

## Summary of Progress as of May 22, 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, 2024 and 2025 have been completed. We believe we are still on track for getting everything caught up to current by the end of May for the FY25.

The FY26 fiscal year bank statements are anticipated to be completed by mid-June 2026.

Once the FY26 reconciliations are current the monthly processing will be fully implemented, and all the members of the finance staff will begin their monthly reconciliations. The goal of the team is to have all reconciliations current by the end of June and begin the new Fiscal Year 2027 with full roll out of the monthly reconciliation processes. We are on schedule to achieve this.

Since the district is Self-Insured an annual Form 509A needs to be filed with Iowa Insurance Division. The Form 509A for FY25 is currently under preparation and staff has been working with Gallagher and Tru North to obtain all the necessary data to complete the reports that will be submitted for the filings. Tru North was able to provide the data that we were waiting for to move forward with the report for FY24, so the FY24 Form 509A has been filed via the online portal the State has verified receiving and late penalties were waived.

## Audit

Audit field work for FY2024 was finished Friday, April 17<sup>th</sup>. The draft FY24 Audit has been received May 19, 2026. The Auditors and staff met on May 19, 2026, for a meeting and discussion on the FY24 completed audit. Once staff has been able to make comments and review the report can be finalized and dated. Bohnsack & Frommelt LLP indicated the audit went well and staff were great to work with and very responsive.

The FY23 Audit had to be restated as part of the FY24 Audit due to material misstatements. The beginning fund balance needed to be restated. In FY23, a surtax receivable was correctly recorded however, it was reported as a deferred inflow of resources in both the fund financial statements and the government wide financial statements. Under the full accrual basis of accounting used for the government-wide statements, the revenue should have been recognized when the underlying exchange occurred (the income tax year), regardless of "availability". Consequently, the beginning net position has been increased by the amount of the surtax that should have been recognized as revenue in the prior period.

## Matt Degner – Superintendent of Schools

Summary of Findings and Questioned Costs FY24: Financial Statements material weakness were identified, noncompliance material to financial statements have been noted. Federal Awards Internal Control over major programs had material weakness(es) identified, and significant deficiencies identified.

The Financial Statements are in good condition and are unqualified opinion.

The remaining FY24 Audit is being reviewed by staff to provide comments to the Auditors which they will do in the next week.

FY2025 Audit is scheduled for the beginning of August to begin field work. Completion of any outstanding schedules and statements will be prepared before field work starts. The Auditors can start testing cash as bank reconciliations are completed and internal control testing can begin too prior to onsite work in August. FY2025 audit is anticipated to be completed by the end of October.

## **Efficiencies and Internal Control Items for the week of May 22,2026**

### **Financial Statements**

The Financial Statements for the Board Meetings going forward will be enhanced and revised by the CFO and staff to be able to provide more information and detail to the board going forward.

### **Grant Reports**

The grant reports have been updated to include the new grant award received and all reporting is up to date. The grant reports and control schedule will be shared and incorporated into the month end closing schedule and the audit process going forward.

### **Monthly Close Schedule**

Monthly close schedule development continues as the reconciliations move forward. Once all reconciliations are current this will be the document that all staff uses each month for the close. The monthly reporting and reconciliation will continue to improve once the past year is caught up and all accounts can be reconciled monthly at that time. The goal is to start FY27 with full implementation of the monthly close schedule process.

### **Policies & Procedures**

Credit card processing is currently at BMO and staff is investigating the Chase system to determine additional enhancements and smoother processing.

## **Matt Degner – Superintendent of Schools**