



**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**

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PFM Financial Advisors LLC

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# Agenda

- Fiscal Progress Since April 1<sup>st</sup>
  - ✓ \$25,000,000 Warrant Status Update
  - ✓ FY 2026 Year-to-Date General Fund Update
    - FY 2026 Positive Fiscal Variances Since April 1<sup>st</sup> Update
    - Unknown Variables are Being Resolved
- Interfund Loans Update
  - ✓ \$7,320,000 Interfund Loan to SAVE
  - ✓ Repayment Options for \$10,000,000 Insurance Interfund Loan
    - Option 1: Repay after July 1, 2026
    - Option 2: Repay before June 30, 2026
    - PFM Recommendation
    - Next Steps
- Other Observations & Considerations



# **Fiscal Progress Since April 1<sup>st</sup>**



# \$25,000,000 Warrants Status Update

- 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
- On April 1, PFM recommended proceeding with the issuance of \$25,000,000 of Taxable Anticipatory Warrants based on this worst-case scenario to fund:
  - ✓ \$7,320,000 General Fund interfund loan to SAVE Fund no later than May 22
  - ✓ Repayment of \$10,000,000 interfund loan from the Insurance Fund
  - ✓ \$7,680,000 for General Fund cashflow liquidity
- PFM distributed a Terms of Offering to national and local banks with proposals due on Wednesday, April 22.
  - ✓ No proposals were received.



# \$25,000,000 Warrants Status Update

- Feedback from banks included:
  - ✓ Uncertainty poses too great a risk
  - ✓ Request for additional credit facilities to proceed
  - ✓ Former District staff did not respond to bondholder requests for information regarding late audited financial statements
- During this time, PFM was also made aware there is a second local bank interested in working with the District.
- **PFM recommended the District pause the conversation with local banks until we got Board input on multiple funding options moving forward.**



# FY 2026 Year-to-Date General Fund Update

- **FY 2026 Positive Fiscal Variances Since April 1<sup>st</sup> 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**

- ✓ Hired a highly experienced CFO who joins the District May 13
- ✓ Former staff have come back to assist the District in getting caught up with fund reviews and reconciliations, providing a higher level of confidence in cash balances.
  - Started with FY 2026 and worked backwards
  - Reviewing the appropriateness of fund accounting of revenues and expenditures
- ✓ Audit work is being completed, increasing confidence in cash balances
  - FY 2024 work papers completed (expected by June 30)
  - FY 2025 internal controls review completed (expected by December 31)



# **Interfund Loans Update**



# Interfund Loans Update

- **\$7,320,000 Interfund Loan from General Fund to SAVE Fund**
  - ✓ The most urgent fiscal need is providing a \$7,320,000 General Fund interfund loan to the SAVE Fund.
    - Must be funded no later than May 22, 2026.
    - The SAVE Fund does **NOT** have sufficient cash on hand to pay the June 1, 2026 principal and interest payments due on SAVE Revenue Bonds currently outstanding.
    - Due to the positive YTD cashflow variance, PFM believes the District can fund this interfund loan from the General Fund with **NO BORROWING NEEDED.**
  - ✓ **PFM is seeking your direction to proceed with the SAVE interfund loan.**
    - Ahlers would draft an interfund loan resolution that would be presented for your final approval at the May 12 board meeting.



# Interfund Loans Update

- **Repayment of the \$10,000,000 Insurance Fund Interfund Loan**

- ✓ PFM is presenting 2 timing options for the repayment of the \$10,000,000 Insurance interfund loan.
  - The interfund loan is legally required to be repaid no later than September 1, 2026.
  - The final dollar amount of Warrants needed and the timing of the issuance of Warrants varies based on the Board's direction on how you wish PFM to proceed.
- ✓ Option 1:
  - Repay the Insurance interfund loan after July 1, 2026 (prior to September 1, 2026 due date)
- ✓ Option 2:
  - Repay the Insurance interfund loan no later than June 30, 2026



# Interfund Loans Update

## Option 1: Repay the Insurance interfund loan after July 1, 2026

- ✓ Higher June 30, 2026 General Fund projected cash balance
  - \$21,359,514 (35 days cash on hand)
  - Sufficient to make July payroll prior to the receipt of state aid.
- ✓ District would NOT need to borrow Warrants prior to June 30, 2026.
- ✓ Allowing more time for audit completion, integration of new CFO and internal fund reconciliation work to be completed further reduces the uncertainty giving pause to lenders.
- ✓ Time (FY 2026 actual fiscal progress) also helps PFM size the Warrants more accurately.
- ✓ The Insurance interfund loan will be noted in the FY 2026 audit as still outstanding.
- ✓ FY 2027 estimated June 30, 2027 cash balance
  - \$18,327,475 (30 days cash on hand)
  - Sufficient to make July payroll prior to the receipt of state aid.
- ✓ NOTE:
  - PFM's original Warrant timeline recommendation was driven by the urgent need to fund the SAVE interfund loan prior the June 1, 2026 debt service payments.
  - Issuing the Warrant meant funds were available to repay the Insurance interfund loan before June 30, 2026 while still leaving a sufficient ending cash balance for FY 2027 General Fund liquidity.

# Iowa City Community School District

Exhibit 1a

## General Fund Monthly Cashflow

September 1 Repayment of Interfund Loan

FY 2025-26

Assumes \$0 Warrants Issued

	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26
<b>Opening Cash Position</b>	<b>19,364,761</b>	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
<b>State Aid</b>	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
<b>Local Taxes</b>	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
<b>Other GF Revenues</b>	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
<b>Loan Proceeds/Payment</b>	-	10,000,000	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	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
<b>Payroll &amp; Benefits</b>	(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)
<b>Other General Expenses</b>	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)
<b>Interfund Loan to SAVE</b>											(1,259,191)	
<b>ERate Refunding to SAVE</b>											(7,320,000)	
<b>Loan Expense/Payment</b>	-	-	-	-	-	-	-	-	-	(20,000)	-	-
<b>Total Expenses</b>	(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)
<b>Net Change In position</b>	(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)
<b>Ending Cash Position</b>	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	<b>21,359,514</b>

# Iowa City Community School District

Exhibit 2a

## General Fund Monthly Cashflow

September 1 Repayment of Interfund Loan

FY 2026-27

Assumes \$0 Warrants Issued

	July-26	August-26	September-26	October-26	November-26	December-26	January-27	February-27	March-27	April-27	May-27	June-27
<b>Opening Cash Position</b>	<b>21,359,514</b>	10,414,576	13,395,547	9,867,764	32,375,290	43,767,097	27,996,263	10,061,082	19,960,472	6,324,952	23,098,633	35,131,667
<b>State Aid</b>	-	26,539,729	-	-	26,539,729	-	-	26,539,729	-	-	26,539,729	-
<b>Local Taxes</b>	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
<b>Other GF Revenues</b>	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
<b>Loan Proceeds/Payment</b>	-	-	7,759,200	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	1,087,371	27,482,706	18,026,452	41,271,341	32,041,254	1,552,432	936,525	28,180,747	4,447,559	36,420,571	32,444,388	7,026,079
<b>Payroll &amp; Benefits</b>	(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)
<b>Other General Expenses</b>	(500,000)	(2,275,096)	(5,734,331)	(2,468,054)	(1,830,901)	(1,248,351)	(3,322,192)	(2,019,383)	(1,799,467)	(3,593,512)	(3,593,512)	(4,593,512)
<b>Interfund Loan to SAVE</b>												
<b>ERate Refunding to SAVE</b>												
<b>Loan Expense/Payment</b>	-	(10,400,000)	-	-	(2,500,000)	-	-	-	-	-	-	-
<b>Total Expenses</b>	(12,032,310)	(24,501,735)	(21,554,234)	(18,763,814)	(20,649,447)	(17,323,266)	(18,871,705)	(18,281,358)	(18,083,078)	(19,646,891)	(20,411,353)	(23,830,271)
<b>Net Change In position</b>	(10,944,938)	2,980,971	(3,527,783)	22,507,526	11,391,807	(15,770,834)	(17,935,180)	9,899,389	(13,635,520)	16,773,681	12,033,035	(16,804,192)
<b>Ending Cash Position</b>	10,414,576	13,395,547	9,867,764	32,375,290	43,767,097	27,996,263	10,061,082	19,960,472	6,324,952	23,098,633	35,131,667	<b>18,327,475</b>



# Interfund Loans Update

## Option 2: Repay the Insurance interfund loan prior to June 30, 2026

- ✓ Lower June 30, 2026 General Fund projected cash balance (assuming no Warrant)
  - \$10,959,514 (18 days cash on hand)
  - **NOT** sufficient to make July payroll prior to receipt of state aid
- ✓ Accelerates the need and timeline for the issuance of Warrants
  - Warrants would need to be closed no later than June 30, 2026.
  - District would be seeking proposals from lenders prior to FY 2024 audit anticipated publication date.
- ✓ PFM estimates \$7,000,000 Warrants needed by June 30, 2026
  - The District could seek proposals for not-to-exceed \$7,000,00 and reserve the right to reduce the final borrowing amount prior to authorization in June.
  - Final Warrant sizing will be based on YTD fiscal performance and any new information available prior to final loan authorization in June (closer to the end of the fiscal year).
- ✓ FY 2027 estimated June 30, 2027 cash balance *with NO Warrants*
  - \$18,327,475 (30 days cash on hand)
- ✓ FY 2027 estimated June 30, 2027 cash balance *after the repayment of Warrants*
  - \$17,959,514 (29 days cash on hand) assuming \$7M warrants issued
  - June 30, 2027 ending cash balance reduction is due to interest paid in FY 2027.

# Iowa City Community School District

Exhibit 1b

## General Fund Monthly Cashflow

June 30 Repayment of Interfund Loan

FY 2025-26

Assumes \$0 Warrants Issued

	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26
<b>Opening Cash Position</b>	<b>19,364,761</b>	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
<b>State Aid</b>	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
<b>Local Taxes</b>	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
<b>Other GF Revenues</b>	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
<b>Loan Proceeds/Payment</b>	-	10,000,000	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	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
<b>Payroll &amp; Benefits</b>	(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)
<b>Other General Expenses</b>	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)
<b>Interfund Loan to SAVE</b>											(1,259,191)	
<b>ERate Refunding to SAVE</b>											(7,320,000)	
<b>Loan Expense/Payment</b>	-	-	-	-	-	-	-	-	-	(20,000)	-	(10,400,000)
<b>Total Expenses</b>	(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)
<b>Net Change In position</b>	(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)	(16,867,753)
<b>Ending Cash Position</b>	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	<b>10,959,514</b>

# Iowa City Community School District

Exhibit 2b

## General Fund Monthly Cashflow

June 30 Repayment of Interfund Loan

FY 2026-27

Assumes \$0 Warrants Issued

	July-26	August-26	September-26	October-26	November-26	December-26	January-27	February-27	March-27	April-27	May-27	June-27
<b>Opening Cash Position</b>	<b>10,959,514</b>	14,576	13,395,547	9,867,764	32,375,290	43,767,097	27,996,263	10,061,082	19,960,472	6,324,952	23,098,633	35,131,667
<b>State Aid</b>	-	26,539,729	-	-	26,539,729	-	-	26,539,729	-	-	26,539,729	-
<b>Local Taxes</b>	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
<b>Other GF Revenues</b>	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
<b>Loan Proceeds/Payment</b>	-	-	7,759,200	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	1,087,371	27,482,706	18,026,452	41,271,341	32,041,254	1,552,432	936,525	28,180,747	4,447,559	36,420,571	32,444,388	7,026,079
<b>Payroll &amp; Benefits</b>	(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)
<b>Other General Expenses</b>	(500,000)	(2,275,096)	(5,734,331)	(2,468,054)	(1,830,901)	(1,248,351)	(3,322,192)	(2,019,383)	(1,799,467)	(3,593,512)	(3,593,512)	(4,593,512)
<b>Interfund Loan to SAVE</b>												
<b>ERate Refunding to SAVE</b>												
<b>Loan Expense/Payment</b>	-	-	-	-	(2,500,000)	-	-	-	-	-	-	-
<b>Total Expenses</b>	(12,032,310)	(14,101,735)	(21,554,234)	(18,763,814)	(20,649,447)	(17,323,266)	(18,871,705)	(18,281,358)	(18,083,078)	(19,646,891)	(20,411,353)	(23,830,271)
<b>Net Change In position</b>	(10,944,938)	13,380,971	(3,527,783)	22,507,526	11,391,807	(15,770,834)	(17,935,180)	9,899,389	(13,635,520)	16,773,681	12,033,035	(16,804,192)
<b>Ending Cash Position</b>	<b>14,576</b>	13,395,547	9,867,764	32,375,290	43,767,097	27,996,263	10,061,082	19,960,472	6,324,952	23,098,633	35,131,667	<b>18,327,475</b>

# Iowa City Community School District

## General Fund Monthly Cashflow

FY 2025-26

Exhibit 1c

June 30 Repayment of Interfund Loan

With \$7M Warrants

	July-25	August-25	September-25	October-25	November-25	December-25	January-26	February-26	March-26	April-26	May-26	June-26
<b>Opening Cash Position</b>	<b>19,364,761</b>	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
<b>State Aid</b>	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
<b>Local Taxes</b>	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
<b>Other GF Revenues</b>	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
<b>Loan Proceeds/Payment</b>	-	10,000,000	-	-	-	-	-	-	-	-	-	7,000,000
<b>Total Income</b>	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	24,619,851
<b>Payroll &amp; Benefits</b>	(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)
<b>Other General Expenses</b>	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)
<b>Interfund Loan to SAVE</b>											(1,259,191)	
<b>ERate Refunding to SAVE</b>											(7,320,000)	
<b>Loan Expense/Payment</b>	-	-	-	-	-	-	-	-	-	(20,000)	-	(10,400,000)
<b>Total Expenses</b>	(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)
<b>Net Change In position</b>	(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)	(9,867,753)
<b>Ending Cash Position</b>	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	<b>17,959,514</b>

# Iowa City Community School District

## General Fund Monthly Cashflow

FY 2026-27

Exhibit 2c

June 30 Repayment of Interfund Loan

Assumes \$7 Warrants Issued

	July-26	August-26	September-26	October-26	November-26	December-26	January-27	February-27	March-27	April-27	May-27	June-27
<b>Opening Cash Position</b>	<b>17,959,514</b>	7,014,576	20,395,547	16,867,764	39,375,290	50,767,097	34,996,263	17,061,082	26,960,472	13,324,952	30,098,633	42,131,667
<b>State Aid</b>	-	26,539,729	-	-	26,539,729	-	-	26,539,729	-	-	26,539,729	-
<b>Local Taxes</b>	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
<b>Other GF Revenues</b>	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
<b>Loan Proceeds/Payment</b>	-	-	7,759,200	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	1,087,371	27,482,706	18,026,452	41,271,341	32,041,254	1,552,432	936,525	28,180,747	4,447,559	36,420,571	32,444,388	7,026,079
<b>Payroll &amp; Benefits</b>	(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)
<b>Other General Expenses</b>	(500,000)	(2,275,096)	(5,734,331)	(2,468,054)	(1,830,901)	(1,248,351)	(3,322,192)	(2,019,383)	(1,799,467)	(3,593,512)	(3,593,512)	(4,593,512)
<b>Interfund Loan to SAVE</b>												
<b>ERate Refunding to SAVE</b>												
<b>Loan Expense/Payment</b>	-	-	-	-	(2,500,000)	-	-	-	-	-	-	(7,420,000)
<b>Total Expenses</b>	(12,032,310)	(14,101,735)	(21,554,234)	(18,763,814)	(20,649,447)	(17,323,266)	(18,871,705)	(18,281,358)	(18,083,078)	(19,646,891)	(20,411,353)	(31,250,271)
<b>Net Change In position</b>	(10,944,938)	13,380,971	(3,527,783)	22,507,526	11,391,807	(15,770,834)	(17,935,180)	9,899,389	(13,635,520)	16,773,681	12,033,035	(24,224,192)
<b>Ending Cash Position</b>	7,014,576	20,395,547	16,867,764	39,375,290	50,767,097	34,996,263	17,061,082	26,960,472	13,324,952	30,098,633	42,131,667	<b>17,907,475</b>



# PFM Recommendation

- **PFM recommends Option 1.**

- ✓ Allows time to work in your favor.
  - New CFO integrated and supportive of plan of finance
  - Further completion of audits
  - Further reconciliation of monthly cash balances in capital funds (PPEL & SAVE)
  - Further reducing uncertainty in fund integrity
  - Right sizing the need to borrow Anticipatory Warrants (if at all)
- ✓ Based on year-to-date positive financial variance, PFM believes the General Fund can cashflow the \$7,320,000 interfund loan to SAVE.
  - Leaves a projected June 30, 2026 cash balance of \$21,359,514 (35 days cash on hand) sufficient to meet July payroll.
- ✓ The District should not need to issue Warrants prior to June 30, 2026.
- ✓ The District may not need to issue Warrants in FY 2027.
  - Smaller cashflow needs could be funded with a short-term interfund loan\*
  - *\*Subject to actual FY 2026 fiscal performance and ending cash balances.*



# Next Steps

- PFM is presenting the Insurance interfund loan repayment options tonight for your further consideration.
- **PFM will ask for your direction at the May 12 board meeting.**
  - ✓ Option 1: Repay the insurance fund interfund loan after July 1, 2026
  - ✓ Option 2: Repay the insurance fund interfund loan prior to June 30, 2026
- Next steps should the Board choose to proceed with Option 1:
  - ✓ PFM would continue to work with District staff to ensure sufficient June 30, 2026 ending General Fund cash balance.
  - ✓ Provide updates for anticipated FY 2027 Warrant needs (if any).
- Next steps should the board choose Option 2:
  - ✓ PFM will immediately seek updated bank feedback on the smaller Warrant amount.
  - ✓ PFM may recommend the District engage a placement agent for broader bank distribution and engagement (if needed based on initial bank feedback).
  - ✓ A new Terms of Offering will be prepared with proposals due in late May/early June.
  - ✓ Board would authorize issuance proceedings in June and close no later than June 30.



# **Other Observations & Considerations**



# Other Observations & Considerations

- PFM is committed to helping the District re-establish confidence in its fiscal integrity.
- The District is making progress in getting historical financial information and reporting caught up.
- Audit, fund internal review 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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**pfm**