part of the consent agenda
- The Board has requested the creation of an anonymous feedback channel for staff.
- At the conclusion of the FY24-FY25 audits, the Board will hire an independent accounting firm to perform a forensic audit to ensure that any financial fraud, misconduct or irregularities didn't occur.

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