

October 8, 2025

To the Executive Committee of
Iowa Public Schools Insurance Program
Iowa City, Iowa

We have audited the financial statements of Iowa Public Schools Insurance Program (Cooperative) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 19, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Cooperative are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Cooperative during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Cooperative's financial statements was:

Management's estimate of the specific and aggregate receivables and the case reserves is based on information obtained from Sedgwick and Comprehensive Risk Services, the Cooperative's claims administrators. We reconciled such information with the accounting records and actuary report.

Management's estimate of the losses and loss adjustment expenses incurred but not reported is based, in part, on an analysis performed by a consulting actuary (Casualty Actuarial Consultants, Inc.). We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the liability for unpaid losses and loss adjustment expenses in Note 5 to the financial statements is based on some of the estimates described above.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes all corrected journal entries and reclassifying journal entries.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 8, 2025 (attached).

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Cooperative's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Cooperative's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Recordkeeping Improvements

Deductibles

A corridor deductible layer was added to the property & casualty program structure for the 24-25 policy year. Although the corridor deductible layer was not breached, a tracking system should be put in place in order to be able to identify any claims that may use the corridor deductible.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Reconciliation of Claims Liabilities, and the Schedules of Loss Development Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of Board of Directors/Executive Committee and management of Iowa Public Schools Insurance Program and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Mathieson, Moyski, Austin & Co. LLP

Mathieson, Moyski, Austin & Co., LLP

MANAGEMENT REPRESENTATION LETTER

October 8, 2025



Mathieson, Moyski, Austin & Co, LLP
2200 Cabot Dr., Suite 320
Lisle, Illinois 60532

This representation letter is provided in connection with your audits of the financial statements of the Iowa Public Schools Insurance Program (the Cooperative), which comprise the respective statements of net position as of June 30, 2025 and 2024, and the respective revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 8, 2025, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 19, 2025, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) You have proposed adjusting journal entries that have been posted to the entity's accounts. A list of the corrected misstatements is attached to the representation letter. We are in agreement with those adjustments.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Cooperative is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Cooperative from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Cooperative and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Cooperative's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the Cooperative's related parties and all the related party relationships and transactions of which we are aware.

19) We agree with the findings of specialists in evaluating the losses and loss adjustment expense and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists

Entity-specific

20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

23) The Cooperative has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.

24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements.

26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

28) The Cooperative has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

29) The Cooperative has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

30) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

31) The financial statements include all fiduciary activities required by GASBS No. 84 , as amended.

32) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.

- 33) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 38) We have appropriately disclosed the Cooperative's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 39) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 40) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature:  _____

Title: Chairperson

Client: IOWA PUBLIC SCHOOL INSURANCE PROGRAM
 Report: Adjusting Journal Entries

Account	Description	Debit	Credit	Net Income Effect
AJE.01				
Record specific excess receivable on claim 0018-18-01536 over SIR of \$400K				
1085	Due from excess carriers - Specific WC	9,275.00	0.00	
4095	Specific Reimbursement - WC	0.00	9,275.00	
Total		9,275.00	9,275.00	9,275.00
AJE.02				
Adjust aggregate and specific receivable to CY amount				
1070	Due from excess carriers-Aggregate PC	0.00	61,885.00	
4080	Aggregate Reimbursement - P&C	61,885.00	0.00	
1080	Due from excess carriers-Specific PC	0.00	106,053.00	
4090	Specific Reimbursement - P&C	106,053.00	0.00	
Total		167,938.00	167,938.00	(167,938.00)
AJE.03				
Accrue Sedgwick Replenishment for June claims				
5050	P&C Claims Paid	48,066.00	0.00	
2045	Accounts payable	0.00	48,066.00	
Total		48,066.00	48,066.00	(48,066.00)
AJE.04				
Accrue amount due to insurance carrier for overage received on claim CHI20472260				
2020	Insurance recoveries received in advance	0.00	50,450.00	
4090	Specific Reimbursement - P&C	50,450.00	0.00	
Total		50,450.00	50,450.00	(50,450.00)
AJE.05				
Reclass IASBO \$15k paid in June 2025 to prepaid (for FY26)				
1200	Prepaid expenses	15,000.00	0.00	
5172	IASBO Membership	0.00	15,000.00	
Total		15,000.00	15,000.00	15,000.00
GRAND TOTAL		290,729.00	290,729.00	(242,179.00)

Client: IOWA PUBLIC SCHOOL INSURANCE PROGRAM

Report: Reclassifying Journal Entries

Account	Description	Debit	Credit	Net Income Effect
RJE.01				
Reclass specific collections from aggregate				
4090	Specific Reimbursement - P&C	0.00	187,053.00	
4080	Aggregate Reimbursement - P&C	<u>187,053.00</u>	<u>0.00</u>	
Total		<u>187,053.00</u>	<u>187,053.00</u>	<u>0.00</u>
RJE.01				
To move Secure Halo payment out of premiums (for comparative purposes)				
5010	P & C Premiums	0.00	37,570.00	
5170	Consulting	<u>37,570.00</u>	<u>0.00</u>	
Total		<u>37,570.00</u>	<u>37,570.00</u>	<u>0.00</u>
GRAND TOTAL		<u>224,623.00</u>	<u>224,623.00</u>	<u>0.00</u>