



COOPERATIVE STRATEGIES

COMPLETE FINANCIAL & DEMOGRAPHIC PLANNING FOR EDUCATION

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CS NEWSFLASH: QUALIFIED SECOND INTERIMS & NOTIFYING BOND HOLDERS

As Local Educational Agencies ("LEAs") across the state of California ("State") present their Second Interim Financials to their Governing Boards, those who have filed Qualified certifications should be considering notifying their bond holders of such information.

Second Interim Financials were due March 17 to county superintendents with either a Positive, Qualified, or Negative certification. It has come to our attention that, for various reasons, many LEAs throughout the State have filed Qualified certifications. For some LEAs, this is their first time in recent years filing less than Positive interim reports.



Though not considered a Significant Event under continuing disclosure law, changing from a Positive to a Qualified or Negative certification reflects a change in the overall health of an LEA's general fund. Since certain types of debt are secured by an LEA's general fund, such as Certificates of Participation ("COPs") or Lease Revenue Bonds ("LRBs"), a good practice is to always keep bondholders apprised of any changes in financial situation.

As disclosing this type of information falls into the Securities and Exchange Commission's push for increased debt transparency, LEAs should be actively monitoring for any events that may be important to bondholders in making informed investment decisions. This type of proactive monitoring helps to ensure compliance with Rule 15c2-12.

If your LEA filed a Qualified Second Interim certification and were not advised to notify your bondholders by your current continuing disclosure service provider, contact us at 844.654.2421 x320 or info@coopstrategies.com to learn more about the importance of reporting voluntary information.



We also have a platform, [DisclosureCompliance™](#), which was designed specifically to help LEAs proactively navigate the requirements of continuing disclosure.

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