

Subject: 2nd Interim Certification Tonight

Date: Monday, March 13, 2023 at 3:22:40 PM Pacific Daylight Time

From: Eva Lueck

To: Rebecca Chandler, Jim Halverson, Shelly Griffen, Atticus Reyes, Phil Moncharsh

CC: Misty Key, Ryan Worsham

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Board Members -

The 2nd Interim is done and I want to thank you as a Board for the Preliminary Reduction Notices being approved (aka March 15 notices). That was a major step in the fiscal stabilization plan and reductions have been included in the multi-year projection. With the inclusion of those reductions and the significant number of changes made to the current year budget....the District will have a 3% reserve in the current year and two subsequent years. This would normally result in a positive certification on the 2nd Interim Report.

However, due to a number of factors the 2nd Interim should have a **negative** certification. The concerns include the reserve in the two future years are dependent on the finalization of the reduction notices by May 15...and that action has not yet occurred; there are also several reconciliations that need to be finalized (ASB, donations, accounts receivables/payables, etc.) and those impacts are unknown; the corrections outlined in the FCMAT and audit report need to be addressed. The District is on a good path, but there is much to be done and future reports to be completed to validate your success.

I spoke with Dr. Chandler and she understands the need for a negative certification and wanted me to communicate my thoughts to the Board. The negative certification will align the District with VCOE and will allow the additional support to continue to be provided to the District during these next reporting periods and during the various changes occurring within the District. Please do not hesitate to ask me questions tonight or whenever you have a concern.

In summary, I am recommending a negative certification on the 2nd Interim. I will also be advocating tonight for an Interim CBO to assist the District until the District is able to hire someone on a permanent basis.

Best always, Eva
818-823-9159