



Magnolia Public Schools

Regular Board Meeting

Published on June 23, 2017 at 9:21 AM PDT

Date and Time

Thursday February 9, 2017 at 6:00 PM PST

Location

MSA 1: 18238 Sherman Way Reseda, CA 91335 (Gymnasium)

AGENDA

Regular Meeting of the MPS Board of Directors

Access to the Board Meeting: Any interested parties or community members from remote locations may attend the meeting at the following school sites or the addresses where the Board members are joining the meeting from:

Remotely by dialing in to the numbers below:

Open Session- Dial: 1.844.572.5683 Code: 1948435

- MSA-6: 3754 Dunn Drive Los Angeles, CA 90034 (Dr. Saken Sherkhanov)
- MSA-San Diego: 6365 Lake Atlin Ave San Diego, CA 92119 (Dr. Salih Dikbas)
- MSA-Santa Ana: 2840 W. 1st St. Santa Ana, CA 92703 (Dr. Remzi Oten)
- 1363 Ridgecrest Rd Pinole CA 94564 (Mr. Orazov)
- 449 36th St. Brooklyn NY 11232 (Mr. Nguyen Huynh)
- 1020 South Olive Street, 7th Floor Los Angeles, CA 90015 (Mrs. Noel Unterburger)

Sites open to the public for remote participation:

- MSA 1: 18238 Sherman Way Reseda, CA 91335
- MSA 6: 3754 Dunn Drive Los Angeles, CA 90034
- MSA Santa Ana: 2840 W. 1st St. Santa Ana, CA 92703
- MSA San Diego: 6365 Lake Atlin Ave San Diego, CA 92119

In compliance with the Americans with Disabilities Act (ADA) and upon request, Magnolia Public Schools may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate alternative modification of the agenda in order to participate in Board meetings are invited to contact the MPS central office. If you need special assistance to attend the meeting, please notify Barbara Torres at (213) 628-3634 x100 to make arrangements and accommodate your disability.

Any public records relating to an agenda item for an open session of the Board which are distributed to all, or a majority of all, of the Board members shall be available for public inspection at 250 East 1st Street Ste 1500 Los Angeles, CA 90012.

MPS Board Members:

Ms. Noel Russell- Unterburger, President

Dr. Umit Yapanel, Secretary
 Mr. Serdar Orazov, Treasurer
 Dr. Saken Sherkhanov
 Dr. Salih Dikbas
 Dr. Remzi Oten
 Ms. Diane Gonzalez
 Mr. Nguyen Huynh

CEO & Superintendent:
 Dr. Caprice Young

II A. Conference with Legal Counsel—Anticipated Litigation
 Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of
 Section 54956.9: two cases

Agenda

	Purpose	Presenter	Duration
I. Opening Items			
A. Call the Meeting to Order			
B. Record Attendance and Guests			
C. Pledge of Allegiance			1 m
D. Public Comments			10 m
E. Oral Communications			3 m
F. Approval of the Agenda	Vote		1 m
G. Approve Minutes of Regular Board Meeting- January 19, 2017	Approve Minutes		
Approve minutes for Regular Board Meeting on January 19, 2017			
H. Approve Minutes of Special Board Meeting- January 19, 2017	Approve Minutes		
Approve minutes for Special Board Meeting on January 19, 2017			
II. Closed Session Items			
A. II A. Conference with Legal Counsel— Anticipated Litigation: Two Cases	Discuss	Noel Russell-Unterburger	25 m
III. Consent Agenda			
A. Approval of MSA San Diego Camp Expenses Payment to San Diego County of Education (SDCOE)	Vote	Erdinc Acar	2 m
B. Approval of MSA San Diego ASES After School MOU with YMCA	Vote	Erdinc Acar	2 m
C. Approval of Filing for 2015-16 IRS Form 990 for MPS	Vote	Nanie Montijo	2 m
D. Approval of Certification of Signatures Form for Charter School Funds Distribution Authorization	Vote	Caprice Young	2 m
IV. Action Items			
A. Board Nominations	Vote	Noel Russell-Unterburger	5 m

B. Reso. Agreeing to the Conditions of Authorization for each MSA-1,MSA-2, and MSA-3	Vote	Alfredo Rubalcava	10 m
C. Reso. Agreeing to the Provisions of the Memoranda of Understanding for Each MSA-1, MSA-2, and MSA-3	Vote	Alfredo Rubalcava	10 m
D. Approval of Revised 2016-17 Revised Budget for MERF and all Magnolia Science Academies	Vote	Nanie Montijo	20 m
E. Approval of Bridge Financing for MSA-1, MSA-SD, and MSA-SA Growth Projects	Vote	Caprice Young	15 m

V. Discussion Items

A. Financial Update- December 2016 Financials	Discuss	Kristin Dietz	10 m
B. Creation of Advisory Committee	Discuss	Umit Yapanel	5 m

VI. Closing Items

A. Adjourn Meeting	Vote		
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Cover Sheet

Approve Minutes of Regular Board Meeting- January 19, 2017

Section: I. Opening Items
Item: G. Approve Minutes of Regular Board Meeting- January 19, 2017
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Regular Board Meeting on January 19, 2017

APPROVED



Magnolia Public Schools

Minutes

Regular Board Meeting

Date and Time

Thursday January 19, 2017 at 6:30 PM

Location

MSA 8 6411 Orchard Ave. Bell, CA 90201 Bldg: Orchard Academies; Library

AGENDA

Regular Meeting of the MPS Board of Directors

MPS Board Members:

Ms. Noel Russell- Unterburger, President
Dr. Umit Yapanel, Secretary
Mr. Serdar Orazov, Treasurer
Dr. Saken Sherkhanov
Dr. Salih Dikbas
Dr. Remzi Oten
Ms. Diane Gonzalez
Mr. Nguyen Huynh

CEO & Superintendent:

Dr. Caprice Young

Notice of Closed Session Agenda Items

Due to space limitations on the following pages of the agenda, notice of closed session agenda items is provided here.

V. A Public Performance Evaluation: Chief Executive Officer and Superintendent

Directors Present

D. Gonzalez (remote), N. Huynh, N. Russell-Unterburger, R. Oten (remote), S. Orazov, S. Sherkhanov, U. Yapanel

Directors Absent

S. Dikbas

I. Opening Items

A. Call the Meeting to Order

N. Russell-Unterburger called a meeting of the board of directors of Magnolia Public Schools to order on Thursday Jan 19, 2017 @ 6:47 PM at MSA 8 6411 Orchard Ave. Bell, CA 90201 Bldg: Orchard Academies; Library.

B. Record Attendance and Guests

D. Gonzalez and R. Oten participated in the discussion of the meeting but abstained from voting. Please refer to information above for attendance record regarding MPS Board members. Close to 20 parents and students including and alumni were present in person at the Board meeting. 54 parents and 12 students attended the Board meeting from the remote location at MSA-2.

C. Pledge of Allegiance

The Pledge of Allegiance was lead by two students of MSA-8.

D. Public Comments

Maria Silva, parent of MSA 8 presented her concerns of budget restrictions affecting the meals of students. Dolores Avelar, parent of MSA 8, informed the Board of the actions she has taken with the city in regards to creating an easier process for students crossing the street. She explained that she has been unsuccessful with getting support from the city and would like the MPS Board to support her in her efforts for student safety. There were also two other speakers, an alumni and a current student who presented their concerns on the academic curriculum. The Board directed MPS staff to look into these concerns and report back to the Board.

E. Oral Communications

It was announced that A. Korkmaz, MPS Board member, officially resigned as of December 22, 2016.

F. Approval of the Agenda

N. Russell-Unterburger made a motion to approve the agenda as presented.
S. Orazov seconded the motion.
The board **VOTED** unanimously to approve the motion.

G. Approve Minutes of Regular Board Meeting- December 8, 2016

N. Russell-Unterburger made a motion to approve the minutes from the Regular Board Meeting that took place 12-08-2016.
S. Orazov seconded the motion.
The board **VOTED** unanimously to approve the motion.

H. Approve Minutes of Special Board Meeting- December 20, 2016

N. Russell-Unterburger made a motion to approve minutes from the Special Board Meeting on 12-20-16.
S. Orazov seconded the motion.
The board **VOTED** unanimously to approve the motion.

II. Consent Items

A. Approval of Single Plan for Student Achievement (SPSA) for MSA 3, Santa Ana and San Diego

S. Orazov made a motion to approve the Single Plan for Student Achievement (SPSA) for Magnolia Science Academy (MSA)-3, MSA-Santa Ana and MSA- San Diego in consent agenda.

U. Yapanel seconded the motion.

The board **VOTED** unanimously to approve the motion.

B. Approval of MSA Santa Clara Asset Disposition

S. Orazov made a motion to approve the MSA-Santa Clara asset disposition under consent agenda.

U. Yapanel seconded the motion.

The board **VOTED** unanimously to approve the motion.

C. Approval of Cash Advances Policy

The Cash Advances Policy item was removed from the agenda per recommendation of the MPS Personnel Committee. This item will be revised and presented to the Personnel Committee before it returns to the Board.

D. Approval of MSA Santa Ana Projectors RFP

S. Orazov made a motion to award the winning bid according to vendor evaluation matrix and adopt the purchase of Ultra Short throw Epson Projectors for MSA-Santa Ana operating within the approved budgeted amounts. Should there be a similar need for any other Magnolia Public School, the approved vendor, machine, and price will be used between July 1st,2016-June 30th, 2017. This item was approved under consent agenda.

U. Yapanel seconded the motion.

The board **VOTED** unanimously to approve the motion.

E. Approval of KQ Management Agreement for MSA 4 and MSA 5 Charter Petition Assistance

S. Orazov made a motion to approve the agreement from KQ Management to assist with writing the renewal petitions for Magnolia Science Academy-4 and Magnolia Science Academy-5. This item was approved under consent agenda.

U. Yapanel seconded the motion.

The board **VOTED** unanimously to approve the motion.

F. Approval of Special Education Support Provider; EdLogical

S. Orazov made a motion to approve the 5-year contract with EdLogical as the special education service provider ending in 2023. This item was approved under consent agenda.

U. Yapanel seconded the motion.

The board **VOTED** unanimously to approve the motion.

G. Approval of SARC reports for all Magnolia Science Academies

S. Orazov made a motion to approve the School Accountability Report Cards (SARCs) for all MPS under consent agenda.

U. Yapanel seconded the motion.

The board **VOTED** unanimously to approve the motion.

H. Approval of El Dorado Special Programs Application for MSA 1, 2, 3

S. Orazov made a motion to approve the applications for MSA-1, MSA-2, and MSA-3 to join the El Dorado Special Education Local Plan Area (SELPA). This item was approved under consent agenda.

U. Yapanel seconded the motion.

The board **VOTED** unanimously to approve the motion.

I. Approval of College Readiness Block Grant Expenditure Plan for MSA 1-4 and Santa Ana

S. Orazov made a motion to approve the College Readiness Block Grant Expenditure Plans for MSA-1, MSA-2, MSA-3, MSA-4 and MSA-Santa Ana. This item was approved under consent agenda.

U. Yapanel seconded the motion.

The board **VOTED** unanimously to approve the motion.

III. Action Items

A. Revised 16-17 budget for all MPS, Rev. of Teacher Effectiveness Funds Expense Table, CMO Allocation

The MPS Finance committee reported out to the MPS Board their recommendation for this item. The committee recommended the approval of a temporary increase in the MPS home office budget of 3% to the 2016-17 budget through the end of the 2016-17 fiscal year with the expectations that no other increases will be needed for the approved budget. They directed staff to reduce the budget and present the revised budget to the Finance Committee with all their recommendations. The Board asked questions to the finance staff and these questions were addressed by the staff.

S. Orazov made a motion to approve the recommendation of the Finance Committee which was to approve a 3% increase to the home office budget for the remaining of 2016-17 fiscal year.

U. Yapanel seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call

R. Oten	Abstain
U. Yapanel	Aye
S. Dikbas	Absent
S. Sherkhanov	Aye
D. Gonzalez	Abstain
N. Huynh	Aye
S. Orazov	Aye
N. Russell-Unterburger	Aye

IV. Discussion Items

A. Financial Update- November 2016

The Finance Committee discussed the November 2016 financials in detail. A brief presentation was presented to the full Board. All questions were addressed, this was a discussion item. No actions were taken.

V. Closed Session Items

A. Public Performance Evaluation: Chief Executive Officer and Superintendent

There were no actions to report on.

VI. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:22 PM.

Respectfully Submitted,
U. Yapanel

Cover Sheet

Approve Minutes of Special Board Meeting- January 19, 2017

Section: I. Opening Items
Item: H. Approve Minutes of Special Board Meeting- January 19, 2017
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Special Board Meeting on January 19, 2017

APPROVED



Magnolia Public Schools

Minutes

Special Board Meeting

Date and Time

Thursday January 19, 2017 at 6:00 PM

Location

MSA 8 6411 Orchard Ave. Bell, CA 90201 Bldg: Orchard Academies; Library

AGENDA**Special Meeting of the MPS Board of Directors****MPS Board Members:**

Ms. Noel Russell- Unterburger, President

Dr. Umit Yapanel, Secretary

Mr. Serdar Orazov, Treasurer

Dr. Saken Sherkhanov

Dr. Salih Dikbas

Dr. Remzi Oten

Ms. Diane Gonzalez

Mr. Nguyen Huynh

CEO & Superintendent:

Dr. Caprice Young

Notice of Closed Session Agenda Items

Due to space limitations on the following pages of the agenda, notice of closed session agenda items is provided here.

II A. Conference with Legal Counsel—Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: two cases

Directors Present

D. Gonzalez (remote), N. Huynh, N. Russell-Unterburger, R. Oten (remote), S. Orazov, S. Sherkhanov, U. Yapanel

Directors Absent

S. Dikbas

I. Opening Items

A. Call the Meeting to Order

N. Russell-Unterburger called a meeting of the board of directors of Magnolia Public Schools to order on Thursday Jan 19, 2017 @ 6:47 PM at MSA 8 6411 Orchard Ave. Bell, CA 90201 Bldg: Orchard Academies; Library.

B. Record Attendance and Guests

Please refer to attendance information above.

C. Flag Salute

The Flag Salute was led by MSA-8 students.

D. Public Comments

There were no public comments.

E. Approval of the Agenda

N. Russell-Unterburger made a motion to approve the agenda as presented.

S. Orazov seconded the motion.

The board **VOTED** unanimously to approve the motion.

II. Closed Session Items

A. Conference with Legal Counsel

No actions were taken during closed session.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:22 PM.

Respectfully Submitted,
U. Yapanel

Cover Sheet

Approval of MSA San Diego Camp Expenses Payment to San Diego County of Education (SDCOE)

Section: III. Consent Agenda
Item: A. Approval of MSA San Diego Camp Expenses Payment to San Diego County of Education (SDCOE)
Purpose: Vote
Submitted by:
Related Material:
Cover Agenda # IIIA - Action Item - MSA SD 6th Grade Camp_Camp Cuyamaca final.pdf



Board Agenda Item #	Agenda III-A – Action Item
Date:	February 9, 2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Gokhan Serce, Principal
RE:	MSA-SD Outdoor School payment to SDCOE

Proposed Board Recommendation

I move that the board grants approval for payment to San Diego County Office of Education (SDCOE) for the 6th grade camp expenses not to exceed \$33,000.

Background

The expense is over CEO's approval limit, granting board approval to proceed.

Cuyamaca Outdoor School, also known as 6th grade camp, has connected more than one million students with science and nature since 1946. Generations of school children have participated in hands-on lessons in an overnight camp setting. The activities aim to nourish an appreciation of nature, create a deeper understanding of science concepts, and provide an opportunity for students to explore their independence in a safe, educational and fun environment. Cuyamaca Outdoor School, operated by the SDCOE, is the only outdoor education program in San Diego County featuring credentialed teachers and a curriculum aligned with the Next Generation Science Standards and Common Core State Standards.

Every year MSA-SD 6th grade students and 6th grade teachers participate at the 3 night 4 day camp. This year we had 117 students and 4 teachers participated at the camp.

6th grade camp not only helps students master California standards but also creates an environment where students develop social skills, learn new artistic and athletic skills.

Budget Implications

All income and expenses are budgeted for the 6th grade camp.

Funding Source

Parent contributions

CFO Approval

Approved

How Does This Action Relate/Affect/Benefit All MSAs?

No perceived effect on other MSAs.

Name of Staff Originator:

Gokhan Serce, Principal

Attachments

6th Grade Camp Invoice-SDCOE

San Diego County Office of Education
 6401 Linda Vista Road, Suite 410, San Diego, CA 92111-7399

INVOICE # **CUY-838**

TO:
San Diego Unified School District
2351 Cardinal Ln., Bldg M
San Diego, CA 92123-3799

Invoice Date: **12/19/2016**

Purchase Order:

ATTN: ACCOUNTS PAYABLE

DUE NET 30 DAYS
REMITTANCE PAYABLE TO:

Date of Encampment: **11/7/2016** **11/10/2016**
4
Camp:
Cuyamaca Outdoor School

SUPERINTENDENT OF SCHOOLS

6401 LINDA VISTA ROAD, ROOM 410
SAN DIEGO, CA 92111-7399

Campers and Teacher	# Attending	Cost per	Amount	School Net Total
Magnolia Science	117	\$270.00	\$31,590.00	
Teachers	4	\$46.00	\$184.00	
STUDENT REFUNDS	Days Missed	Reason	Refund Amount	
Andrew Porter	2	Other	\$135.00	
STUDENT CAMPERSHIPS	Type		Refund Amount	
TOTAL STUDENT REFUNDS			\$135.00	
TEACHER REFUNDS	Days Missed		Refund Amount	
Janell Abraham	0		\$0.00	
Meghan Buckley	0		\$0.00	
Mike Mains	0		\$0.00	
Chelsey Smith	0		\$0.00	
TOTAL TEACHER REFUNDS			\$0.00	
Principal Discount			\$320.00	
School Net Total				\$31,319.00

Amy Tran - 858 292-3695	INSTRUCTIONAL	0100-0000410-0000-8689070-410	\$16,285.88
Originator	OPERATIONAL		\$15,033.12

Cover Sheet

Approval of MSA San Diego ASES After School MOU with YMCA

Section: III. Consent Agenda
Item: B. Approval of MSA San Diego ASES After School MOU with YMCA
Purpose: Vote
Submitted by:
Related Material: III B MSA SD ASES.pdf



Board Agenda Item #	Agenda III B
Date:	February 9, 2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Gokhan Serce, Principal
RE:	Ratification of Agreement for MSA – SD After School ASES Program

Proposed Board Recommendation

I move that the board grants approval to Dr. Young, CEO and Superintendent of MPS to sign the MOA for MSA – SD After School ASES Program with YMCA of San Diego County (YMCA).

Background

MSA-SD has been receiving after school program grant and services through San Diego Unified School District (SDUSD.) In Jan 2016 SDUSD informed MSA-SD that the district would no longer be providing PrimeTime before/after school services at Magnolia in 2016-17 school year as MSA-SD's fiscal agent, however the After School Education and Safety (ASES) funds that fund the program would remain allocated to Magnolia either through SDCOE or directly. In order to continue to receive these funds to offer a before/after school program, MSA-SD contacted San Diego County Office of Education (SDCOE). After switching to SDCOE, MSA-SD needed an agreement with the after school service provider YMCA of San Diego County (YMCA). The term of this agreement is July 1, 2016 through June 30, 2017. YMCA has been MSA-SD's after school service provider for the past five years

Budget Implications

ASES is a state grant and needs to be disbursed in compliance with the California ED Code. The fiscal agent reimburses MSA-SD for the expenses occurred by the YMCA. All income and expenses are budgeted accordingly.

Founding Source

ASES grant money through SDCOE consortium

CFO Approval

Approved

How Does This Action Relate/Affect/Benefit All MSAs?

No perceived effect on other MSAs.

Name of Staff Originator:

Gokhan Serce, Principal

Attachments

Memorandum of Agreement - After School Education & Safety (ASES) Program

MSA-San Diego ASES Subcontractor Attachment

MEMORANDUM OF AGREEMENT
After School Education & Safety (ASES) Program

This Agreement for the After School Education and Safety Program (ASES) is entered into this 1st day of July 1, 2016 by and between the **Magnolia Public Schools** (herein known as “Magnolia” or “Magnolia Science Academy-San Diego”) and **YMCA of San Diego County (YMCA)** who agrees to provide the services in accordance with the provisions of the California Education Code (EC) sections 8482-8484.7. Failure to comply with the following grant rules, regulations, and policies may result in denial of the remaining grant amount and an invoice from the Magnolia to YMCA of San Diego County for up to the entire grant amount allocated for the ASES Program. Any invoice from the California Department of Education (CDE) to Magnolia due to YMCA of San Diego County’s failure to comply with grant rules, regulations and policies will result in the YMCA of San Diego County reimbursing the full invoice amount(s), not to exceed the entire grant amount allocated to YMCA of San Diego County for the ASES program, to Magnolia within 30 days of submission of such invoice(s).

1. General Conditions:

ASES Program Hours of Operation and Attendance Requirements:

1. The After School Program will begin operation immediately upon the end of the regular school day and operate until at least 6:00 pm for a minimum of 15 hours per week, and on every “regular school day” and any day that students attend and instruction takes place.
2. For After School Programs, provide program services for a minimum of three hours and at least up to 6:00 p.m. every regular school day. For Before School Programs, provide program services for a minimum of 1 1/2 to 2 hours every school day as stipulated in the individual application.
3. Elementary students should participate every day that the after school component operates. Middle school and/or junior high school students should participate a minimum of nine (9) hours a week and three (3) days a week to accomplish ASES After School Program goals.
4. Establish a policy for early release of students attending the ASES after school component needing to leave a program before closing which includes written parental permission stating the dates, times, and reasons for the early release. However, the after school component must remain open until at least 6:00 p.m.
5. Establish a policy for late arrival of those students attending the ASES Before School Program. This late arrival policy should include parental permission stating dates, times, and reasons for the late arrival.
6. To ensure that subsequent ASES grant awards will not be reduced due to insufficient program attendance and performance, YMCA of San Diego County must enforce the grant rules in compliance with **California Education Code 8483.7. (a) (1) (A)**. California Education Code 8483.7. (a) (1) (A). states: Each school that establishes a program pursuant to this article is eligible to receive a three-year direct grant, that shall be awarded in three one-year increments and is subject to semi- annual attendance reporting and requirements as described in Section 8482.3 once every three years:
 - i. The CDE shall provide technical support for development of a program improvement plan for grantees under the following conditions:(I) If actual pupil attendance falls below 75 percent of the target attendance level in any year of the grant.(II) If the grantee fails, in any year of the grant, to demonstrate measurable outcomes pursuant to Section 8484.

- ii. The CDE shall adjust the grant level of any school within the program that is under its targeted attendance level by more than 15 percent in each of two consecutive years.
- iii. In any year after the initial grant year, if the actual attendance level of a school within the program falls below 75 percent of the target attendance level, the CDE shall perform a review of the program and adjust the grant level as the CDE deems appropriate.

Failure to comply with California Education Code 8483.7 shall result in a reduction of the ASES grant award allocations.

2. Web-Based Attendance and Daily Attendance Accountability Requirements.

1. In FY 16/17 YMCA of San Diego County receiving ASES funds must implement the *City Span Web-based Attendance Tracking System* (www.youthservices.net/sandiego) for daily program attendance entry.
2. YMCA of San Diego County must fully utilize the “Automated Card Scanning” capability for the system. The *City Span Web-based Attendance Tracking System* will ensure that full attendance is documented only for students complying with their individual Early Release/Late Arrival times on file in accordance with ASES Program California Education Code Section and the intent of the Early Release/Late Arrival Policies for students in the ASES program.
3. Use the web-based attendance system’s card scanning features to ensure that all students are counted for attendance purposes in compliance with *EC* Section 8483(a)(1) and *EC* Section 8483(1)(a)(1).
4. YMCA of San Diego County will identify key staff members to participate in trainings provided by SDCOE/City Span for implementation of the *City Span Web-based Attendance Tracking System*.
5. In addition, YMCA of San Diego County must monitor on a weekly basis that all student sign-in (AM Program) and sign-out (PM Program) times comply with the Early Release/Late Arrival times on file for each student.

3. Staffing Requirements:

1. YMCA of San Diego County must ensure a student-to-staff ratio of no more than 20 to 1 at all ASES sites.
2. YMCA of San Diego County must establish qualifications for each staff position that, at a minimum, ensure that all staff members who directly supervise pupils meet the minimum qualifications for an instructional aide, pursuant to the policies of the school/charter or district.
3. YMCA of San Diego County shall be solely responsible for students, staff, and parents accessing services under this Agreement. YMCA of San Diego County certifies that it shall provide adequate supervision of the students, staff, and other program personnel, and that its staff will follow legal guidelines on reporting child abuse/neglect.
4. YMCA of San Diego County must certify that all personnel providing services to students are adequately screened so as to prevent the assignment of personnel who may pose a threat to the safety and welfare of students, and that such personnel has provided evidence of freedom from active tuberculosis prior to starting service at the school site.
5. YMCA of San Diego County must reserve the right to accept or reject the assignment of any personnel and the right to remove him/her from YMCA of San Diego County’s premises.

4. State Mandated Data and Evaluation Requirements:

1. YMCA will collaborate with school/charter to disseminate statewide evaluation process as determined by the CDE and provide all required information.
2. YMCA will respond to additional surveys or other methods of data collection that may be required throughout the duration of the program.
3. Both charter/school and YMCA will collaborate to ensure timely and accurate collection of data required to conduct the ASES program evaluations including but not limited to Annual Performance Reports.

5. Student Reimbursement Rate, Payment, and Program Expenditure Guidelines:

1. Allow participation of any student of a participating school regardless of their ability to pay.
2. Upon notification of overpayment of the ASES grant in excess of the grant award amount or request for reimbursement of unexpended ASES grant funds by the CDE, Magnolia or YMCA of San Diego County will be required to return the entire amount of funding in question to the San Diego County Office of Education.
3. Ensure that expenditures shall comply with all applicable provisions of state and local rules, regulations and policies relating to the administration, use, and accounting for public school funds, including, but not limited to, California Education Code 8483.7.
5. Failure to comply with California Education Code 8483.7 shall result in a reduction of the ASES grant award during the current fiscal year or in subsequent years of the grant.

6. Federal Program Monitoring and Annual Program Audit Guidelines.

1. School/charter shall provide a copy of Federal Program Monitoring (FPM) and Annual Program Audit findings/exceptions to SDCOE relative to the administration of the ASES Grant Requirements per California State Education Code Sections 8482-8484.6 and the Standards and Procedures for Audits of California K-12 Local Education Agencies 2007-2008; Article 3.1. § 19846. After School Education and Safety Program.
2. Both school/charter and YMCA of San Diego County personnel shall participate in Federal Program Monitoring (FPM) training.

7. Budget Restrictions

1. No more than 10% or \$8,100.00 (See YMCA of San Diego County ASES Sub-Contractor 85/15 Attachment 2016-2017) of the grant monies may be used for administrative costs by the YMCA.
2. No more than 5% or \$4,050.00 of 10% administrative costs should be expended on indirect costs by YMCA.
3. The YMCA must expend at least 85% or \$68,850.00 of grant funding in direct services for pupils.
4. Funds must supplement, not supplant, existing services. Programs cannot use ASES funds to pay for existing levels of service.

8. Program Matching Funding Requirements.

1. YMCA of San Diego County will provide 10 percent in in-kind matching funds.
2. Magnolia will provide matching funds for facilities and space usage not to exceed 25 percent of total ASES grant match requirement.

3. State categorical funds for remedial education activities may not be used to fulfill match requirements.
- 4.

9. Additional ASES Program Operation Requirement.

1. Both school/charter and YMCA shall each designate an ASES Contact person.
2. Ensure the designated ASES Contact(s) attends the scheduled ASES District Contact meetings provided by the Region 9 Technical Assistance Center (RTAC), the After School Administrative Program Support Center (ASC), the Children's Initiative (CI), and the San Diego Office of Education (SDCOE).
3. Operate the After School Education and Safety Program (ASES) to improve academic achievement and provide safe and healthy recreation and prevention activities for students at qualified school sites.
4. Commit resources to ensure the delivery of integrated, age-appropriate ASES programs.
5. Ensure that the program will include an educational and literacy element designed to provide tutoring and/or homework assistance in one or more of the following core content subject areas: language arts, mathematics, history and social science, science and computer training.
6. The program will have an educational enrichment element that may include, but not limited to STEM, sports, visual and performing arts (dance), service learning, and youth development activities. These items should be discussed collaboratively between school administration and YMCA of San Diego County to best meet needs of school and/or community.
7. Plan the program through a collaborative process that includes parents, youth, and school administration and personnel, community organizations, and the private sector.
8. If the site is not located on a school campus, it must be as accessible and available as the school site with safe transportation being provided by school/charter or YMCA of San Diego County to enrolled pupils.
9. District/charter shall collaborate with YMCA to provide snack and/or supper program that conforms to Article 2.5 of Chapter 9 of Part 27, commencing with Education Code Section 49430. (EC 8482.3(d)).
10. Provide information regarding the ASES Program in a form and language that is easily understandable to all parents.
11. Each partner in the application will share responsibility for the quality of the program.
School/charter and YMCA will partner to conduct continuous quality improvement process.
12. School/charter and YMCA will collaborate and coordinate with the regular school day program.
13. School/charter is responsible to ensure the YMCA of San Diego County access to safe, clean, and supportive indoor/outdoor space at participating school site to conduct a high quality program. Space shall include adequate indoor space for all academic and enrichment activities and shall be cleaned to the same standards/schedule as the regular school day.
14. All YMCA staff and volunteers will fulfill health screening and fingerprint clearance requirements in current law according to school/charter policy.
15. Each ASES funded site will be responsible for the development of a FY 2016-17 After School Program Plan as part of the San Diego ASES program Consortium. The District's ASES Program Plan template has been provided by the Region 9 Technical Assistance Center (RTAC).
16. Magnolia staff will review the ASES program plan annually and provide updates and/or revisions based on ASES program components, California Department of Education guidelines, identified district program changes based on grant reduction or new sites.
17. Each site ASES Program plan will identify FY 2016-2017 Attendance Goals described in Section VII of the San Diego Consortium After School Program Plan.
18. Ensure that ASES staff attends district wide, regional, and district training opportunities designed

- to maximize program effectiveness.
19. Host scheduled technical assistance site visits conducted by staff from RTAC, the After School Administrative Program Support Center (ASC) and the Children's Initiative.
 20. Work with staff from RTAC, the After School Administrative Support Center (ASC), and the Children's Initiative to review site visitation and technical assistance reports and plan for continuous program improvement.
 21. School/district and YMCA of San Diego County will ensure the proper record keeping and documentation of program activities and the timely submission of all required reports. Reports delegated to YMCA of San Diego County by school/district charter shall be given at least 30 days' notice unless otherwise agreed upon by both parties.

10. Terms and Conditions of the Grant Award

1. All statutes and regulations applicable to each program under which state funds are made available through this application will be met by the District in its administration of each site program. The district will follow its program plans as specified by the agency application.
2. YMCA of San Diego County will make reports to Magnolia as necessary to enable Magnolia to perform its duties and will maintain such records and provide access to those records as Magnolia deems necessary. The school and YMCA of San Diego County shall maintain such records for at least five years after the completion of the activities for which the funds are used.
3. YMCA of San Diego County will make any application, evaluation, periodic program plan, or report relating to each program available to parents and other members of the general public. (California Public Records Act, Government Code Section 6250 et seq.)
4. Record revenues and expenditures for this grant as follows: for Standardized Account Code Structure (SASC) coding, use Resource Code 9065 and Revenue Object Code 8590.
5. This grant shall be administered in accordance with the provisions of California Education Code (EC) sections 8482-8484.6. Further, expenditures shall comply with all applicable provisions of federal, state and local rules, regulations and policies relating to the administration, use and accounting for public school funds, including, but not limited to, the Education Code of the State of California.
6. The grantee shall use these funds in accordance with the approved application.
7. If a program participant receives state funds to operate ASES in excess of the amount warranted due to the program failing to operate and the program serving fewer pupils than planned, raising an inadequate amount of matching funds, failing to expend funds fully or any other reason during the grant period, the San Diego County Office of Education (SDCOE) shall reduce any subsequent allocations by the amount equal to the overpayment.
8. If an ASES program site stops program operations, Magnolia will bill the agency for the amount of the overpayment. If payment is not received within three months of the billing invoice date, any overpayment will be withheld from the next payment to the district.
9. YMCA of San Diego County shall provide financial expenses monthly to school/charter. Magnolia shall be responsible to submit quarterly expenditure reports and program reports (including evaluation reports) as required to CDE.

FAILURE TO SUBMIT INTERIM REPORTS AS REQUIRED MAY RESULT IN DENIAL OF THE REMAINING GRANT AMOUNT. FAILURE TO SUBMIT AN ANNUAL EXPENDITURE REPORT WITHIN THREE MONTHS OF THE REPORTING DATE MAY RESULT IN DENIAL OF THE REMAINING GRANT AMOUNT.

FAILURE TO SUBMIT A FINAL EXPENDITURE REPORT WITHIN SIX MONTHS OF THE

REPORTING DATE WILL RESULT IN A BILLING FROM THE CDE FOR THE ENTIRE AMOUNT OF ANY GRANT FUNDS ADVANCED AND POSSIBLE REDUCTION OF ANY SUBSEQUENT YEARS' GRANT (S).

This award is made contingent upon the availability of funds. If the Legislature takes action to reduce or defer the funding upon which this award is based, then this award will be amended accordingly.

PERIOD OF AGREEMENT

According to the terms of the ASES Program (ASES) grant, the term of this Agreement shall be July 1, 2016 through June 30, 2017.

11. COMPENSATION/COSTS AND PAYMENT SCHEDULE

Magnolia shall reimburse funds to YMCA of San Diego County as available, and within 30 days of invoice for expenses submitted from YMCA of San Diego County. Annual total ASES allocation(s) shall not exceed * \$76,950.00 for YMCA of San Diego County.

Payments of the grant may actually differ from the granted amount as determined by CDE due to: 1) Non operation of a program at a school sites or non-operation of a funded grant component. 2) The districts inability to expend the total grant award by the June 30, 2017 final expenditure deadline for all ASES grant funds as determined by CDE. 3) Any ASES program Audit Findings or Program Compliance issues that result in the reduction of grant award or repayment of expended ASES funding will be paid YMCA of San Diego County if determined such findings or compliance issues were result of failure to provide contracted services agreed upon by both parties and/or stated in signed MOU.

12. YMCA OF SAN DIEOG COUNTY & MAGNOLIA CONTACT PERSONS

YMCA of San Diego County Contact:

Magnolia Science Academy Contact:

Baron Heredlin-Doherty
YMCA of San Diego County
President & CEO
3708 Ruffin Rd.
San Diego, CA 92123
858-292-9622 x 141

13. CONFIDENTIALITY

1. This agreement, all communications and information obtained by YMCA of San Diego County from Magnolia relating to this agreement, and all information developed by YMCA of San Diego County under this agreement, are confidential. Except as provided in Subsection 3, without the prior written consent of an authorized representative of Magnolia, YMCA of San Diego County shall neither divulge to, nor discuss with, any third party either the work and services provided hereunder, or any communication or information in connection with such services or work, except as required by law. Prior to any disclosure of such matters, whether as required by

law or otherwise, YMCA of San Diego County shall inform the Magnolia, in writing, of the nature and reasons for such disclosure. YMCA of San Diego County shall not use any communications or information obtained from Magnolia for any purpose other than the performance of this agreement, without Magnolia's written prior consent.

2. At the conclusion of the performance of this agreement, YMCA of San Diego County shall return to Magnolia all written materials constituting or incorporating any communications or information obtained from the Magnolia. Upon Magnolia's specific approval, YMCA of San Diego County may retain copies of such materials, subject to the requirements of Subsection 1.
3. YMCA of San Diego County may disclose to any subcontractor, or Magnolia approved third parties, any information otherwise subject to Subsection 1 that is reasonably required for the performance of the subcontractor's work. Prior to any such disclosure, YMCA of San Diego County shall obtain the subcontractor's written agreement to the requirements of Subsection 1 and shall provide a copy of such agreement to Magnolia.
4. YMCA of San Diego County represents that it shall not publish or cause to be disseminated through any press release, public statement, or marketing or selling effort any information which relates to this agreement without the prior written approval of the Magnolia.
5. YMCA of San Diego County obligation of confidence with respect to information submitted or disclosed to YMCA of San Diego County by Magnolia hereunder shall survive termination and comply with all requirements outlined in this Agreement which is attached hereto and made a part hereof.

14. CONFIDENTIALITY OF SERVICES

Identities of all respondents including but not limited to staff, principal(s), parent(s), student(s) and individual responses on surveys in conjunction with this evaluation will be kept confidential by the Contractor. Reports generated will reflect aggregated data. No individual responses will be used. Contractor is not authorized to redistribute or share any data or information with any agency, entity or individual without the written consent of Magnolia.

Contractor agrees to all of the following:

(a) Neither Contractor nor any of its Subcontractors shall disclose Private Information obtained from Magnolia in the performance of this Agreement to any other Subcontractor, person, or other entity, unless one of the following is true:

(i) The disclosure is authorized by this Agreement;

(ii) The Contractor received advance written approval from the Contracting Department to disclose the information; or

(iii) The disclosure is required by law or judicial order.

(b) Notwithstanding any other provisions of law, any school district, including Magnolia, superintendent of schools, may participate in an interagency data information system that permits access to a computerized database system within and between governmental agencies or districts as to information or records which are non-privileged, and where release is authorized as to the requesting agency under state or federal law or regulation, if each of the following requirements are met:

- 1) Each agency and school district shall develop security procedures or devices by which unauthorized personnel cannot access data contained in the system.
- 2) Each agency and school district shall develop procedures or devices to secure privilege or confidential data from unauthorized disclosure.
- 3) Each school district shall comply with access log requirements of Section 49064.
- 4) The right of access granted shall not include the right to add, delete, or alter data without the written permission of the agency holding the data.
- 5) An agency or school district may not make public or otherwise release information on an individual contained in the database where the information is protected from disclosure or release as to the requesting agency by state or federal law or regulation.

(c) Any disclosure or use of Private Information authorized by this Agreement shall be in accordance with any conditions or restrictions stated in this Agreement. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.

(d) Any failure of Contractor to comply with the Nondisclosure of Private Information Ordinance shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, Magnolia may terminate this Agreement, debar Contractor, or bring a false claim action against Contractor.

15. TERMINATION FOR CONVENIENCE

1. Magnolia may, by written notice to YMCA of San Diego County, terminate this agreement in whole or in part at any time, for Magnolia's convenience. Upon receipt of 60 days' notice, YMCA of San Diego County shall:
 - (1) Immediately discontinue all services affected (unless the notice directs otherwise) and
 - (2) Deliver to Magnolia all information and material as may have been involved in the provision of services in the performance of this agreement, whether completed or in process. Termination of this agreement shall be as of the date of receipt by YMCA of San Diego County of such notice.
2. If the termination is for the convenience of the Magnolia, YMCA of San Diego County shall submit a final invoice within 60 days of termination and upon approval by the school/charter, Magnolia shall pay YMCA of San Diego County the sums earned for the services actually performed prior to the effective date of termination and other costs reasonably incurred by YMCA of San Diego County to implement the termination.
3. YMCA of San Diego County shall not be entitled to anticipatory or consequential damages as a result of any termination under this section. Payment to YMCA of San Diego County in accordance with this section shall constitute the District's exclusive remedy for any termination hereunder. The rights and remedies of Magnolia provided in this section are in addition to any other rights and remedies provided by law or under this agreement.

16. TERMINATION FOR DEFAULT

1. Magnolia may, by written notice to YMCA of San Diego County, terminate this agreement in

whole or in part at any time because of the failure of YMCA of San Diego County to fulfill its contractual obligations. Upon receipt of such notice, YMCA of San Diego County shall:

(1) Immediately discontinue all services affected (unless the notice directs otherwise) and

(2) Deliver to Magnolia all information and material as may have been involved in the provision of services in the performance of this agreement, whether completed or in process. Termination of this agreement shall be as of the date of receipt by YMCA of San Diego County of such notice.

2. If the termination is due to the failure of YMCA of San Diego County to fulfill its contractual obligations, Magnolia may take over the services, and complete the services by contract or otherwise. In such case, YMCA of San Diego County shall be liable to Magnolia for any reasonable costs or damages occasioned to Magnolia there- by.

17. INDEPENDENT CONTRACTOR

It is expressly understood that at all times, while rendering the services described herein, and in complying with any terms and conditions of this Agreement, YMCA of San Diego County is acting as an independent contractor and not as an officer, agent, or employee of Magnolia.

18. HOLD HARMLESS

YMCA of San Diego County agrees to hold harmless, defend, and to indemnify Magnolia, its officers, agents, and employees against any and all losses, injuries, claims, actions, judgments, and liens arising from, or alleged to have arisen from, YMCA of San Diego County performance, or lack thereof, under this Agreement.

19. WORKERS' COMPENSATION

YMCA of San Diego County shall provide workers' compensation insurance or shall self-insure their services in compliance with provisions of Section 3700 of the Labor Code of the State of California. A Certificate of Insurance may be provided, providing for such, or YMCA of San Diego County shall sign and file with Magnolia the following certificate:

"I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provision of that Code, and I will comply with such provision before commencing the performance of the work of this Agreement."

20. NON-FUNDING

Notwithstanding any of the foregoing provisions, if for any fiscal year of this Agreement the San Diego County Office of Education School Board fails to appropriate or allocate funds for future periodical payments under this Agreement, Magnolia will not be obligated to pay the balance of funds remaining unpaid beyond the fiscal period for which funds have been appropriated or allocated, and may terminate this Agreement with 30 days' written notice.

21. AUDIT

YMCA of San Diego County agrees to maintain and preserve until five years after termination of

the Agreement with Magnolia, and to permit the State of California or any of its duly authorized representatives, to have access to and to examine and audit any pertinent books, documents, papers, and records related to this Agreement.

22. INSURANCE REQUIREMENTS

YMCA of San Diego County must ensure that it shall maintain and shall cause each Subcontractor to maintain Public Liability and Property Damage Insurance to protect them and the Superintendent of Schools from all claims for personal injury, including accidental death, as well as from all claims for property damage arising from the operations under this Agreement. The minimum amounts of such insurance shall be as hereinafter set forth.

Amounts of Insurance:		
General Liability	Bodily Injury and	\$ <u>1,000,000</u>
Comprehensive form -	Property Damage	Amount
Products/Completed		
Operations		

YMCA of San Diego County shall file, with Magnolia, Certificates of Insurance indicating a thirty-day (30) cancellation notice and naming the **Magnolia Science Academy-San Diego** as an additional insured.

23. GOVERNING LAW/VENUE SAN DIEGO

In the event of litigation, the Agreement and related matters shall be governed by and construed in accordance with the laws of the State of California. Venue shall be with the appropriate State or Federal court located in San Diego County.

24. COMPLIANCE WITH LAW

YMCA of San Diego County shall be subject to, and shall comply with, all Federal, State, and local laws and regulations applicable with respect to its performance under this Agreement including, but not limited to: licensing, employment, and purchasing practices, and wages, hours, and conditions of employment, including non-discrimination.

25. FINAL APPROVAL

This Agreement is of no force or effect until approved by signature by the Magnolia Principal and YMCA of San Diego County President/CEO.

26. TOBACCO-FREE FACILITY

Magnolia is a tobacco-free facility. Tobacco use (smoked or smokeless) is prohibited at all times on all areas of school property.

27. PUPIL SAFETY / SCHOOL SAFETY ACT

Pupil Safety/School Safety Act: The YMCA of San Diego County shall determine the Contractor/Provider’s level of contact with pupils from the following two (2) choices, by inserting an **X** below:

The Contractor/Provider will have “**limited contact**” with pupils and the Contractor/Provider may be required to do one or more of the following to protect pupils:

1. Prohibit Contractor/Provider’s employees from using student restroom facilities,
2. Perform work when school is not in session,
3. Provide security patrols or supervision,
4. Restrict Contractor/Provider’s employees’ access to site grounds, and/or
5. Provide badges or other visible means of Contractor/Provider’s identification.

X The Contractor/Provider will have “**greater than limited contact**” with pupils and the Contractor/Provider shall require their employees, including the employees of any subcontractor, who will provide these services, to submit their fingerprints in order to conduct a criminal background check per Education Code §45122.1. The Contractor/Provider shall not permit any employee, including the employees of any subcontractor, to perform services under this contract until:

1. The Department of Justice has determined that these employees have not been convicted of, or have charges pending for a defined felony.
2. The Contractor/Provider has **certified in writing** to the YMCA of San Diego County that the employer and all of these employees have not been convicted of, or do not have charges pending for a defined felony.

By (Authorized Signature)

Date

Name (Type or Print)

YMCA of San Diego County

28. ENTIRE AGREEMENT

This Agreement represents the entire Agreement and understandings of the parties hereto and no writings, conversations or representations of any nature shall be deemed to vary the provisions hereof. This Agreement may not be amended in any way except by a writing duly executed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed, such parties acting by their representatives being thereunto duly authorized.

MAGNOLIA SCIENCE ACADEMY

YMCA OF SAN DIEGO COUNTY

By (Authorized Signature)

By (Authorized Signature)

Magnolia Science Academy

Baron Herdelin-Doherty
President/CEO
YMCA of San Diego County

Date:

Date:

Federal I.D. #: 95-2039

YMCA of San Diego County
Magnolia Science Academy-FY17 ASES 85/15 Sub Contractor Attachment

Organization Name	Indirect Costs/Indirect Cost Rate Retained (Should not exceed 5% of total Grant Award)		Direct Administrative Costs Retained (Should not exceed 15% of Total Grant Award including Indirect Costs)		Direct Service Costs Retained (Should be at least 85% of total Grant Award)		Total Amount of Grant Award Retained	
	Dollar Amount	% of Grant Award	Dollar Amount	% of Grant Award	Dollar Amount	% of Grant Award	Dollar Amount	% of Grant Award
San Diego County Office of Education	0	0.00%	1620.00	2.00%	0	0.00%	1620.00	2.00%
Magnolia Science Academy	0	0.00%	2,430.00	3.00%	0	0.00%	2,430.00	3.00%
YMCA of San Diego County	4050.00	5.00%	4,050.00	5.00%	68,850.00	85.00%	76,950.00	95.00%
Total Costs Retained	4,050.00	5.00%	8,100.00	10.00%	68850.00	85.00%	81,000.00	100.00%

Cover Sheet

Approval of Filing for 2015-16 IRS Form 990 for MPS

Section: III. Consent Agenda
Item: C. Approval of Filing for 2015-16 IRS Form 990 for MPS
Purpose: Vote
Submitted by:
Related Material: III C 990 Filing 2015-16.pdf



Board Agenda Item #	Agenda # III C
Date:	February 9, 2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Nanie Montijo, Chief Financial Officer
RE:	2015 IRS Form 990 – Return of Organization Exempt from Income Tax

Proposed Board Recommendation

I move that the board approve the filing of IRS Form 990 for fiscal year 2015-16 due February 15, 2017.

Background

Form 990 is an IRS form that provides the public financial information about a nonprofit organization. Certain tax-exempt organizations must file an annual reporting return with IRS. It provides information on the organization's mission, programs and finances. In addition to Form 990, tax-exempt organizations are also subject to variety of disclosure and compliance requirements through various schedules attached to Form 990. Filing of schedules supplements, enhances and further clarifies disclosures and compliance reporting made in Form 990.

Form 990 is due on the 15th of the 5th month after the fiscal year, with up to 6 months of extensions. There is penalty of \$20 per day until form is filed.

A nonprofit organization that does not file annual returns or notices for three (3) consecutive years will have its tax-exempt status revoked as of due date of the third return or notice.

Budget Implications

None

How Does This Action Relate/Affect/Benefit All MSAs?

n/a

Name of Staff Originator:

Nanie Montijo, Chief Financial Officer

Attachments

Form 990 and schedules

Caution: Forms printed from within Adobe Acrobat products may not meet IRS or state taxing agency specifications. When using Acrobat 9.x products and later products, select "None" in the "Page Scaling" selection box in the Adobe "Print" dialog.

GOVERNMENT COPY

DRAFT

***** THIS IS NOT A FILEABLE COPY *****

**IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

Form **8879-EO**

For calendar year 2015, or fiscal year beginning JUL 1, 2015, and ending JUN 30, 2016

2015

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**

▶ **Information about Form 8879-EO and its instructions is at www.irs.gov/form8879eo.**

Name of exempt organization

**MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION**

Employer identification number

95-4649884

Name and title of officer

**NAMIE MONTIJO
CFO**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>47,750,213.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2015 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize VAVRINEK, TRINE, DAY & CO., LLP to enter my PIN 11111
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2015 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2015 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ ******* THIS IS NOT A FILEABLE COPY ***** Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

33565600050
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2015 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So**

EXTENDED TO FEBRUARY 15, 2017

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2015
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2015 calendar year, or tax year beginning JUL 1, 2015 and ending JUN 30, 2016

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 13950 MILTON AVE City or town, state or province, country, and ZIP or foreign postal code WESTMINSTER, CA 92683 F Name and address of principal officer: NAMIE MONTIJO SAME AS C ABOVE	D Employer identification number 95-4649884 E Telephone number 714-892-5066 G Gross receipts \$ 47,750,213. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ N/A		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
L Year of formation: 2005		M State of legal domicile: CA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: MERF OPERATED ELEVEN MAGNOLIA SCIENCE ACADEMY (MSA) KINDERGARTEN THROUGH GRADE TWELVE CHARTER 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) 3 9 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 9 5 Total number of individuals employed in calendar year 2015 (Part V, line 2a) 5 490 6 Total number of volunteers (estimate if necessary) 6 50 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0. 7b Net unrelated business taxable income from Form 990-T, line 34 7b 0.													
Revenue	8 Contributions and grants (Part VIII, line 1h) 34,357,458. 47,750,213. 9 Program service revenue (Part VIII, line 2g) 0. 0. 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 0. 0. 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 0. 0. 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 34,357,458. 47,750,213.	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;">Prior Year</th> <th style="width:50%;">Current Year</th> </tr> </thead> <tbody> <tr><td>34,357,458.</td><td>47,750,213.</td></tr> <tr><td>0.</td><td>0.</td></tr> <tr><td>0.</td><td>0.</td></tr> <tr><td>0.</td><td>0.</td></tr> <tr><td>34,357,458.</td><td>47,750,213.</td></tr> </tbody> </table>	Prior Year	Current Year	34,357,458.	47,750,213.	0.	0.	0.	0.	0.	0.	34,357,458.	47,750,213.
Prior Year	Current Year													
34,357,458.	47,750,213.													
0.	0.													
0.	0.													
0.	0.													
34,357,458.	47,750,213.													
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 0. 0. 14 Benefits paid to or for members (Part IX, column (A), line 4) 0. 0. 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 19,967,246. 24,215,884. 16a Professional fundraising fees (Part IX, column (A), line 11e) 0. 0. 16b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0. 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 11,327,819. 15,754,292. 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 31,295,065. 39,970,176. 19 Revenue less expenses. Subtract line 18 from line 12 3,062,393. 7,780,037.													
Net Assets or Fund Balances	20 Total assets (Part X, line 16) 24,530,921. 42,219,287. 21 Total liabilities (Part X, line 26) 11,522,400. 21,430,729. 22 Net assets or fund balances. Subtract line 21 from line 20 13,008,521. 20,788,558.	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;">Beginning of Current Year</th> <th style="width:50%;">End of Year</th> </tr> </thead> <tbody> <tr><td>24,530,921.</td><td>42,219,287.</td></tr> <tr><td>11,522,400.</td><td>21,430,729.</td></tr> <tr><td>13,008,521.</td><td>20,788,558.</td></tr> </tbody> </table>	Beginning of Current Year	End of Year	24,530,921.	42,219,287.	11,522,400.	21,430,729.	13,008,521.	20,788,558.				
Beginning of Current Year	End of Year													
24,530,921.	42,219,287.													
11,522,400.	21,430,729.													
13,008,521.	20,788,558.													

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer NAMIE MONTIJO, CFO Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name MATTHEW S. MILLER	Preparer's signature Date Check if self-employed <input type="checkbox"/> PTIN P01385220
	Firm's name ▶ VAVRINEK, TRINE, DAY & CO., LLP Firm's address ▶ 10681 FOOTHILL BLVD SUITE 300 RANCHO CUCAMONGA, CA 91730	Firm's EIN ▶ 95-2648289 Phone no. 909-466-4410

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

Form 990 (2015)

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION PROVIDES COMMUNITY SUPPORT IN EDUCATIONAL AREAS, INCLUDING BUT NOT LIMITED TO, OPERATING PUBLIC CHARTER SCHOOLS WITH A MISSION TO PROVIDE COLLEGE PREPARATORY EDUCATIONAL PROGRAM EMPHASIZING SCIENCE, TECHNOLOGY, ENGINEERING, AND

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

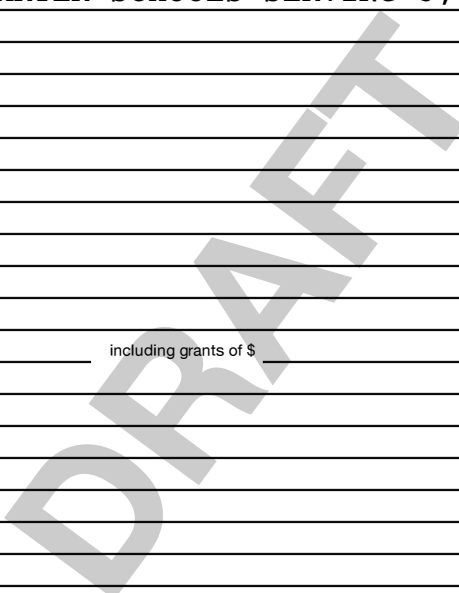
4a (Code:) (Expenses \$ 29,783,877. including grants of \$) (Revenue \$) MERF OPERATED ELEVEN MAGNOLIA SCIENCE ACADEMY (MSA) KINDERGARTEN THROUGH GRADE TWELVE CHARTER SCHOOLS SERVING 3,790 STUDENTS THROUGHOUT CALIFORNIA

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 29,783,877.



**MAGNOLIA EDUCATIONAL AND RESEARCH
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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors?</i>	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

Form 990 (2015)

**MAGNOLIA EDUCATIONAL AND RESEARCH
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Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule OForm **990** (2015)

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Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		
9b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **THE ORGANIZATION - 714-892-5066**
13950 MILTON AVE, WESTMINSTER, CA 92683

MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DR. UMIT YAPENEL PRESIDENT	2.00	X		X				0.	0.	0.
(2) NOEL RUSSELL-UNTERBERGER TREASURER	2.00	X		X				0.	0.	0.
(3) SAKEN SHERKHANOV SECRETARY	2.00	X		X				0.	0.	0.
(4) NGUYEN HUYNH DIRECTOR	2.00	X						0.	0.	0.
(5) DR. MUSTAFA KAYNAK DIRECTOR	2.00	X						0.	0.	0.
(6) DR. REMZI OTEN DIRECTOR	2.00	X						0.	0.	0.
(7) DIANE GONZALEZ DIRECTOR	2.00	X						0.	0.	0.
(8) ALI KORKMAZ DIRECTOR	2.00	X						0.	0.	0.
(9) SERDAR ORAZOV DIRECTOR	2.00	X						0.	0.	0.
(10) CAPRICE YOUNG CEO	40.00			X				191,188.	0.	0.
(11) OSWALDO DIAZ CFO	40.00			X				121,000.	0.	13,960.

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	45,944,415.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	1,805,798.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f		47,750,213.				
Program Service Revenue	2 a _____	Business Code					
	b _____						
	c _____						
	d _____						
	e _____						
	f All other program service revenue						
	g Total. Add lines 2a-2f						
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)						
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
		d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		b Less: direct expenses	b				
		c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a _____							
	b _____						
	c _____						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions.			47,750,213.	0.	0.	0.	

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	385,000.	235,000.	150,000.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	18,246,221.	18,246,221.		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	63,494.	63,494.		
9 Other employee benefits	2,541,709.	2,541,709.		
10 Payroll taxes	2,979,460.	2,979,460.		
11 Fees for services (non-employees):				
a Management	642,960.		642,960.	
b Legal	400,858.		400,858.	
c Accounting	879,975.		879,975.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	1,801,116.		1,801,116.	
12 Advertising and promotion	156,605.		156,605.	
13 Office expenses	509,512.		509,512.	
14 Information technology	413,754.		413,754.	
15 Royalties				
16 Occupancy	1,785,885.		1,785,885.	
17 Travel	212,528.		212,528.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	45,187.		45,187.	
20 Interest	680,975.		680,975.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	543,494.		543,494.	
23 Insurance	190,090.		190,090.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a STUDENT SERVICES AND PR	2,088,886.	2,088,886.		
b STUDENT NUTRITION	1,312,016.	1,312,016.		
c BOOKS AND OTHER MATERIA	1,237,521.	1,237,521.		
d REPAIRS AND MAINTENANCE	645,536.	44,260.	601,276.	
e All other expenses	2,207,394.	1,035,310.	1,172,084.	
25 Total functional expenses. Add lines 1 through 24e	39,970,176.	29,783,877.	10,186,299.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A)		(B)	
		Beginning of year		End of year	
Assets	1 Cash - non-interest-bearing	11,171,536.	1	16,203,446.	
	2 Savings and temporary cash investments		2		
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net	4,170,911.	4	4,305,571.	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use		8		
	9 Prepaid expenses and deferred charges	29,854.	9	141,671.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 23,391,744.			
	b Less: accumulated depreciation	10b 2,338,891.	8,921,210.	10c	21,052,853.
	11 Investments - publicly traded securities		11		
	12 Investments - other securities. See Part IV, line 11		12		
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11	237,410.	15	515,746.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	24,530,921.	16	42,219,287.		
Liabilities	17 Accounts payable and accrued expenses	2,569,245.	17	3,178,148.	
	18 Grants payable		18		
	19 Deferred revenue	445,725.	19	507,918.	
	20 Tax-exempt bond liabilities		20		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties		23		
	24 Unsecured notes and loans payable to unrelated third parties	8,507,430.	24	17,744,663.	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25		
	26 Total liabilities. Add lines 17 through 25	11,522,400.	26	21,430,729.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	12,010,239.	27	20,788,558.	
	28 Temporarily restricted net assets	998,282.	28	0.	
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
	33 Total net assets or fund balances	13,008,521.	33	20,788,558.	
34 Total liabilities and net assets/fund balances	24,530,921.	34	42,219,287.		

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	47,750,213.
2	Total expenses (must equal Part IX, column (A), line 25)	2	39,970,176.
3	Revenue less expenses. Subtract line 2 from line 1	3	7,780,037.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	13,008,521.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	20,788,558.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b	Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____		

Form **990** (2015)

MAGNOLIA EDUCATIONAL AND RESEARCH

Schedule A (Form 990 or 990-EZ) 2015 FOUNDATION

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Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2014 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2015. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2014. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2015. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2014. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2015

MAGNOLIA EDUCATIONAL AND RESEARCH

Schedule A (Form 990 or 990-EZ) 2015 FOUNDATION

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	24631389.	30647486.	62487084.	34357458.	47750213.	199873630
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	24631389.	30647486.	62487084.	34357458.	47750213.	199873630
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b						0.
8 Public support. (Subtract line 7c from line 6.)						199873630

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
9 Amounts from line 6	24631389.	30647486.	62487084.	34357458.	47750213.	199873630
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)	24631389.	30647486.	62487084.	34357458.	47750213.	199873630

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	100.00 %
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	100.00 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	.00 %
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2015. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2014. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

MAGNOLIA EDUCATIONAL AND RESEARCH

Schedule A (Form 990 or 990-EZ) 2015 FOUNDATION

Part IV Supporting Organizations

(Complete only if you checked a box in line 11 on Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

MAGNOLIA EDUCATIONAL AND RESEARCH

Schedule A (Form 990 or 990-EZ) 2015 FOUNDATION

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		
11a		
11b		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
1		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
1		
2		
3		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	Yes	No
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		
2a		
2b		
3a		
3b		

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Schedule A (Form 990 or 990-EZ) 2015 FOUNDATION

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	
Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2015

MAGNOLIA EDUCATIONAL AND RESEARCH

Schedule A (Form 990 or 990-EZ) 2015 FOUNDATION

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2015 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions)			
3 Excess distributions carryover, if any, to 2015:			
a			
b			
c			
d From 2013			
e From 2014			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2015 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6 Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7 Excess distributions carryover to 2016. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b			
c Excess from 2013			
d Excess from 2014			
e Excess from 2015			

Schedule A (Form 990 or 990-EZ) 2015

MAGNOLIA EDUCATIONAL AND RESEARCH

Schedule A (Form 990 or 990-EZ) 2015 FOUNDATION

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Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information input.

DRAFT

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Name of the organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
---	---

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
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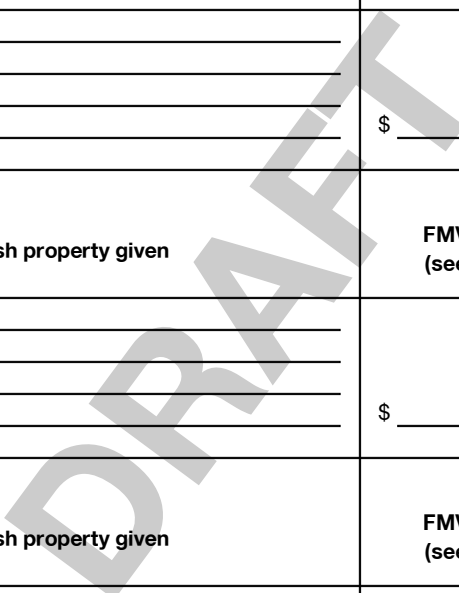
Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	CALIFORNIA STATE DEPARTMENT OF EDUCATION 1430 N ST SACRAMENTO, CA 95814	\$ 45,944,415.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____



Name of organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**

▶ **Attach to Form 990.**

▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2015
Open to Public Inspection

Name of the organization **MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION** **Employer identification number**
95-4649884

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1

▶ \$ _____

b Assets included in Form 990, Part X

▶ \$ _____

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2015

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MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

Schedule D (Form 990) 2015

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Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Temporarily restricted endowment _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|--------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,386,854.		2,386,854.
b Buildings		5,961,968.	439,212.	5,522,756.
c Leasehold improvements		384,879.	384,879.	0.
d Equipment				
e Other		14,658,043.	1,514,800.	13,143,243.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				21,052,853.

Schedule D (Form 990) 2015

**MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION**

Schedule D (Form 990) 2015

95-4649884 Page 3

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Schedule D (Form 990) 2015

MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION

Schedule D (Form 990) 2015

95-4649884 Page 4

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	47,750,213.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e		0.
3	Subtract line 2e from line 1		3	47,750,213.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c		0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	47,750,213.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	39,970,176.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e		0.
3	Subtract line 2e from line 1		3	39,970,176.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c		0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	39,970,176.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

MERF HAS ADOPTED FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ACCOUNTING STANDARDS CODIFICATION (ASC) TOPIC 740 THAT CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON A TAX RETURN AND PROVIDES THAT THE TAX EFFECTS FROM AN UNCERTAIN TAX POSITION CAN BE RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS ONLY IF, BASED ON ITS MERITS, THE POSITION IS MORE LIKELY THAN NOT TO BE SUSTAINED ON AUDIT BY THE TAXING AUTHORITIES. MERF MANAGEMENT HAS DETERMINED THAT ALL INCOME TAX POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED UPON POTENTIAL AUDIT OR EXAMINATION; THEREFORE, NO DISCLOSURES OF UNCERTAIN INCOME TAX POSITIONS ARE REQUIRED.

MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION

Schedule D (Form 990) 2015

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Part XIII Supplemental Information *(continued)*

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**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2015

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

Name of the organization **MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION** Employer identification number **95-4649884**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2015

MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION

95-4649884

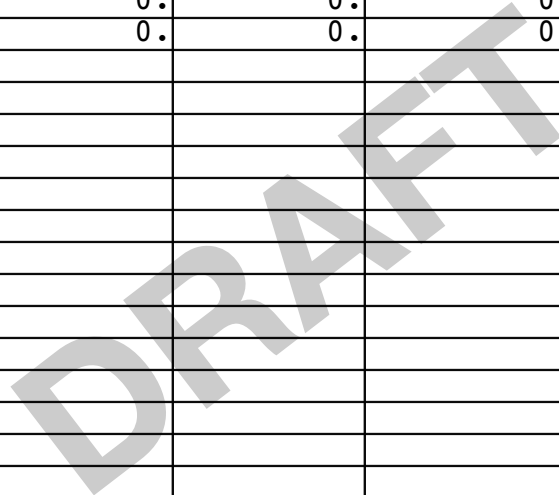
Schedule J (Form 990) 2015

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) CAPRICE YOUNG CEO	(i)	191,188.	0.	0.	0.	0.	191,188.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							



SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015Open to Public
Inspection

Name of the organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
---	---

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

SCHOOLS SERVING 3,790 STUDENTS THROUGHOUT CALIFORNIA DEDICATED TO
INSPIRING STUDENTS TO CHOOSE CAREER PATHS IN SCIENCE, TECHNOLOGY,
ENGINEERING, AND MATH (STEM), WHILE PROVIDING A ROBUST, STANDARDS-BASED
EDUCATION PROGRAM WITHIN A SUPPORTIVE CULTURE OF EXCELLENCE.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

MATH (STEM) IN A SAFE ENVIRONMENT THAT CULTIVATES RESPECT FOR SELF AND
OTHERS.

FORM 990, PART VI, SECTION B, LINE 11:

OFFICERS REVIEWED THE RETURN AND WILL SHARE WITH THE BOARD AT THE NEXT
REGULARLY SCHEDULED MEETING.

FORM 990, PART VI, SECTION B, LINE 12C:

ALL BOARD MEMBERS, EXECUTIVE STAFF AND PRINCIPALS ARE REQUIRED TO SUBMIT
REPORTS THAT DOCUMENT ANY POSSIBLE CONFLICTS OF INTEREST USING THE FORM 700
AS REQUIRED BY OUR OVERSIGHT AGENCY.

FORM 990, PART VI, SECTION B, LINE 15:

THE COMPENSATION COMMITTEE WHICH IS A SUBCOMMITTEE OF THE BOARD OF
DIRECTORS SETS THE COMPENSATION FOR THE TOP OFFICIALS. KEY EMPLOYEE
COMPENSATION IS SET BY THE CEO.

FORM 990, PART VI, SECTION C, LINE 18:

ALL TAX RETURNS ARE MAINTAINED AT THE CORPORATE OFFICE AND ARE

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2015)

532211
09-02-15

Name of the organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
--	---

AVAILABLE UPON REQUEST.

FORM 990, PART VI, SECTION C, LINE 19:

ALL GOVERNING DOCUMENTS ARE MAINTAINED AT THE CORPORATE OFFICE AND ARE AVAILABLE UPON REQUEST.

DRAFT

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization **MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION** Employer identification number **95-4649884**

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
MAGNOLIA PROPERTY MANAGEMENT - 45-4683724 250 E FIRST ST LOS ANGELES, CA 90012	EDUCATIONAL FACILITIES	CALIFORNIA	501(C)(3)	LINE 9			X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2015

MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

Schedule R (Form 990) 2015

95-4649884 Page 2

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

Schedule R (Form 990) 2015

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	X
b Gift, grant, or capital contribution to related organization(s)	1b	X
c Gift, grant, or capital contribution from related organization(s)	1c	X
d Loans or loan guarantees to or for related organization(s)	1d	X
e Loans or loan guarantees by related organization(s)	1e	X
f Dividends from related organization(s)	1f	X
g Sale of assets to related organization(s)	1g	X
h Purchase of assets from related organization(s)	1h	X
i Exchange of assets with related organization(s)	1i	X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o Sharing of paid employees with related organization(s)	1o	X
p Reimbursement paid to related organization(s) for expenses	1p	X
q Reimbursement paid by related organization(s) for expenses	1q	X
r Other transfer of cash or property to related organization(s)	1r	X
s Other transfer of cash or property from related organization(s)	1s	X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION

Schedule R (Form 990) 2015

95-4649884 Page 5

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

Lined area for supplemental information with a large diagonal 'DRAFT' watermark.

Form **8868**
(Rev. January 2014)

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Information about Form 8868 and its instructions is at www.irs.gov/form8868 .**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file) . You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

	Enter filer's identifying number	
Type or print	Name of exempt organization or other filer, see instructions. MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number (EIN) or 95-4649884
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 13950 MILTON AVE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WESTMINSTER, CA 92683	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

THE ORGANIZATION

- The books are in the care of ▶ **13950 MILTON AVE - WESTMINSTER, CA 92683**
Telephone No. ▶ **714-892-5066** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **FEBRUARY 15, 2017**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2015**, and ending **JUN 30, 2016**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Caution: Forms printed from within Adobe Acrobat products may not meet IRS or state taxing agency specifications. When using Acrobat 9.x products and later products, select "None" in the "Page Scaling" selection box in the Adobe "Print" dialog.

STATE COPY

DRAFT

TAXABLE YEAR

2015

California Exempt Organization Annual Information Return

528941 11-25-15
FORM

199

Calendar Year 2015 or fiscal year beginning (mm/dd/yyyy) **07/01/2015**, and ending (mm/dd/yyyy) **06/30/2016**

Corporation/Organization name
MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

California corporation number
2017318

Additional information. See instructions.
FEIN
95-4649884

Street address (suite or room)
13950 MILTON AVE

PMB no.

City
WESTMINSTER

State
CA

ZIP code
92683

Foreign country name Foreign province/state/country Foreign postal code

- A** First Return Yes No
- B** Amended Return Yes No
- C** IRC Section 4947(a)(1) trust Yes No
- D** Final Information Return?
 - Dissolved Surrendered (Withdrawn) Merged/Reorganized
 - Enter date: (mm/dd/yyyy)
- E** Check accounting method: (1) Cash (2) Accrual (3) Other
- F** Federal return filed? (1) 990T (2) 990-PF (3) Sch H (990) (4) Other 990 series
- G** Is this a group filing? See instructions Yes No
- H** Is this organization in a group exemption Yes No
If "Yes," what is the parent's name?
- I** Did the organization have any changes to its guidelines not reported to the FTB? See instructions Yes No
- J** If exempt under R&TC Section 23701d, has the organization engaged in political activities? See instructions. Yes No
- K** Is the organization exempt under R&TC Section 23701g? Yes No
If "Yes," enter the gross receipts from nonmember sources \$ _____
- L** If organization is exempt under R&TC Section 23701d and meets the filing fee exception, check box. No filing fee is required.
- M** Is the organization a Limited Liability Company? Yes No
- N** Did the organization file Form 100 or Form 109 to report taxable income? Yes No
- O** Is the organization under audit by the IRS or has the IRS audited in a prior year? Yes No
- P** Is a federal Form 1023/1024 pending? Yes No
Date filed with IRS _____

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

Receipts and Revenues	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	00
	2	Gross dues and assessments from members and affiliates	2	00
	3	Gross contributions, gifts, grants, and similar amounts received STMT 1	3	47,750,213.00
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$50,000, see General Instruction B	4	47,750,213.00
	5	Cost of goods sold	5	00
	6	Cost or other basis, and sales expenses of assets sold	6	00
	7	Total costs. Add line 5 and line 6	7	00
	8	Total gross income. Subtract line 7 from line 4	8	47,750,213.00
Expenses	9	Total expenses and disbursements. From Side 2, Part II, line 18	9	39,970,176.00
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	7,780,037.00
Filing Fee	11	Total payments	11	00
	12	Use tax. See General Instruction K	12	00
	13	Payment balance. If line 11 is more than line 12, subtract line 12 from line 11	13	00
	14	Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12	14	00
	15	Filing fee \$10 or \$25. See General Instruction F	15	10.00
	16	Penalties and Interest. See General Instruction J	16	00
	17	Balance due. Add line 12, line 15, and line 16. Then subtract line 11 from the result	17	10.00

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
Signature of officer **CFO** Title Date Telephone

Paid Preparer's Use Only
Preparer's signature Date Check if self-employed PTIN **P01385220**
Firm's name (or yours, if self-employed) and address **VAVRINEK, TRINE, DAY & CO., LLP** FEIN **95-2648289**
10681 FOOTHILL BLVD SUITE 300 Telephone **909-466-4410**
RANCHO CUCAMONGA, CA 91730

May the FTB discuss this return with the preparer shown above? See instructions Yes No

Part II Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information.

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	•	1	00
	2	Interest	•	2	00
	3	Dividends	•	3	00
	4	Gross rents	•	4	00
	5	Gross royalties	•	5	00
	6	Gross amount received from sale of assets (See Instructions)	•	6	00
	7	Other income	•	7	00
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	•	8	00
	9	Contributions, gifts, grants, and similar amounts paid	•	9	00
	10	Disbursements to or for members	•	10	00
	11	Compensation of officers, directors, and trustees	•	11	385,000.00
	12	Other salaries and wages	•	12	18,246,221.00
	13	Interest	•	13	680,975.00
	14	Taxes	•	14	2,979,460.00
	15	Rents	•	15	1,785,885.00
	16	Depreciation and depletion (See instructions)	•	16	543,494.00
	17	Other Expenses and Disbursements	•	17	15,349,141.00
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	•	18	39,970,176.00

Schedule L Balance Sheets		Beginning of taxable year		End of taxable year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		11,171,536.		• 16,203,446.
2	Net accounts receivable		4,170,911.		• 4,305,571.
3	Net notes receivable				•
4	Inventories				•
5	Federal and state government obligations				•
6	Investments in other bonds				•
7	Investments in stock				•
8	Mortgage loans				•
9	Other investments				•
10	a Depreciable assets	9,329,854.		21,004,890.	
	b Less accumulated depreciation	(1,795,398.)	7,534,456.	(2,338,891.)	18,665,999.
11	Land		1,386,754.		• 2,386,854.
12	Other assets STMT 4		267,264.		• 657,417.
13	Total assets		24,530,921.		42,219,287.
Liabilities and net worth					
14	Accounts payable		2,569,245.		• 3,178,148.
15	Contributions, gifts, or grants payable				•
16	Bonds and notes payable				•
17	Mortgages payable				•
18	Other liabilities STMT 5		8,953,155.		18,252,581.
19	Capital stock or principal fund				•
20	Paid-in or capital surplus. Attach reconciliation				•
21	Retained earnings or income fund		13,008,521.		• 20,788,558.
22	Total liabilities and net worth		24,530,921.		42,219,287.

Schedule M-1 Reconciliation of income per books with income per return					
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.					
1	Net income per books	• 7,780,037.	7	Income recorded on books this year not included in this return.	•
2	Federal income tax	•	8	Deductions in this return not charged against book income this year	•
3	Excess of capital losses over capital gains	•	9	Total. Add line 7 and line 8	
4	Income not recorded on books this year	•	10	Net income per return.	
5	Expenses recorded on books this year not deducted in this return	•		Subtract line 9 from line 6	7,780,037.
6	Total. Add line 1 through line 5	7,780,037.			

MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDA

95-4649884

ALI KORKMAZ 13950 MILTON AVE WESTMINSTER, CA 92683	DIRECTOR 2.00	0.
SERDAR ORAZOV 13950 MILTON AVE WESTMINSTER, CA 92683	DIRECTOR 2.00	0.
CAPRICE YOUNG 13950 MILTON AVE WESTMINSTER, CA 92683	CEO 40.00	235,000.
OSWALDO DIAZ 13950 MILTON AVE WESTMINSTER, CA 92683	CFO 40.00	150,000.
TOTAL TO FORM 199, PART II, LINE 11		<u>385,000.</u>

FORM 199	OTHER EXPENSES	STATEMENT	3
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DESCRIPTION	AMOUNT
STUDENT SERVICES AND PR	2,088,886.
STUDENT NUTRITION	1,312,016.
BOOKS AND OTHER MATERIA	1,237,521.
REPAIRS AND MAINTENANCE	645,536.
PENSION PLAN CONTRIBUTIONS	63,494.
OTHER EMPLOYEE BENEFITS	2,541,709.
MANAGEMENT FEES	642,960.
LEGAL FEES	400,858.
ACCOUNTING FEES	879,975.
OTHER PROFESSIONAL FEES	1,801,116.
ADVERTISING AND PROMOTION	156,605.
OFFICE EXPENSES	509,512.
INFORMATION TECHNOLOGY	413,754.
TRAVEL	212,528.
CONFERENCES AND CONVENTIONS	45,187.
INSURANCE	190,090.
ALL OTHER EXPENSES	2,207,394.
TOTAL TO FORM 199, PART II, LINE 17	<u>15,349,141.</u>

MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDA

95-4649884

FORM 199	OTHER ASSETS	STATEMENT	4
DESCRIPTION		BEG. OF YEAR	END OF YEAR
PREPAID EXPENSES AND DEFERRED CHARGES		29,854.	141,671.
DEBT ISSUE COSTS		126,849.	371,596.
SECURITY DEPOSITS		110,561.	144,150.
TOTAL TO FORM 199, SCHEDULE L, LINE 12		267,264.	657,417.

FORM 199	OTHER LIABILITIES	STATEMENT	5
DESCRIPTION		BEG. OF YEAR	END OF YEAR
DEFERRED REVENUE		445,725.	507,918.
UNSECURED NOTES AND LOANS PAYABLE		8,507,430.	17,744,663.
TOTAL TO FORM 199, SCHEDULE L, LINE 18		8,953,155.	18,252,581.

FORM 199	FUND BALANCES	STATEMENT	6
DESCRIPTION		BEG. OF YEAR	END OF YEAR
UNRESTRICTED ASSETS		12,010,239.	20,788,558.
TEMPORARILY RESTRICTED ASSETS		998,282.	0.
TOTAL TO FORM 199, SCHEDULE L, LINE 21		13,008,521.	20,788,558.

STATEMENT(S) 4, 5, 6

TAXABLE YEAR
2015

Corporation Depreciation and Amortization

CALIFORNIA FORM
3885

Attach to Form 100 or Form 100W.

FORM 199

FEIN 95-4649884

Corporation name

MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

California corporation number

2017318

Part I Election To Expense Certain Property Under IRC Section 179

1	Maximum deduction under IRC Section 179 for California	1	\$25,000
2	Total cost of IRC Section 179 property placed in service	2	
3	Threshold cost of IRC Section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property (elected IRC Section 179 cost)	7	
8	Total elected cost of IRC Section 179 property. Add amounts in column (c), line 6 and line 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from prior taxable years	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	IRC Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2016. Add line 9 and line 10, less line 12	13	

Part II Depreciation and Election of Additional First Year Depreciation Deduction Under R&TC Section 24356

(a) Description property	(b) Date acquired (mm/dd/yyyy)	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Depreciation Method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
14							
SEE STATEMENT	7	23,391,744.	1,795,397.				
15	Add the amounts in column (g) and column (h). The total of column (h) may not exceed \$2,000. See instructions for line 14, column (h)					15	543,494.

Part III Summary

16	Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g); or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h), or Depreciation (if no election is made), enter the amount from line 15, column (g)	16	543,494.
17	Total depreciation claimed for federal purposes from federal Form 4562, line 22	17	543,494.
18	Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 2, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.)	18	0.

Part IV Amortization

(a) Description of property	(b) Date acquired (mm/dd/yyyy)	(c) Cost or other basis	(d) Amortization allowed or allowable in earlier years	(e) R&TC section (see instructions)	(f) Period or percentage	(g) Amortization for this year	
19							
20	Total. Add the amounts in column (g)					20	
21	Total amortization claimed for federal purposes from federal Form 4562, line 44					21	
22	Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 2, line 12					22	

CA 3885		DEPRECIATION				STATEMENT	7
ASSET NO. / DESCRIPTION	DATE IN SERVICE	COST OR BASIS	PRIOR DEPR	METHOD	LIFE	DEPRE- CIATION	BONUS
1 LAND	06/30/14	2,386,854.		L		0.	
2 BUILDING IMPROVEMENTS	06/30/14	5,961,968.	286,341.	SL	39.00	152,871.	
3 LEASEHOLD IMPROVEMENTS	01/01/10	384,879.	384,457.	SL	39.00	422.	
4 COMPUTER AND EQUIPMENT	01/01/10	2,618,137.	1124599.	SL	5.00	390,201.	
5 WORK IN PROGRESS	06/30/15	12,039,906.			.000	0.	
TOTAL DEPR TO FORM 3885		<u>23,391,744.</u>	<u>1795397.</u>			<u>543,494.</u>	

DRAFT



Voucher at bottom of page.

DO NOT MAIL A PAPER COPY OF THE CORPORATE OR EXEMPT ORGANIZATION TAX RETURN WITH THE PAYMENT VOUCHER.
If the amount of payment is zero, do not mail this voucher.

WHERE TO FILE: Using black or blue ink, make check or money order payable to the "Franchise Tax Board." Write the corporation number or FEIN and "2015 FTB 3586" on the check or money order. Detach voucher below. Enclose, but **do not** staple, payment with voucher and mail to:
**FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531**
Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

WHEN TO FILE: **Fiscal year - See instructions.**
Calendar year corporations - File and Pay by March 15, 2016.
Calendar year exempt organizations - File and Pay by May 16, 2016
When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.
Due to the Emancipation Day holiday on April 16, 2016, tax returns filed and payments mailed or submitted on April 18, 2016, will be considered timely.

ONLINE SERVICES: Corporations can make payments online with Web Pay for Businesses. After a one-time online registration, corporations can make an immediate payment or schedule payments up to a year in advance. Go to ftb.ca.gov for more information.

539035
12-09-15

--- DETACH HERE --- IF NO PAYMENT IS DUE, DO NOT MAIL THIS VOUCHER --- DETACH HERE ---

CAUTION: You may be required to pay electronically, see instructions.

TAXABLE YEAR **2015** **Payment Voucher for Corporations and Exempt Organizations e-filed Returns**

CALIFORNIA FORM
3586 (e-file)

0000000 MAGN 95-4649884 2017318 15 FORM 3
TYB 07-01-2015 TYE 06-30-2016
MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

13950 MILTON AVE
WESTMINSTER CA 92683

(714) 892-5066

Amount of Payment 10.

022

Date Accepted _____

DO NOT MAIL THIS FORM TO THE FTBTAXABLE YEAR
2015**California e-file Return Authorization for
Exempt Organizations**FORM
8453-EO

Exempt Organization name MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Identifying number 95-4649884
---	---

Part I Electronic Return Information (whole dollars only)

1 Total gross receipts (Form 199, line 4)	1 47,750,213.00
2 Total gross income (Form 199, line 8)	2 47,750,213.00
3 Total expenses and disbursements (Form 199, line 9)	3 39,970,176.00

Part II Settle Your Account Electronically for Taxable Year 2015

4 <input type="checkbox"/> Electronic funds withdrawal	4a Amount	4b Withdrawal date (mm/dd/yyyy)
---	------------------	--

Part III Banking Information (Have you verified the exempt organization's banking information?)

5 Routing number _____	7 Type of account: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
6 Account number _____	

Part IV Declaration of Officer

I authorize the exempt organization's account to be settled as designated in Part II. If I check Part II, Box 4, I authorize an electronic funds withdrawal for the amount listed on line 4a.

Under penalties of perjury, I declare that I am an officer of the above exempt organization and that the information I provided to my electronic return originator (ERO), transmitter, or intermediate service provider and the amounts in Part I above agree with the amounts on the corresponding lines of the exempt organization's 2015 California electronic return. To the best of my knowledge and belief, the exempt organization's return is true, correct, and complete. If the exempt organization is filing a balance due return, I understand that if the Franchise Tax Board (FTB) does not receive full and timely payment of the exempt organization's fee liability, the exempt organization will remain liable for the fee liability and all applicable interest and penalties. I authorize the exempt organization return and accompanying schedules and statements be transmitted to the FTB by the ERO, transmitter, or intermediate service provider. **If the processing of the exempt organization's return or refund is delayed, I authorize the FTB to disclose to the ERO or intermediate service provider the reason(s) for the delay.**

**Sign
Here**

Signature of officer _____	Date _____	CFO Title _____
----------------------------	------------	--------------------

Part V Declaration of Electronic Return Originator (ERO) and Paid Preparer.

I declare that I have reviewed the above exempt organization's return and that the entries on form FTB 8453-EO are complete and correct to the best of my knowledge. (If I am only an intermediate service provider, I understand that I am not responsible for reviewing the exempt organization's return. I declare, however, that form FTB 8453-EO accurately reflects the data on the return.) I have obtained the organization officer's signature on form FTB 8453-EO before transmitting this return to the FTB; I have provided the organization officer with a copy of all forms and information that I will file with the FTB, and I have followed all other requirements described in FTB Pub. 1345, 2015 e-file Handbook for Authorized e-file Providers. I will keep form FTB 8453-EO on file for **four** years from the due date of the return or **four** years from the date the exempt organization return is filed, whichever is later, and I will make a copy available to the FTB upon request. If I am also the paid preparer, under penalties of perjury, I declare that I have examined the above exempt organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

ERO Must Sign	ERO's signature _____	Date _____	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's PTIN _____
	Firm's name (or yours if self-employed) and address VAVRINEK, TRINE, DAY & CO., LLP 10681 FOOTHILL BLVD SUITE 300 RANCHO CUCAMONGA, CA				FEIN 95-2648289 ZIP code 91730

Under penalties of perjury, I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

Paid Preparer Must Sign	Paid preparer's signature _____	Date _____	Check if self-employed <input type="checkbox"/>	Paid preparer's PTIN P01385220
	Firm's name (or yours if self-employed) and address VAVRINEK, TRINE, DAY & CO., LLP 10681 FOOTHILL BLVD SUITE 300 RANCHO CUCAMONGA, CA			FEIN 95-2648289 ZIP code 91730

For Privacy Notice, get FTB 1131 ENG/SP.

FTB 8453-EO 2015

529021
12-03-15

9

08400121 788454 5042683

2015 05020 MAGNOLIA EDUCATIONAL AND RE 50426831 86 of 379

Powered by BoardOnTrack

MAIL TO:
 Registry of Charitable Trusts
 P.O. Box 903447
 Sacramento, CA 94203-4470
 Telephone: (916) 445-2021

WEB SITE ADDRESS:
<http://ag.ca.gov/charities/>

**ANNUAL
 REGISTRATION RENEWAL FEE REPORT
 TO ATTORNEY GENERAL OF CALIFORNIA**

Sections 12586 and 12587, California Government Code
 11 Cal. Code Regs. sections 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties as defined in Government Code section 12586.1. IRS extensions will be honored.

State Charity Registration Number: <u>CT 108570</u> MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION <small>Name of Organization</small> <u>13950 MILTON AVE</u> <small>Address (Number and Street)</small> <u>WESTMINSTER, CA 92683</u> <small>City or Town, State and ZIP Code</small>	Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Amended report Corporate or Organization No. <u>2017318</u> Federal Employer I.D. No. <u>95-4649884</u>
--	--

ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311 and 312)
 Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between \$100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

PART A - ACTIVITIES

For your most recent full accounting period (beginning 07/01/2015 ending 06/30/2016) list:
 Gross annual revenue \$ 47,750,213. Total assets \$ 42,219,287.

PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: If you answer "yes" to any of the questions below, you must attach a separate sheet providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest?		X
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?		X
3. During this reporting period, did non-program expenditures exceed 50% of gross revenues?		X
4. During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.		X
5. During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If "yes," provide an attachment listing the name, address, and telephone number of the service provider.		X
6. During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number.		X
7. During this reporting period, did the organization hold a raffle for charitable purposes? If "yes," provide an attachment indicating the number of raffles and the date(s) they occurred.		X
8. Does the organization conduct a vehicle donation program? If "yes," provide an attachment indicating whether the program is operated by the charity or whether the organization contracts with a commercial fundraiser for charitable purposes.		X
9. Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?	X	

Organization's area code and telephone number 714-892-5066

Organization's e-mail address _____

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, it is true, correct and complete.

NAMIE MONTIJO

CFO

Signature of authorized officer

Printed Name

Title

Date

Form **8868**
(Rev. January 2014)

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Information about Form 8868 and its instructions is at www.irs.gov/form8868 .**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file) . You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number

Type or print	Name of exempt organization or other filer, see instructions. MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number (EIN) or 95-4649884
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 13950 MILTON AVE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WESTMINSTER, CA 92683	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

THE ORGANIZATION

- The books are in the care of ▶ **13950 MILTON AVE - WESTMINSTER, CA 92683**
Telephone No. ▶ **714-892-5066** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **FEBRUARY 15, 2017**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2015**, and ending **JUN 30, 2016**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

EXTENDED TO FEBRUARY 15, 2017

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2015
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2015 calendar year, or tax year beginning **JUL 1, 2015** and ending **JUN 30, 2016**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 13950 MILTON AVE City or town, state or province, country, and ZIP or foreign postal code WESTMINSTER, CA 92683 F Name and address of principal officer: NAMIE MONTIJO SAME AS C ABOVE	D Employer identification number 95-4649884 E Telephone number 714-892-5066 G Gross receipts \$ 47,750,213. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ N/A		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
L Year of formation: 2005		M State of legal domicile: CA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: MERF OPERATED ELEVEN MAGNOLIA SCIENCE ACADEMY (MSA) KINDERGARTEN THROUGH GRADE TWELVE CHARTER 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) 3 9 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 9 5 Total number of individuals employed in calendar year 2015 (Part V, line 2a) 5 490 6 Total number of volunteers (estimate if necessary) 6 50 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0. 7b Net unrelated business taxable income from Form 990-T, line 34 7b 0.																									
Revenue	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Prior Year</th> <th style="text-align: center;">Current Year</th> </tr> </thead> <tbody> <tr> <td>8 Contributions and grants (Part VIII, line 1h)</td> <td style="text-align: right;">34,357,458.</td> <td style="text-align: right;">47,750,213.</td> </tr> <tr> <td>9 Program service revenue (Part VIII, line 2g)</td> <td style="text-align: right;">0.</td> <td style="text-align: right;">0.</td> </tr> <tr> <td>10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td> <td style="text-align: right;">0.</td> <td style="text-align: right;">0.</td> </tr> <tr> <td>11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td> <td style="text-align: right;">0.</td> <td style="text-align: right;">0.</td> </tr> <tr> <td>12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td> <td style="text-align: right;">34,357,458.</td> <td style="text-align: right;">47,750,213.</td> </tr> </tbody> </table>		Prior Year	Current Year	8 Contributions and grants (Part VIII, line 1h)	34,357,458.	47,750,213.	9 Program service revenue (Part VIII, line 2g)	0.	0.	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	0.	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	34,357,458.	47,750,213.							
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Expenses	<table border="1" style="width:100%; border-collapse: collapse;"> <tbody> <tr> <td>13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)</td> <td style="text-align: right;">0.</td> <td style="text-align: right;">0.</td> </tr> <tr> <td>14 Benefits paid to or for members (Part IX, column (A), line 4)</td> <td style="text-align: right;">0.</td> <td style="text-align: right;">0.</td> </tr> <tr> <td>15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)</td> <td style="text-align: right;">19,967,246.</td> <td style="text-align: right;">24,215,884.</td> </tr> <tr> <td>16a Professional fundraising fees (Part IX, column (A), line 11e)</td> <td style="text-align: right;">0.</td> <td style="text-align: right;">0.</td> </tr> <tr> <td>b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.</td> <td></td> <td></td> </tr> <tr> <td>17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)</td> <td style="text-align: right;">11,327,819.</td> <td style="text-align: right;">15,754,292.</td> </tr> <tr> <td>18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)</td> <td style="text-align: right;">31,295,065.</td> <td style="text-align: right;">39,970,176.</td> </tr> <tr> <td>19 Revenue less expenses. Subtract line 18 from line 12</td> <td style="text-align: right;">3,062,393.</td> <td style="text-align: right;">7,780,037.</td> </tr> </tbody> </table>	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	19,967,246.	24,215,884.	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.			17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	11,327,819.	15,754,292.	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	31,295,065.	39,970,176.	19 Revenue less expenses. Subtract line 18 from line 12	3,062,393.	7,780,037.	
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18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	31,295,065.	39,970,176.																								
19 Revenue less expenses. Subtract line 18 from line 12	3,062,393.	7,780,037.																								
Net Assets or Fund Balances	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Beginning of Current Year</th> <th style="text-align: center;">End of Year</th> </tr> </thead> <tbody> <tr> <td>20 Total assets (Part X, line 16)</td> <td style="text-align: right;">24,530,921.</td> <td style="text-align: right;">42,219,287.</td> </tr> <tr> <td>21 Total liabilities (Part X, line 26)</td> <td style="text-align: right;">11,522,400.</td> <td style="text-align: right;">21,430,729.</td> </tr> <tr> <td>22 Net assets or fund balances. Subtract line 21 from line 20</td> <td style="text-align: right;">13,008,521.</td> <td style="text-align: right;">20,788,558.</td> </tr> </tbody> </table>		Beginning of Current Year	End of Year	20 Total assets (Part X, line 16)	24,530,921.	42,219,287.	21 Total liabilities (Part X, line 26)	11,522,400.	21,430,729.	22 Net assets or fund balances. Subtract line 21 from line 20	13,008,521.	20,788,558.													
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Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer NAMIE MONTIJO, CFO Type or print name and title	Date
Paid Preparer Use Only	Print/Type preparer's name MATTHEW S. MILLER	Preparer's signature Date Check if self-employed <input type="checkbox"/> PTIN P01385220
	Firm's name ▶ VAVRINEK, TRINE, DAY & CO., LLP Firm's address ▶ 10681 FOOTHILL BLVD SUITE 300 RANCHO CUCAMONGA, CA 91730	Firm's EIN ▶ 95-2648289 Phone no. 909-466-4410

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

Form 990 (2015)

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION PROVIDES COMMUNITY SUPPORT IN EDUCATIONAL AREAS, INCLUDING BUT NOT LIMITED TO, OPERATING PUBLIC CHARTER SCHOOLS WITH A MISSION TO PROVIDE COLLEGE PREPARATORY EDUCATIONAL PROGRAM EMPHASIZING SCIENCE, TECHNOLOGY, ENGINEERING, AND

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 29,783,877. including grants of \$) (Revenue \$) MERF OPERATED ELEVEN MAGNOLIA SCIENCE ACADEMY (MSA) KINDERGARTEN THROUGH GRADE TWELVE CHARTER SCHOOLS SERVING 3,790 STUDENTS THROUGHOUT CALIFORNIA

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 29,783,877.

**MAGNOLIA EDUCATIONAL AND RESEARCH
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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors?</i>	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

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**MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION**

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Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule OForm **990** (2015)

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Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the sponsoring organization make any taxable distributions under section 4966?		
9b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **THE ORGANIZATION - 714-892-5066**
13950 MILTON AVE, WESTMINSTER, CA 92683

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Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DR. UMIT YAPENEL PRESIDENT	2.00	X		X				0.	0.	0.
(2) NOEL RUSSELL-UNTERBERGER TREASURER	2.00	X		X				0.	0.	0.
(3) SAKEN SHERKHANOV SECRETARY	2.00	X		X				0.	0.	0.
(4) NGUYEN HUYNH DIRECTOR	2.00	X						0.	0.	0.
(5) DR. MUSTAFA KAYNAK DIRECTOR	2.00	X						0.	0.	0.
(6) DR. REMZI OTEN DIRECTOR	2.00	X						0.	0.	0.
(7) DIANE GONZALEZ DIRECTOR	2.00	X						0.	0.	0.
(8) ALI KORKMAZ DIRECTOR	2.00	X						0.	0.	0.
(9) SERDAR ORAZOV DIRECTOR	2.00	X						0.	0.	0.
(10) CAPRICE YOUNG CEO	40.00			X				191,188.	0.	0.
(11) OSWALDO DIAZ CFO	40.00			X				121,000.	0.	13,960.

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	45,944,415.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	1,805,798.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f		47,750,213.				
	Program Service Revenue	2 a _____ Business Code _____					
b _____							
c _____							
d _____							
e _____							
f All other program service revenue							
g Total. Add lines 2a-2f							
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)						
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
		d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		b Less: direct expenses	b				
		c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a _____							
	b _____						
	c _____						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions.			47,750,213.	0.	0.	0.	

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	385,000.	235,000.	150,000.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	18,246,221.	18,246,221.		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	63,494.	63,494.		
9 Other employee benefits	2,541,709.	2,541,709.		
10 Payroll taxes	2,979,460.	2,979,460.		
11 Fees for services (non-employees):				
a Management	642,960.		642,960.	
b Legal	400,858.		400,858.	
c Accounting	879,975.		879,975.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	1,801,116.		1,801,116.	
12 Advertising and promotion	156,605.		156,605.	
13 Office expenses	509,512.		509,512.	
14 Information technology	413,754.		413,754.	
15 Royalties				
16 Occupancy	1,785,885.		1,785,885.	
17 Travel	212,528.		212,528.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	45,187.		45,187.	
20 Interest	680,975.		680,975.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	543,494.		543,494.	
23 Insurance	190,090.		190,090.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a STUDENT SERVICES AND PR	2,088,886.	2,088,886.		
b STUDENT NUTRITION	1,312,016.	1,312,016.		
c BOOKS AND OTHER MATERIA	1,237,521.	1,237,521.		
d REPAIRS AND MAINTENANCE	645,536.	44,260.	601,276.	
e All other expenses	2,207,394.	1,035,310.	1,172,084.	
25 Total functional expenses. Add lines 1 through 24e	39,970,176.	29,783,877.	10,186,299.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1 Cash - non-interest-bearing	11,171,536.	1	16,203,446.	
	2 Savings and temporary cash investments		2		
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net	4,170,911.	4	4,305,571.	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use		8		
	9 Prepaid expenses and deferred charges	29,854.	9	141,671.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 23,391,744.			
	b Less: accumulated depreciation	10b 2,338,891.	8,921,210.	10c	21,052,853.
	11 Investments - publicly traded securities		11		
	12 Investments - other securities. See Part IV, line 11		12		
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11	237,410.	15	515,746.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	24,530,921.	16	42,219,287.		
Liabilities	17 Accounts payable and accrued expenses	2,569,245.	17	3,178,148.	
	18 Grants payable		18		
	19 Deferred revenue	445,725.	19	507,918.	
	20 Tax-exempt bond liabilities		20		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties		23		
	24 Unsecured notes and loans payable to unrelated third parties	8,507,430.	24	17,744,663.	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25		
	26 Total liabilities. Add lines 17 through 25	11,522,400.	26	21,430,729.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	12,010,239.	27	20,788,558.	
	28 Temporarily restricted net assets	998,282.	28	0.	
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
	33 Total net assets or fund balances	13,008,521.	33	20,788,558.	
34 Total liabilities and net assets/fund balances	24,530,921.	34	42,219,287.		

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	47,750,213.
2	Total expenses (must equal Part IX, column (A), line 25)	2	39,970,176.
3	Revenue less expenses. Subtract line 2 from line 1	3	7,780,037.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	13,008,521.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	20,788,558.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

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Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2014 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2015. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2014. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2015. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2014. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Schedule A (Form 990 or 990-EZ) 2015

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Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	24631389.	30647486.	62487084.	34357458.	47750213.	199873630
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	24631389.	30647486.	62487084.	34357458.	47750213.	199873630
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b						0.
8 Public support. (Subtract line 7c from line 6.)						199873630

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
9 Amounts from line 6	24631389.	30647486.	62487084.	34357458.	47750213.	199873630
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)	24631389.	30647486.	62487084.	34357458.	47750213.	199873630

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	100.00 %
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	100.00 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	.00 %
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2015. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2014. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

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Part IV Supporting Organizations

(Complete only if you checked a box in line 11 on Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

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Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	Yes	No
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8	
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	
Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2015

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2015 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions)			
3 Excess distributions carryover, if any, to 2015:			
a			
b			
c			
d From 2013			
e From 2014			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2015 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6 Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7 Excess distributions carryover to 2016. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b			
c Excess from 2013			
d Excess from 2014			
e Excess from 2015			

Schedule A (Form 990 or 990-EZ) 2015

MAGNOLIA EDUCATIONAL AND RESEARCH

Schedule A (Form 990 or 990-EZ) 2015 FOUNDATION

95-4649884 Page 8

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information input.

DRAFT

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Name of the organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
---	---

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
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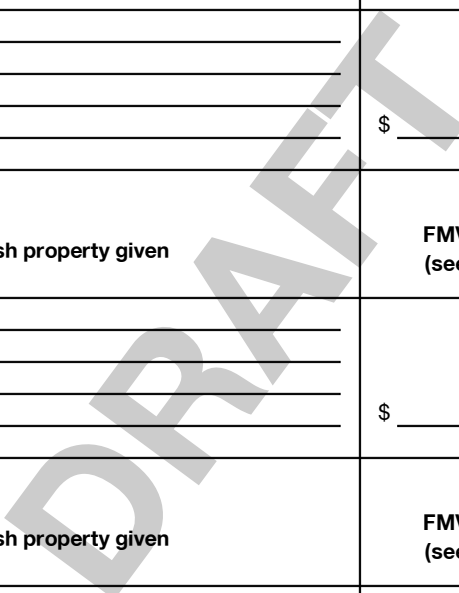
Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	CALIFORNIA STATE DEPARTMENT OF EDUCATION 1430 N ST SACRAMENTO, CA 95814	\$ 45,944,415.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____



Name of organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

OMB No. 1545-0047

2015

Open to Public Inspection

▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.**

Name of the organization **MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION** **Employer identification number**
95-4649884

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2015

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11-02-15

MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

Schedule D (Form 990) 2015

95-4649884 Page 2

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
 - a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
 - b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
 - b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
 - a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Temporarily restricted endowment _____ %
 The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,386,854.		2,386,854.
b Buildings		5,961,968.	439,212.	5,522,756.
c Leasehold improvements		384,879.	384,879.	0.
d Equipment				
e Other		14,658,043.	1,514,800.	13,143,243.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				21,052,853.

Schedule D (Form 990) 2015

**MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION**

Schedule D (Form 990) 2015

95-4649884 Page 3

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Schedule D (Form 990) 2015

MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION

Schedule D (Form 990) 2015

95-4649884 Page 4

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	47,750,213.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e		0.
3	Subtract line 2e from line 1		3	47,750,213.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c		0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	47,750,213.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	39,970,176.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e		0.
3	Subtract line 2e from line 1		3	39,970,176.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c		0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	39,970,176.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

MERF HAS ADOPTED FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ACCOUNTING STANDARDS CODIFICATION (ASC) TOPIC 740 THAT CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON A TAX RETURN AND PROVIDES THAT THE TAX EFFECTS FROM AN UNCERTAIN TAX POSITION CAN BE RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS ONLY IF, BASED ON ITS MERITS, THE POSITION IS MORE LIKELY THAN NOT TO BE SUSTAINED ON AUDIT BY THE TAXING AUTHORITIES. MERF MANAGEMENT HAS DETERMINED THAT ALL INCOME TAX POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED UPON POTENTIAL AUDIT OR EXAMINATION; THEREFORE, NO DISCLOSURES OF UNCERTAIN INCOME TAX POSITIONS ARE REQUIRED.

**MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION**

Schedule D (Form 990) 2015

95-4649884 Page 5

Part XIII Supplemental Information *(continued)*

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**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2015

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

Name of the organization **MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION** Employer identification number **95-4649884**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2015

**MAGNOLIA EDUCATIONAL AND RESEARCH
FOUNDATION**

95-4649884

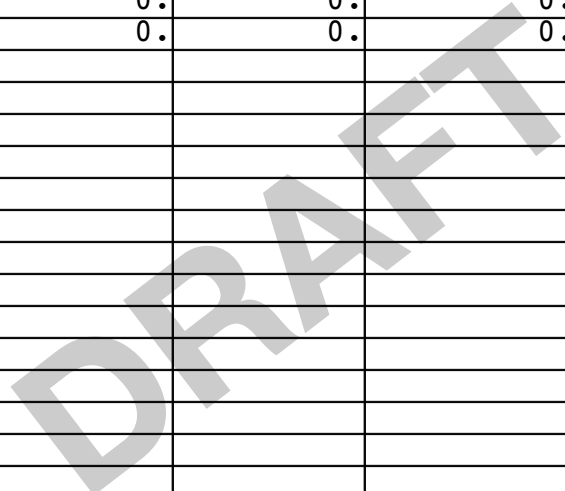
Schedule J (Form 990) 2015

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) CAPRICE YOUNG CEO	(i)	191,188.	0.	0.	0.	0.	191,188.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							



SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015Open to Public
Inspection

Name of the organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
---	---

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

SCHOOLS SERVING 3,790 STUDENTS THROUGHOUT CALIFORNIA DEDICATED TO
INSPIRING STUDENTS TO CHOOSE CAREER PATHS IN SCIENCE, TECHNOLOGY,
ENGINEERING, AND MATH (STEM), WHILE PROVIDING A ROBUST, STANDARDS-BASED
EDUCATION PROGRAM WITHIN A SUPPORTIVE CULTURE OF EXCELLENCE.

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

MATH (STEM) IN A SAFE ENVIRONMENT THAT CULTIVATES RESPECT FOR SELF AND
OTHERS.

FORM 990, PART VI, SECTION B, LINE 11:

OFFICERS REVIEWED THE RETURN AND WILL SHARE WITH THE BOARD AT THE NEXT
REGULARLY SCHEDULED MEETING.

FORM 990, PART VI, SECTION B, LINE 12C:

ALL BOARD MEMBERS, EXECUTIVE STAFF AND PRINCIPALS ARE REQUIRED TO SUBMIT
REPORTS THAT DOCUMENT ANY POSSIBLE CONFLICTS OF INTEREST USING THE FORM 700
AS REQUIRED BY OUR OVERSIGHT AGENCY.

FORM 990, PART VI, SECTION B, LINE 15:

THE COMPENSATION COMMITTEE WHICH IS A SUBCOMMITTEE OF THE BOARD OF
DIRECTORS SETS THE COMPENSATION FOR THE TOP OFFICIALS. KEY EMPLOYEE
COMPENSATION IS SET BY THE CEO.

FORM 990, PART VI, SECTION C, LINE 18:

ALL TAX RETURNS ARE MAINTAINED AT THE CORPORATE OFFICE AND ARE

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.
532211
09-02-15

Schedule O (Form 990 or 990-EZ) (2015)

Name of the organization MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION	Employer identification number 95-4649884
--	---

AVAILABLE UPON REQUEST.

FORM 990, PART VI, SECTION C, LINE 19:

ALL GOVERNING DOCUMENTS ARE MAINTAINED AT THE CORPORATE OFFICE AND ARE AVAILABLE UPON REQUEST.

DRAFT

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization **MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION** Employer identification number **95-4649884**

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
MAGNOLIA PROPERTY MANAGEMENT - 45-4683724 250 E FIRST ST LOS ANGELES, CA 90012	EDUCATIONAL FACILITIES	CALIFORNIA	501(C)(3)	LINE 9			X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2015

MAGNOLIA EDUCATIONAL AND RESEARCH FOUNDATION

Schedule R (Form 990) 2015

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	X
b Gift, grant, or capital contribution to related organization(s)	1b	X
c Gift, grant, or capital contribution from related organization(s)	1c	X
d Loans or loan guarantees to or for related organization(s)	1d	X
e Loans or loan guarantees by related organization(s)	1e	X
f Dividends from related organization(s)	1f	X
g Sale of assets to related organization(s)	1g	X
h Purchase of assets from related organization(s)	1h	X
i Exchange of assets with related organization(s)	1i	X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o Sharing of paid employees with related organization(s)	1o	X
p Reimbursement paid to related organization(s) for expenses	1p	X
q Reimbursement paid by related organization(s) for expenses	1q	X
r Other transfer of cash or property to related organization(s)	1r	X
s Other transfer of cash or property from related organization(s)	1s	X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Cover Sheet

Approval of Certification of Signatures Form for Charter School Funds Distribution Authorization

Section: III. Consent Agenda
Item: D. Approval of Certification of Signatures Form for Charter
School Funds Distribution Authorization
Purpose: Vote
Submitted by:
Related Material: III D Certification of Signatures.pdf



Board Agenda Item #	Agenda # III D
Date:	February 9, 2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Caprice Young, Ed.D., CEO & Superintendent
RE:	Certification of Signatures

Proposed Board Recommendation

I move that the board approve the attached Certification of Signatures Form for Charter School Funds Distribution Authorization, signatures will be valid through June 30, 2017.

Background

In accordance with Education Codes 35143, 42632, and 42633, the Certification of Signatures form is required to formalize the personnel authorized to sign orders for salary or commercial payments, notices of employment, and contracts.

Budget Implications

None.

Name of Staff Originator:

Caprice Young, Ed.D., CEO & Superintendent

Attachments

Certification of Signatures Form

SCHOOL DISTRICT

CERTIFICATION OF SIGNATURES

As clerk/secretary to the governing board of the above named school district, I certify that the signatures shown below in Column 1 are the verified signatures of the members of the governing board. I certify that the signatures shown in Column 2 are the verified signatures of the person or persons authorized to sign notices of employment, contracts and orders drawn on the funds of the school district. These certifications are made in accordance with the provisions of Education Code Sections:

K-12 Districts: 35143, 42632, and 42633

Community College Districts: 72000, 85232, and 85233

If persons authorized to sign orders as shown in Column 2 unable to do so, the law requires the signatures of the majority of the governing board.

These approved signatures are valid for the period of: February 9, 2017 to _____

In accordance with governing board approval dated February 9, 2017.

Signature _____
Clerk (Secretary) of the Board

NOTE: Please TYPE name under signature.

Column 1

Signatures of Members of the Governing Board

SIGNATURE
TYPED NAME Noel Russell- Unterburger
President of the Board of Trustees/Education
SIGNATURE
TYPED NAME Umit Yapanel
Clerk/Secretary of the Board of Trustees/Education
SIGNATURE
TYPED NAME Nguyen Huynh
Member of the Board of Trustees/Education
SIGNATURE
TYPED NAME Remzi Oten
Member of the Board of Trustees/Education
SIGNATURE
TYPED NAME Diane Gonzalez
Member of the Board of Trustees/Education
SIGNATURE
TYPED NAME Serdar Orazov
Member of the Board of Trustees/Education
SIGNATURE
TYPED NAME Saken Sherkhanov
Member of the Board of Trustees/Education

If the Board has given special instructions for signing warrants or orders, please attach a copy of the resolution to this form.

Column 2

Signatures of Personnel and/or Members of Governing Board authorized to sign Orders for Salary or Commercial Payments, Notices of Employment, and Contracts:

SIGNATURE
TYPED NAME Caprice Young
TITLE CEO and Superintendent
SIGNATURE
TYPED NAME Suat Acar
TITLE Chief Operations Officer
SIGNATURE
TYPED NAME Nanie Montijo
TITLE Chief Financial Officer
SIGNATURE
TYPED NAME Alfredo Rubalcava
TITLE Chief External Officer
SIGNATURE
TYPED NAME
TITLE
SIGNATURE
TYPED NAME
TITLE
SIGNATURE
TYPED NAME
TITLE

Number of Signatures required:

ORDERS FOR SALARY PAYMENTS One Signature	ORDERS FOR COMMERCIAL PAYMENTS One Signature
NOTICES OF EMPLOYMENT One Signature	CONTRACTS One Signature

SCHOOL DISTRICT

CERTIFICATION OF SIGNATURES

As clerk/secretary to the governing board of the above named school district, I certify that the signatures shown below in Column 1 are the verified signatures of the members of the governing board. I certify that the signatures shown in Column 2 are the verified signatures of the person or persons authorized to sign notices of employment, contracts and orders drawn on the funds of the school district. These certifications are made in accordance with the provisions of Education Code Sections:

K-12 Districts: 35143, 42632, and 42633

Community College Districts: 72000, 85232, and 85233

If persons authorized to sign orders as shown in Column 2 unable to do so, the law requires the signatures of the majority of the governing board.

These approved signatures are valid for the period of: February 9, 2017 to June 30, 2017

In accordance with governing board approval dated February 9, 20 17.

Signature _____
Clerk (Secretary) of the Board

NOTE: Please TYPE name under signature.

Column 1

Signatures of Members of the Governing Board

SIGNATURE
TYPED NAME
President of the Board of Trustees/Education
SIGNATURE
TYPED NAME
Clerk/Secretary of the Board of Trustees/Education
SIGNATURE
TYPED NAME
Salih Dikbas
Member of the Board of Trustees/Education
SIGNATURE
TYPED NAME
Member of the Board of Trustees/Education
SIGNATURE
TYPED NAME
Member of the Board of Trustees/Education
SIGNATURE
TYPED NAME
Member of the Board of Trustees/Education
SIGNATURE
TYPED NAME
Member of the Board of Trustees/Education
SIGNATURE
TYPED NAME

Column 2

Signatures of Personnel and/or Members of Governing Board authorized to sign Orders for Salary or Commercial Payments, Notices of Employment, and Contracts:

SIGNATURE
TYPED NAME
TITLE
SIGNATURE
TYPED NAME
Suat Acar
TITLE
SIGNATURE
TYPED NAME
TITLE
SIGNATURE
TYPED NAME
TITLE
SIGNATURE
TYPED NAME
TITLE
SIGNATURE
TYPED NAME
TITLE
SIGNATURE
TYPED NAME
TITLE

If the Board has given special instructions for signing warrants or orders, please attach a copy of the resolution to this form.

Number of Signatures required:

ORDERS FOR SALARY PAYMENTS One Signature	ORDERS FOR COMMERCIAL PAYMENTS One Signature
NOTICES OF EMPLOYMENT One Signature	CONTRACTS One Signature

Cover Sheet

Board Nominations

Section: IV. Action Items
Item: A. Board Nominations
Purpose: Vote
Submitted by:
Related Material: IV A Board Nominations.pdf

February 1st, 2017

MEMO to MPS Board

As the nominating committee, we have held a meeting on December 12th to consider some preliminary candidates for board appointment. At the meeting, nominating committee has recommended two candidates for appointing to the board. After that, we lost Dr Korkmaz as he had to move out of state. This caused an immediate opening in the board to be filled.

Nominating committee recommends that MPS considers a well-known community/education activist Rabbi Haim Dov Beliak for the immediate open seat. His resume is attached.

We still plan to add 2 more board members to enrich the participation from the community, with the focuses of Carson (MSA 3) and San Fernando Valley Area (MSA 1-2).

For these two seats, we would take some time to meet and interview the candidates in person, have them visit at least one school (ideally the one they would be representing) and possibly invite them to join a few committee meetings first for the board to make a better assessment of their fit and dedication, after which the board could consider full appointment to the board.

Thank you!

Nominating Committee:
Umit Yapanel
Salih Dikbas

Rabbi Haim Dov Beliak (/)

Who I Am

I have devoted myself to the revival and flourishing of congregations around the world, most recently Beit Polska, the umbrella organization of ten Progressive communities that grew out of Beit Warszawa in post-Communist Poland. In America, we are supported by Friends of Jewish Renewal in Poland (www.FriendsofJewishRenewal.org) (<http://www.JewishRenewalInPoland.org>) and the World/European for Progressive Judaism.



This year I am leading my third "Insiders" trip to Poland June 22 to July 8. (For more information about the trip and preparatory sessions, click here (</Events/JuneTrip>)).

My intensified engagement with out-of-way congregations began when I travelled to a community founded in the 1640s in Parimaribo, Suriname. Plans are afoot for a trip to Suriname, Curacao and Cuba in January 2017.

For the last four years, I have served as spiritual counselor for a Jewish-inspired palliative and hospice center, Skirball Hospice (<http://http://www.skirballhospice.org/>). My work focuses on offering comfort and insight to people. I also

frequently help patients develop life summary videos and ethical wills. The Skirball work is spiritually rewarding engagement.

Currently, I am assisting Rabbi Michael Roth in an experiment to revive Congregation Beth Ohr in Studio City. I am joined by Rabbi Robin Podolsky and Dr. Muriel Dance. We are having a ball.

Earlier, I served for 19 years as Chaplain and Hillel Rabbi for The Claremont Colleges. I received my smicha (ordination) from Hebrew Union College specializing in Cairo Genizah documents in Judeo-Arabic. I have studied the history of the Holocaust at Hebrew University in Jerusalem and also Higher Education at The Claremont Graduate University. From 1988 to 1990 I worked as a Mandel Jerusalem Fellow. I did my undergraduate work at Occidental College. I am the founder and spiritual leader of the Mifgash (HaMifgash), a gathering of adult learners who pursue Jewish learning and seek to apply it to the pressing issues of the day.

You'll find a special section here (</Lectures>) with lecture and multimedia topics. I would enjoy an invitation from your community to teach and engage with your members. I hope you will take a moment to learn about potential topics for your synagogue, university class, or vacation learning community.

Please call me at 310-592-8960 (tel:310-592-8960) or email me (</Home/Contact>).

© 2017 by Haim Dov Beliak

Website by JHunterWebDevelopment.com (<http://JHunterWebDevelopment.com>)



Umit Yapanel <uyapanel@gmail.com>

Educational background

Haim Beliak <haimbeliak@gmail.com>
To: Umit Yapanel <uyapanel@gmail.com>

Mon, Feb 6, 2017 at 1:41 PM

Dear Umit,

From 1988 to 1994, I was engaged in working on various educational activities. From 1988 to 1990, I served as a Jerusalem Fellow and studied in the education department of Hebrew University In Jerusalem.

The Fellows program focused educational efforts to develop Jewish educational ventures in North America, South America, and Europe. A key part of my work in Poland relates to these efforts.

My interest focused on curriculum development that addressed multi-culturalism; the development of human capital, and school cultures.

From 1990 to 1994, I was enrolled the Claremont Graduate University's Ph.d. program in Higher Education Administration. I worked closely with Drs. Daryl Smith, Antonia Darder, and Jack Schuster I completed all my course work and qualifying exams (feminist theory, high educational administration, educational sociology, and philosophy of education.) In the end, I elected not to write a thesis but these years of educational education are a key part of my background in all my subsequent work.

I hope this helps to give people an understanding of my background. I am honored to be nominated to the board of Magnolia Schools.

Warm regards,

Haim

--

Rabbi Haim Dov Beliak
skype: bernhard.beliak

[Upcoming "Insiders Tour of Poland" for 2017 details to follow. View successfully concluded 2016 trip: http://www.ayelet.com/Beliak2016.aspx](#)

office: 310-910-9153

study: 310-286-9991

US cell: 310-592-8960

RabbiBeliak@JewishRenewalinPoland.org

www.JewishRenewalinPoland.org

PO Box 5438, Beverly Hills, CA 90209

www.JewsOnFirst.org

Congregation Beth Ohr in Studio City

Polish cell +(48) 500 742 182 (note newest number)

Israel cell 054-7076784



Board Agenda Item #	Agenda # IV A
Date:	February 9, 2017
To:	Magnolia Board of Directors
From:	Alfredo Rubalcava, Chief External Officer
Staff Lead:	Alfredo Rubalcava, Chief External Officer
RE:	Potential Board Members

Proposed Board Recommendation

No action required at this time.

Background

On January 19th, 2017 during the Regular MPS Board Meeting, the board directed staff to conduct a search of potential Board members that reside in the San Fernando Valley and Carson areas. The attached list has been compiled of potential candidates, these candidates have not been asked to join the board but if directed, MPS staff and/or board members can meet with them to discuss. Also, MPS staff has created a link on the organizations website, where interested individuals can complete the recruitment application and staff is notified immediately of their interest.

Budget Implications

None

How Does This Action Relate/Affect/Benefit All MSAs?

The MPS board is always striving on diversifying and strengthening our governance structure. Thus, recruiting board members that are able to speak on behalf of the students, families and the communities we serve is important to the organization and to all of our schools. By obtaining input from diverse board members, MPS is able to more successfully address the needs of all groups.

Name of Staff Originator:

Alfredo Rubalcava, Chief External Officer

Attachments

Potential Board Members Candidate List

Potential Board Members

Name	Profession/Affiliation	County/City	Gender	Why Interesting
Seth Ronquillo	Alumni and Community Member	San Fernando Valley	M	MSA-1 Reseda Alumni, UCLA graduate and community advocate.
Lourdes Gonzalez	Parent and Community Member	San Fernando Valley	F	Parent of two Magnolia students and community advocate.
Lindy Lara	Parent and Community Member	San Fernando Valley	F	Parent of MSA-1 student and community advocate.
Sandy Covarrubias	Parent and Community Member	San Fernando Valley	F	Parent of MSA-2 student and community advocate.
Nora Pineda	Parent and Community Member	San Fernando Valley	F	Parent of MSA-2 student and community advocate.
Jawane Hilton	Community Member	Carson	M	Pastor and community advocate.
Shelley Yebisu	Parent and Community Member	Carson	F	Parent of MSA-3 student and community advocate.

Cover Sheet

Reso. Agreeing to the Conditions of Authorization for each MSA-1,MSA-2, and MSA-3

Section: IV. Action Items
Item: B. Reso. Agreeing to the Conditions of Authorization for each
MSA-1,MSA-2, and MSA-3
Purpose: Vote
Submitted by:
Related Material: IV B Conditions of Authorization.pdf



Board Agenda Item #	Agenda # IV B
Date:	02.09.2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Alfredo Rubalcava, Chief External Officer
RE:	Resolutions of Conditions of Authorization for MSA1,2, and 3

Proposed Board Recommendation

I move that the board read, understand and agree to the provisions of the Conditions of Authorization for each Magnolia Science Academy-1, (“MSA-1”), Magnolia Science Academy-2, (“MSA-2”), and Magnolia Science Academy-3 (“MSA-3”) as prepared by the Los Angeles County Office of Education.

Background

The Board of Directors of Magnolia Public Schools (“MPS”) sought authorization of the Magnolia Science Academy-1, (“MSA-1”), Magnolia Science Academy-2, (“MSA-2”), and Magnolia Science Academy-3 (“MSA-3”) charter renewal petitions submitted on appeal to the Los Angeles County Board of Education (“LACBOE”); and LACBOE approved the charter renewal petition appeals of MSA-1, MSA-2, and MSA-3 on December 20, 2016.

Budget Implications

None at this time.

How Does This Action Relate/Affect/Benefit All MSAs?

If needed, upcoming renewals for other Magnolia Science Academies may seek approval from LACOE. It is important to be in compliance with all that is in the Conditions of Authorization to continue to be eligible for renewal through the different authorizers.

Name of Staff Originator:

Alfredo Rubalcava, Chief External Officer

Attachments

Resolution No. 20170209-10, Conditions of Authorization for each MSA-1, MSA-2, and MSA-3



MAGNOLIA PUBLIC SCHOOLS

13950 Milton Ave. 200B Westminster, CA 92683

P: (213) 628-3634 F: (714) 362-9588

MAGNOLIA PUBLIC SCHOOLS

BOARD RESOLUTION

Resolution No. 20170209-1

WHEREAS, the Board of Directors of Magnolia Public Schools (“MPS”) sought authorization of the Magnolia Science Academy-1, (“MSA-1”), Magnolia Science Academy-2, (“MSA-2”), and Magnolia Science Academy-3 (“MSA-3”) charter renewal petitions submitted on appeal to the Los Angeles County Board of Education (“LACBOE”); and

WHEREAS, LACBOE approved the charter renewal petition appeals of MSA-1, MSA-2, and MSA-3 on December 20, 2016; and

WHEREAS, LACBOE approved the charter renewal petition appeals subject to Conditions of Authorization as subsequently prepared by the Los Angeles County Office of Education;

NOW, THEREFORE, BE IT RESOLVED that, the Board of Directors agree to the Conditions of Authorization for each MSA-1, MSA-2, and MSA-3, attached hereto as Exhibits 1, 2, and 3, respectively.

PASSED AND ADOPTED by the Board of Directors at a meeting held on February 09, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Umit Yapanel, Secretary
MPS Board of Directors

Date

Los Angeles County Office of Education
December 20, 2016

Conditions of Authorization:
Magnolia Science Academy-1 Charter School

- I. The term of the charter for *Magnolia Science Academy-1* (“MSA-1” or “the Charter School”) shall be five (5) years, commencing July 1, 2017, ending June 30, 2022, subject to meeting the following conditions by the specified dates.
- II. The school shall commence instruction between July 1, 2017 and September 30, 2017. The school shall not commence instruction unless and until all of the following conditions are met:
 - A. By **February 17, 2017**, the school shall submit evidence that its governing board has accepted the conditions of authorization set forth in this document.
 - B. By **March 2, 2017**, the school shall submit the following item to the Los Angeles County Office of Education (LACOE):

The signed Monitoring and Oversight Memorandum of Understanding (MOU) following approval by the school’s governing board; action shall be taken in accordance with the *Brown Act*.

- C. By **March 17, 2017**, the school shall submit to LACOE:
 1. A revised charter petition which reflects LACOE as the authorizer, addresses the deficiencies and includes the necessary technical adjustments identified in the LACOE Report of the Findings of Fact to the County Board dated December 20, 2016 (LACOE Report). Deficiencies to be addressed are those found in Findings 2 through 5 which include, but are not limited to:
 - a. Providing an assurance or a required qualification for Special Education teachers and para-educators with responsibilities that include *handling crisis situations and physically restraining students* to complete specialized training in behavioral interventions, such as Crisis Prevention Institute (CPI) nonviolent crisis intervention training, prior to placement in the classroom.
 - b. Affirmation of all required assurances as stated within *Education Code (EC) 47605(b)(4)* and (d).
 - c. Element 1 (Description of the Educational Program): A clearly articulated English Language Development (ELD) program which is aligned to current state and federal requirements; a comprehensive description of how the school’s instructional program (i.e., course offerings) are aligned to the school’s mission (to provide an educational program which emphasizes science, technology, engineering, arts and math-STEAM) and how all groups of students are provided access to STEAM instruction during the school day; a description of the school’s program for students achieving below grade level, with details on the types of interventions provided during each tier of intervention; and clarification on the educational program for students with disabilities, including English Learner students with disabilities.
 - d. Element 2 (Measureable Pupil Outcomes) and Element 3 (Methods for Measuring Pupil Progress): Provide pupil academic outcomes for all significant student groups served by the school and provide baseline data (2015-16) to current list of Measureable Pupil Outcomes (MPOs) where available.
 - e. Element 4 (Governance): Specific notation is to be made reinforcing Magnolia Education and Research Foundation’s commitment to have community representation on the governing board (persons living within and representing the San Fernando Valley), and

Final Conditions. Dates mutually accepted 1/18/2017

that meetings will be held in person in a location within the board's jurisdiction; and provide a comprehensive description of the composition and role of the School Site Council, reflecting federal program requirements.

- f. Element 5 (Employee Qualifications): Provide a comprehensive organizational chart and related job descriptions/qualifications for key personnel; include specific requirements for Special Education staff as noted above (item C.1.a)
 - g. Element 6 (Health and Safety Procedures): Update the petition to reflect the requirements of EC 49406(d) and alignment with the Employee Handbook; provide a description of the processes and procedures for verifying student immunizations and conducting required health screenings.
 - h. Element 7 (Means to Achieve a Reflective Racial and Ethnic Balance): Changes necessary to provide the specific demographic information reflecting the district in which the school is located; develop implementation benchmarks to *measure whether the applicant pool is reflective of the racial and ethnic composition of the general population residing within the geographic boundaries of the school district; and describe the specific outreach strategies including locations, specific media outlets* as required by Los Angeles County Board Policy (BP) 0420.4.
 - i. Element 8 (Admission Requirements): Provide a clear process for conducting the lottery, including location and the process for providing enrollment preferences; remove enrollment preferences that are not allowable (i.e., students being promoted from or transferring from another school that is operated by Magnolia Public Schools); revise enrollment package to clearly define legally required information and optional information; correct language in school compact or other school-home communication stating parents "will volunteer"; ensure online enrollment option is made available in Spanish.
 - j. Element 9 (Annual Independent Financial Audits): Provide clarification around selection of annual auditor; include the following statement as required by BP 0420.4: "Financial reporting to the charter agency would be carried out pursuant to EC 47604.33."
 - k. Element 10 (Suspension and Expulsion Procedures): Provide four (4) distinct lists indicating which offenses are discretionary suspensions, mandatory suspensions, discretionary expulsions and mandatory expulsions. The list must be consistent with the Parent/Student Handbook; clearly describe the procedures for informing parents and students about the reasons for suspension or expulsion and related due process rights; update the petition element to include requirements of law (e.g., AB 9).
 - l. Element 11 (STRS, PERS, and Social Security): Update petition element to clearly state if it will offer STRS, PERS and/or Social Security and which category of employees is eligible for each retirement system. The petition and Employee Handbook should align.
 - m. Element 14 (Dispute Resolution Procedures): Changes necessary to the petition to conform to the Superintendent's Administrative Regulation 0420.4(h) as specified in the LACOE Report.
2. Revised fiscal policies to align with the MOU and address the deficiencies identified in Finding 3 in the LACOE Report of the Findings of Fact to the County Board dated December 20, 2016, including, but not limited to, the following:
 - a. Update Bank Reconciliation Policy to include actual procedures with clear timelines and persons responsible.
 - b. Clearly describe the Fixed Asset Monitoring system and verify that all applicable assets are included in the fixed asset schedule.

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- c. Include a Payroll Desk Policy with procedures aligned to the recommendations of the California State Auditor.
- d. Provide a clear Conflict of Interest Policy that is consistent with the requirements provided within Section 1.3.D of the MOU and BP 0420.4.

In the event the County Superintendent of Schools determines the changes to the petition and/or fiscal policies are insufficient, the school shall complete additional changes to be sufficient by **April 21, 2017**.

- III. **By June 15, 2017**, the charter school shall submit to LACOE the following:
 - A. Preliminary 2017-18 budget approved by the school's governing board
 - B. Evidence of Special Education Local Plan Area (SELPA) acceptance
 - C. Evidence of having scheduled and completed a LACOE Facilities and Construction Unit site visit and supplied all necessary documents
 - D. Evidence of having received a County-District-School (CDS) Code from the California Department of Education, reflecting LACOE as the authorizing entity.
- IV. **On or before July 1, 2017**, the governing board of the charter school shall adopt a Local Control and Accountability Plan (LCAP).

No later than five (5) days after adoption, the school shall submit its LCAP to the County Superintendent of Schools.
- V. **By July 15, 2017**, the school shall comply with all corrections identified in the Facilities and Construction Unit's report

If any part or sub-part of conditions II through V are not met by the date specified, the Superintendent will notify the County Board at a regularly scheduled meeting. Failure to meet any of the conditions by the specified timeline is grounds for terminating authorization.

If instruction does not begin by **September 30, 2017**, the charter is terminated.

Terminating authorization of the charter is considered a denial.

The complete LACOE Report of the Findings of Fact on the petition for *Magnolia Science Academy-1, Grades 6-12*, is attached to the Report Item dated December 20, 2016.

Los Angeles County Office of Education
December 20, 2016

Conditions of Authorization:
Magnolia Science Academy-2 Charter School

- I. The term of the charter for *Magnolia Science Academy-2* (“MSA-2” or “the Charter School”) shall be five (5) years, commencing July 1, 2017, ending June 30, 2022, subject to meeting the following conditions by the specified dates.

- II. The school shall commence instruction between July 1, 2017 and September 30, 2017. The school shall not commence instruction unless and until all of the following conditions are met:
 - A. By **February 17, 2017**, the school shall submit evidence that its governing board has accepted the conditions of authorization set forth in this document.

 - B. By **March 2, 2017**, the school shall submit the following item to the Los Angeles County Office of Education (LACOE):

The signed Monitoring and Oversight Memorandum of Understanding (MOU) following approval by the school’s governing board; action shall be taken in accordance with the *Brown Act*.

 - C. By **March 17, 2017**, the school shall submit to LACOE:
 1. A revised charter petition which reflects LACOE as the authorizer, addresses the deficiencies and includes the necessary technical adjustments identified in the LACOE Report of the Findings of Fact to the County Board dated December 20, 2016 (LACOE Report). Deficiencies to be addressed are those found in Findings 2 through 5 which include, but are not limited to:
 - a. Providing an assurance or a required qualification for Special Education teachers and para-educators with responsibilities that include *handling crisis situations and physically restraining students* to complete specialized training in behavioral interventions, such as Crisis Prevention Institute (CPI) nonviolent crisis intervention training, prior to placement in the classroom.

 - b. Affirmation of all required assurances as stated within *Education Code (EC) 47605(b)(4)* and (d).

 - c. Element 1 (Description of the Educational Program): A clearly articulated English Language Development (ELD) program which is aligned to current state and federal requirements; a comprehensive description of how the school’s instructional program (i.e., course offerings) are aligned to the school’s mission (to provide an educational program which emphasizes science, technology, engineering, arts and math-STEAM) and how all groups of students are provided access to STEAM instruction during the school day; a description of the school’s program for students achieving below grade level, with details on the types of interventions provided during each tier of intervention; and clarification on the educational program for students with disabilities, including English Learner students with disabilities.

 - d. Element 2 (Measureable Pupil Outcomes) and Element 3 (Methods for Measuring Pupil Progress): Provide pupil academic outcomes for all significant student groups served by the school and provide baseline data (2015-16) to current list of Measureable Pupil Outcomes (MPOs) where available.

 - e. Element 4 (Governance): Specific notation is to be made reinforcing Magnolia Education and Research Foundation’s commitment to have community representation on the governing board (persons living within and representing the San Fernando Valley), and that meetings will be held in person in a location within the board’s jurisdiction; and

Final Conditions. Dates mutually accepted 1/18/2017

provide a comprehensive description of the composition and role of the School Site Council, reflecting federal program requirements.

- f. Element 5 (Employee Qualifications): Provide a comprehensive organizational chart and related job descriptions/qualifications for key personnel; include specific requirements for Special Education staff as noted above (item C.1.a)
 - g. Element 6 (Health and Safety Procedures): Update the petition to reflect the requirements of EC 49406(d) and alignment with the Employee Handbook; provide a description of the processes and procedures for verifying student immunizations and conducting required health screenings.
 - h. Element 7 (Means to Achieve a Reflective Racial and Ethnic Balance): Changes necessary to provide the specific demographic information reflecting the district in which the school is located; develop implementation benchmarks to *measure whether the applicant pool is reflective of the racial and ethnic composition of the general population residing within the geographic boundaries of the school district; and describe the specific outreach strategies including locations, specific media outlets* as required by Los Angeles County Board Policy (BP) 0420.4.
 - i. Element 8 (Admission Requirements): Provide a clear process for conducting the lottery, including location and the process for providing enrollment preferences; remove enrollment preferences that are not allowable (i.e., students being promoted from or transferring from another school that is operated by Magnolia Public Schools); revise enrollment package to clearly define legally required information and optional information; correct language in school compact or other school-home communication stating parents “will volunteer”; ensure online enrollment option is made available in Spanish.
 - j. Element 9 (Annual Independent Financial Audits): Provide clarification around selection of annual auditor; include the following statement as required by BP 0420.4: “Financial reporting to the charter agency would be carried out pursuant to EC 47604.33.”
 - k. Element 10 (Suspension and Expulsion Procedures): Provide four (4) distinct lists indicating which offenses are discretionary suspensions, mandatory suspensions, discretionary expulsions and mandatory expulsions. The list must be consistent with the Parent/Student Handbook; clearly describe the procedures for informing parents and students about the reasons for suspension or expulsion and related due process rights; update the petition element to include requirements of law (e.g., AB 9).
 - l. Element 11 (STRS, PERS, and Social Security): Update petition element to clearly state if it will offer STRS, PERS and/or Social Security and which category of employees is eligible for each retirement system. The petition and Employee Handbook should align.
 - m. Element 14 (Dispute Resolution Procedures): Changes necessary to the petition to conform to the Superintendent’s Administrative Regulation 0420.4(h) as specified in the LACOE Report.
2. Revised fiscal policies to align with the MOU and address the deficiencies identified in Finding 3 in the LACOE Report of the Findings of Fact to the County Board dated December 20, 2016, including, but not limited to, the following:
 - a. Update Bank Reconciliation Policy to include actual procedures with clear timelines and persons responsible.
 - b. Clearly describe the Fixed Asset Monitoring system and verify that all applicable assets are included in the fixed asset schedule.

- c. Include a Payroll Desk Policy with procedures aligned to the recommendations of the California State Auditor.
- d. Provide a clear Conflict of Interest Policy that is consistent with the requirements provided within Section 1.3.D of the MOU and BP 0420.4.

In the event the County Superintendent of Schools determines the changes to the petition and/or fiscal policies are insufficient, the school shall complete additional changes to be sufficient by **April 21, 2017**.

- III. **By June 15, 2017**, the charter school shall submit to LACOE the following:
 - A. Preliminary 2017-18 budget approved by the school's governing board
 - B. Evidence of Special Education Local Plan Area (SELPA) acceptance
 - C. Evidence of having scheduled and completed a LACOE Facilities and Construction Unit site visit and supplied all necessary documents
 - D. Evidence of having received a County-District-School (CDS) Code from the California Department of Education, reflecting LACOE as the authorizing entity.
- IV. **On or before July 1, 2017**, the governing board of the charter school shall adopt a Local Control and Accountability Plan (LCAP).

No later than five (5) days after adoption, the school shall submit its LCAP to the County Superintendent of Schools.
- V. **By July 15, 2017**, the school shall comply with all corrections identified in the Facilities and Construction Unit's report

If any part or sub-part of conditions II through V are not met by the date specified, the Superintendent will notify the County Board at a regularly scheduled meeting. Failure to meet any of the conditions by the specified timeline is grounds for terminating authorization.

If instruction does not begin by **September 30, 2017**, the charter is terminated.

Terminating authorization of the charter is considered a denial.

The complete LACOE Report of the Findings of Fact on the petition for *Magnolia Science Academy-2, Grades 6-12*, is attached to the Report Item dated December 20, 2016.

Los Angeles County Office of Education
December 20, 2016

Conditions of Authorization:
Magnolia Science Academy-3 Charter School

- I. The term of the charter for *Magnolia Science Academy-3* (“MSA-3” or “the Charter School”) shall be five (5) years, commencing July 1, 2017, ending June 30, 2022, subject to meeting the following conditions by the specified dates.

- II. The school shall commence instruction between July 1, 2017 and September 30, 2017. The school shall not commence instruction unless and until all of the following conditions are met:
 - A. By **February 17, 2017**, the school shall submit evidence that its governing board has accepted the conditions of authorization set forth in this document.

 - B. By **March 2, 2017**, the school shall submit the following item to the Los Angeles County Office of Education (LACOE):

The signed Monitoring and Oversight Memorandum of Understanding (MOU) following approval by the school’s governing board; action shall be taken in accordance with the *Brown Act*.

 - C. By **March 17, 2017**, the school shall submit to LACOE:
 1. A revised charter petition which reflects LACOE as the authorizer, addresses the deficiencies and includes the necessary technical adjustments identified in the LACOE Report of the Findings of Fact to the County Board dated December 20, 2016 (LACOE Report). Deficiencies to be addressed are those found in Findings 2 through 5 which include, but are not limited to:
 - a. Providing an assurance or a required qualification for Special Education teachers and para-educators with responsibilities that include *handling crisis situations and physically restraining students* to complete specialized training in behavioral interventions, such as Crisis Prevention Institute (CPI) nonviolent crisis intervention training, prior to placement in the classroom.

 - b. Affirmation of all required assurances as stated within *Education Code (EC) 47605(b)(4)* and (d).

 - c. Element 1 (Description of the Educational Program): A clearly articulated English Language Development (ELD) program which is aligned to current state and federal requirements; a comprehensive description of how the school’s instructional program (i.e., course offerings) are aligned to the school’s mission (to provide an educational program which emphasizes science, technology, engineering, arts and math-STEAM) and how all groups of students are provided access to STEAM instruction during the school day; a description of the school’s program for students achieving below grade level, with details on the types of interventions provided during each tier of intervention; and clarification on the educational program for students with disabilities, including English Learner students with disabilities.

 - d. Element 2 (Measureable Pupil Outcomes) and Element 3 (Methods for Measuring Pupil Progress): Provide pupil academic outcomes for all significant student groups served by the school and provide baseline data (2015-16) to current list of Measureable Pupil Outcomes (MPOs) where available.

 - e. Element 4 (Governance): Specific notation is to be made reinforcing Magnolia Education and Research Foundation’s commitment to have community representation on the governing board (persons living within and representing the Carson area), and that meetings will be held in person in a location within the board’s jurisdiction; and provide a

Final Conditions. Dates mutually accepted 1/18/2017

comprehensive description of the composition and role of the School Site Council, reflecting federal program requirements.

- f. Element 5 (Employee Qualifications): Provide a comprehensive organizational chart and related job descriptions/qualifications for key personnel; include specific requirements for Special Education staff as noted above (item C.1.a)
 - g. Element 6 (Health and Safety Procedures): Update the petition to reflect the requirements of EC 49406(d) and alignment with the Employee Handbook; provide a description of the processes and procedures for verifying student immunizations and conducting required health screenings.
 - h. Element 7 (Means to Achieve a Reflective Racial and Ethnic Balance): Changes necessary to provide the specific demographic information reflecting the district in which the school is located; develop implementation benchmarks to *measure whether the applicant pool is reflective of the racial and ethnic composition of the general population residing within the geographic boundaries of the school district; and describe the specific outreach strategies including locations, specific media outlets* as required by Los Angeles County Board Policy (BP) 0420.4.
 - i. Element 8 (Admission Requirements): Provide a clear process for conducting the lottery, including location and the process for providing enrollment preferences; remove enrollment preferences that are not allowable (i.e., students being promoted from or transferring from another school that is operated by Magnolia Public Schools); revise enrollment package to clearly define legally required information and optional information; correct language in school compact or other school-home communication stating parents “will volunteer”; ensure online enrollment option is made available in Spanish.
 - j. Element 9 (Annual Independent Financial Audits): Provide clarification around selection of annual auditor; include the following statement as required by BP 0420.4: “Financial reporting to the charter agency would be carried out pursuant to EC 47604.33.”
 - k. Element 10 (Suspension and Expulsion Procedures): Provide four (4) distinct lists indicating which offenses are discretionary suspensions, mandatory suspensions, discretionary expulsions and mandatory expulsions. The list must be consistent with the Parent/Student Handbook; clearly describe the procedures for informing parents and students about the reasons for suspension or expulsion and related due process rights; update the petition element to include requirements of law (e.g., AB 9).
 - l. Element 11 (STRS, PERS, and Social Security): Update petition element to clearly state if it will offer STRS, PERS and/or Social Security and which category of employees is eligible for each retirement system. The petition and Employee Handbook should align.
 - m. Element 14 (Dispute Resolution Procedures): Changes necessary to the petition to conform to the Superintendent’s Administrative Regulation 0420.4(h) as specified in the LACOE Report.
2. Revised fiscal policies to align with the MOU and address the deficiencies identified in Finding 3 in the LACOE Report of the Findings of Fact to the County Board dated December 20, 2016, including, but not limited to, the following:
 - a. Update Bank Reconciliation Policy to include actual procedures with clear timelines and persons responsible.
 - b. Clearly describe the Fixed Asset Monitoring system and verify that all applicable assets are included in the fixed asset schedule.

- c. Include a Payroll Desk Policy with procedures aligned to the recommendations of the California State Auditor.
- d. Provide a clear Conflict of Interest Policy that is consistent with the requirements provided within Section 1.3.D of the MOU and BP 0420.4.

In the event the County Superintendent of Schools determines the changes to the petition and/or fiscal policies are insufficient, the school shall complete additional changes to be sufficient by **April 21, 2017**.

- III. **By June 15, 2017**, the charter school shall submit to LACOE the following:
 - A. Preliminary 2017-18 budget approved by the school's governing board
 - B. Evidence of Special Education Local Plan Area (SELPA) acceptance
 - C. Evidence of having scheduled and completed a LACOE Facilities and Construction Unit site visit and supplied all necessary documents
 - D. Evidence of having received a County-District-School (CDS) Code from the California Department of Education, reflecting LACOE as the authorizing entity.
- IV. **On or before July 1, 2017**, the governing board of the charter school shall adopt a Local Control and Accountability Plan (LCAP).

No later than five (5) days after adoption, the school shall submit its LCAP to the County Superintendent of Schools.
- V. **By July 15, 2017**, the school shall comply with all corrections identified in the Facilities and Construction Unit's report

If any part or sub-part of conditions II through V are not met by the date specified, the Superintendent will notify the County Board at a regularly scheduled meeting. Failure to meet any of the conditions by the specified timeline is grounds for terminating authorization.

If instruction does not begin by **September 30, 2017**, the charter is terminated.

Terminating authorization of the charter is considered a denial.

The complete LACOE Report of the Findings of Fact on the petition for *Magnolia Science Academy-3, Grades 6-12*, is attached to the Report Item dated December 20, 2016.

Cover Sheet

Reso. Agreeing to the Provisions of the Memoranda of Understanding for Each MSA-1, MSA-2, and MSA-3

Section: IV. Action Items
Item: C. Reso. Agreeing to the Provisions of the Memoranda of Understanding for Each MSA-1, MSA-2, and MSA-3
Purpose: Vote
Submitted by:
Related Material: IV C MOU MSA 1-3.pdf



Board Agenda Item #	Agenda # IV C
Date:	02.09.2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Alfredo Rubalcava, Chief External Officer
RE:	LACOE MOU Resolution for MSA 1,2,3

Proposed Board Recommendation

I move that the board read, understand and agree to the provisions of the Memorandum of Understanding (MOU) for each Magnolia Science Academy-1, (“MSA-1”), Magnolia Science Academy-2, (“MSA-2”), and Magnolia Science Academy-3 (“MSA-3”).

Background

The Board of Directors of Magnolia Public Schools (“MPS”) sought authorization of the Magnolia Science Academy-1, (“MSA-1”), Magnolia Science Academy-2, (“MSA-2”), and Magnolia Science Academy-3 (“MSA-3”) charter renewal petitions submitted on appeal to the Los Angeles County Board of Education (“LACBOE”); and LACBOE approved the charter renewal petition appeals of MSA-1, MSA-2, and MSA-3 on December 20, 2016.

Budget Implications

None at this time.

How Does This Action Relate/Affect/Benefit All MSAs?

If needed, upcoming renewals for other Magnolia Science Academies may seek approval from LACOE. It is important to be in compliance with all that is in the MOU to continue to be eligible for renewal through the different authorizers.

Name of Staff Originator:

Alfredo Rubalcava, Chief External Officer

Attachments

Resolution No. 20170209-2



MAGNOLIA PUBLIC SCHOOLS

13950 Milton Ave. 200B Westminster, CA 92683

P: (714) 892-5066 F: (714) 362-9588

MAGNOLIA PUBLIC SCHOOLS

BOARD RESOLUTION

Resolution No. 20170209-2

WHEREAS, the Board of Directors of Magnolia Public Schools (“MPS”) sought authorization of the Magnolia Science Academy-1, (“MSA-1”), Magnolia Science Academy-2, (“MSA-2”), and Magnolia Science Academy-3 (“MSA-3”) charter renewal petitions submitted on appeal to the Los Angeles County Board of Education (“LACBOE”); and

WHEREAS, LACBOE approved the charter renewal petition appeals of MSA-1, MSA-2, and MSA-3 on December 20, 2016; and

WHEREAS, LACBOE and the Los Angeles County Office of Education presented a Memorandum of Understanding for each MSA-1, MSA-2, and MSA-3;

NOW, THEREFORE, BE IT RESOLVED that, the Board of Directors agree to the provisions of the Memoranda of Understanding for each MSA-1, MSA-2, and MSA-3, attached hereto as Exhibits 1, 2, and 3, respectively.

PASSED AND ADOPTED by the Board of Directors at a meeting held on February 09, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Umit Yapanel, Secretary
MPS Board of Directors

Date

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Los Angeles County Office of Education
Monitoring and Oversight Memorandum of Understanding¹

Magnolia Science Academy-1

Charter Authorization Period: July 1, 2017-June 30, 2022

Charter Type: Appeal of Denied Petition (EC § 47605) Establish Renew

Direct to County Board (EC § 47605.5) Establish Renew

Countywide Petition to County Board (EC § 47605.6) Establish Renew

INTRODUCTION

The Los Angeles County Board of Education (hereinafter “County Board”) is guided by the intent of the legislature, that quality charter schools are and should be an integral part of the California educational system. The County Board believes that charter schools provide an opportunity to implement accountability-based school-level reform, support innovation which improves student learning, and provide choice for parents. Charter schools operate under the provisions of the charter, applicable state and federal laws, and the general oversight of the County Board.

The County Board supports this effort by establishing a defined accountability system for determining the effectiveness of the charter schools it authorizes. Charter schools are public schools; as such, their performance is subject to review and comparison with any other publicly funded school. A charter school’s demographic composition should reflect the community it serves and in which it is located.

PURPOSE OF AGREEMENT

The State of California enacted the Charter Schools Act of 1992 authorizing the creation of charter schools with the intent that the schools improve student learning through a variety of means, including increased learning opportunities, innovative teaching methods, expanded choice for parents and pupils, and performance-based accountability.

Education Code (EC) § 47605 requires a charter petition to provide a “reasonably comprehensive description” of the manner in which the school will operate; it is not a comprehensive document. An agreement is a useful tool for clarifying the expectations, operations, and responsibilities of both parties beyond that which is required in the charter but is required for successful operation and monitoring of a charter school.

The County Board has established this Monitoring and Oversight Memorandum of Understanding (“Agreement”) to address matters not covered in the charter in order to clarify monitoring and oversight expectations and responsibilities. The Charter School Act allows the County Board to authorize charter schools under specified circumstances and by doing so, becomes the authorizing agency of the charter schools. The County Board has delegated to the County Superintendent of Schools (Superintendent), its obligation to oversee its authorized charter schools under the terms of this Agreement the provisions of the school’s charter, applicable laws, regulations, and County Board Policy and Administrative Regulations. The County Board reserves the right and authority to modify any decision made by the Superintendent, Los Angeles County Office of Education (hereinafter “LACOE”) or a designee.

The fundamental interest of LACOE is, on a continuing basis, to be reasonably assured that charter schools authorized by the County Board are:

¹ Adapted from the Memorandum of Understanding (MOU) utilized by the State Board of Education. This agreement reflects changes made for the Los Angeles County Board of Education as the authorizer.

- 37 • Implementing the provisions of the charter as approved
- 38 • Adhering to all federal, state, and local laws and regulations that apply to the charter school.
- 39 • Being operated prudently in all respects
- 40 • Providing a sound education pursuant to EC § 47605(b)(5)(A)(i-iii) including any future changes
- 41 and the California Core Content Standards for all of their students

42 LACOE will report periodically (annually or as requested or when necessary) to the County Board
43 regarding its delegated oversight of the Magnolia Science Academy-1 (hereinafter, "Charter School").

44 The County Board recognizes that there are matters related to the operation of the Charter School and
45 to the effective oversight of the Charter School by LACOE that go beyond the provisions included in the
46 school's charter. The County Board also acknowledges that the day-to-day operation of the Charter
47 School is appropriately carried out by the Charter School's leadership, faculty, and staff. This
48 Agreement is intended to address those matters that have not been covered in the charter and to
49 provide guidance on the oversight policies and procedures of the County Board, as carried out by
50 LACOE. Further, this Agreement is intended to outline the parties' agreement governing their
51 respective fiscal and administrative responsibilities and their legal relationships.

52 The Charter School petition and this signed Agreement, which includes:

- 53 • Attachment A: Student Achievement Plan Guidelines
- 54 • Attachment B: Fiscal Oversight Requirements and Financial Reporting
- 55 • Attachment C: Reporting Timeline (as revised yearly)
- 56 • Attachment D: County Board Action to Approve the Charter including Conditions for Approval
- 57 constitutes the conditions and terms under which the charter shall be monitored. To the extent
- 58 that the terms in the charter vary from the provisions of this Agreement, the Agreement shall
- 59 take precedence unless both parties agree to other terms.

60 The Charter School agrees that violation of a specific material provision of this Agreement is conclusive
61 proof that the Charter School has violated the conditions of the charter within the meaning of EC §
62 47607(c)(1). The Charter School further agrees that it waives any right to argue that this Agreement is
63 not enforceable or that violation of this Agreement is not a violation of the charter in any court,
64 administrative body, or before a mediator or arbitrator in any matter involving this charter.

65 **TERM OF AGREEMENT**

66 This Agreement shall commence on the date upon which it is fully executed by all parties and shall
67 cover the term of the charter. This Agreement between LACOE and the Charter School is inclusive of
68 Attachments A through D.

69 Any modification of this Agreement must be in writing and executed by duly authorized representatives
70 of the parties.

- 71 1. The duly authorized representatives of the Charter School are the governing board president,
72 CEO/Director or Principal of the Charter School or designee.
- 73 2. The duly authorized representative of the County Board is the County Superintendent of
74 Schools or designee. For purposes of material revision/amendments to the charter, such
75 revisions/amendments may only be made upon the approval of the Charter School's governing
76 board, and will take effect only if approved by the County Board.

77 This Agreement shall be reviewed at least annually and may be amended or augmented by addendum
78 at any time with mutual agreement. In the case of changes in law or County Board policy, the County
79 Board and the Charter School reserve the right to request modifications to this Agreement. Such
80 modifications, if agreed upon, shall be included as Addenda to this Agreement. Failure to reach

81 agreement on required changes to the Agreement which result in a violation of law will result in
 82 termination of the Agreement and lead to termination or revocation of the charter. The approved
 83 Agreement (including any subsequent addenda) shall continue unless modified in writing. If the Charter
 84 School becomes non-operational for any reason, this Agreement (including any addenda) shall remain
 85 in effect until closure procedures have been completed. The term of the charter automatically expires if
 86 the Charter School becomes non-operational, because of non-renewal, revocation, or closure.

87 **TERM OF THE CHARTER**

88 The Charter School is a public school that is or shall be operating pursuant to a charter (hereinafter the
 89 "charter"). On December 20, 2016, the County Board took action to approve the charter contingent
 90 upon the conditions specified in its action (Attachment D). Any condition of authorization that was not
 91 met through revision of the Charter may be addressed in this Agreement.

- 92 • The Charter School shall operate as a classroom based charter school within the geographic
 93 boundaries of the Los Angeles Unified School District in the county of Los Angeles in
 94 accordance with EC § 47605.
- 95 • The Charter School shall serve grades 6-12 and shall have an approximate enrollment of 610 in
 96 2017-18 to 925 in 2021-22.
- 97 • The Charter School shall have a five (5) year term to expire on June 30, 2022. The provisions of
 98 the charter and the Agreement shall be aligned.

99 The Charter School shall be responsible for all the functions of a charter school subject to applicable
 100 statutes, the terms and conditions set forth in the charter, and this Agreement.

101 The County Board reserves the right to approve material revisions to the charter as authorized and/or
 102 revoke the charter as specified in EC § 47607.

103 This Agreement is subject to termination during its term as specified by law or as set forth in this
 104 Agreement.

105 **SECTION 1: GOVERNANCE AND ORGANIZATIONAL MANAGEMENT**

106 The Charter School is operated by Magnolia Educational and Research Foundation , a nonprofit public
 107 benefit corporation, formed and organized pursuant to the Nonprofit Public Benefit Corporation Law
 108 (Corporations Code § 5110 et seq.) The Charter School is a separate legal entity and neither the
 109 County Board nor LACOE is liable for the debts and obligations of the Charter School so long as the
 110 County Board has provided oversight in accordance with EC § 47604(c). The County Board reserves
 111 the right to appoint a single representative to the Charter School's Board of Directors pursuant to EC
 112 47604(b). The Charter School shall use all revenue received from state and federal sources only for the
 113 educational services specified in the charter and this Agreement for the benefit of the students enrolled
 114 in and attending the Charter School. Other sources of funding must be used in accordance with
 115 applicable state and federal statutes, and the terms or conditions of any grant or donation.

116 **1.1 Organization**

117 The Charter School shall have a phone number and e-mail address posted on its website and shall
 118 update the posting immediately whenever the information changes. The Charter School's website shall
 119 also identify the authorizing entity as the Los Angeles County Board of Education. Prior to opening,
 120 annually and upon revision, the Charter School shall provide LACOE with the following information in
 121 accordance with Attachment C, Reporting Timeline, and as updated:

- 122 • Contact information, including phone numbers, official addresses and e-mail addresses for the
 123 principal contacts for the Charter School and ensure that this information is kept current.
- 124 • Organization chart displaying relationship between governing board and the Charter School
 125 leadership.

- 126 • Immediate written notice (within 10 calendar days) of any changes in the Charter School's
127 directors, officers, and administrators, and ***provide resumes for the new individuals.***

128 **1.2 Governing Board Establishment**

129 Prior to opening, annually, and upon revision, the Charter School shall provide to LACOE the following
130 information; the Charter School shall also have the information posted on its website at all times the
131 Charter School is operational and shall update the information within 30 days of any changes:

- 132 • Articles of Incorporation
- 133 • Bylaws approved by the governing board
- 134 • Conflict of Interest Policy
- 135 • Roster and resumes of current governing board members

136 The Charter School shall provide to LACOE's Assistant Controller, (who serves as the filing officer),
137 annually (except where noted otherwise in Attachment C, Reporting Timeline) and as updated
138 Assuming Office, Leaving Office, and Annual Filings for the Statement of Economic Interests, Form 700
139 for all designated filers pursuant to the Conflict of Interest Code of the Los Angeles County Office of
140 Education in a timely manner as follows:

- 141 • Assuming Office Statements (i.e., Form 700) – within 30 calendar days of a designated filer
142 assuming the responsibilities for the Charter School for the position the designated filer is
143 submitting a Form 700.
- 144 • Leaving Office Statements (i.e., Form 700) – within 30 calendar days of a designated filer no
145 longer having responsibilities for the Charter School for the position the designated filer
146 submitted an Assuming Office Form 700; and
- 147 • Annual Statement – by the annual deadline established by the Fair Political Practices
148 Commission each year, which is typically April 1st.

149 **1.3 Governing Board Activities**

150 A. Calendar: The Charter School shall provide an annual calendar of regular meetings of the governing
151 board, including a description of how students, parents, and community members shall be notified of
152 meetings.

153 B. Governing Board Meetings: The governing board of the Charter School shall conduct public
154 meetings included on the annual calendar at such intervals as are necessary to ensure that the board is
155 providing sufficient direction to the Charter School through implementation of effective board policies
156 and procedures. Governing board meetings shall be conducted in keeping with the requirements of the
157 Ralph M. Brown Act (Government Code § 54950 - 54962). Governing board adopted policies, meeting
158 agendas and minutes shall be maintained and available for public inspection and during site visits. For
159 all regular and special meetings of the governing board and all standing committee meetings, the
160 Charter School shall provide LACOE with written notification of the meeting, including a copy of the
161 posted agenda, and shall be posted on the Charter School's website no less than 72 hours prior to a
162 regular meeting and no less than 24 hours prior to a special meeting. The posted agenda shall contain
163 a description of where the agenda was posted and that the meeting is held in compliance with the
164 Americans with Disabilities Act.

165 Within ten (10) working days of board meetings, the Charter School shall provide LACOE with an audio
166 recording of the meeting and all materials provided to the governing board by its administration,
167 contractors, or the public including approved previous meeting minutes. Once approved by the Charter
168 School's governing board, the Charter School shall provide LACOE with a copy of the minutes of the
169 meeting within ten (10) calendar days. All policies, policy changes, and approved meeting minutes shall
170 be posted on the Charter School's website no more than 30 days after each meeting.

171 C. Brown Act Training: The Charter School shall provide Brown Act training to its governing board
 172 members and administrative staff **prior** to the execution of any duties. The Charter School shall certify
 173 to LACOE annually or after any changes in governing board members or administrative staff that the
 174 Brown Act training was provided.

175 D. Governing Board Policies: Prior to opening, the governing board shall develop and adopt policies
 176 and procedures to guide the operation of the Charter School, including but not limited to, policies in the
 177 following areas. The policies shall comply with law and be aligned to the approved charter. A copy of
 178 these policies and procedures shall be submitted to LACOE no less than 30 days prior to opening,
 179 annually, and upon revision. All policies and procedures are subject to review during site visits. Policies
 180 identified with an asterisk shall be posted on the Charter School's website at all times the Charter
 181 School is operational; the website will be updated within 30 days of any revision.

- 182 • *Conflicts of Interest Policy: If it has not already done so for the current year, at the first meeting
 183 of the Charter School's governing board, following receipt of the MOU and each July thereafter,
 184 the Charter School's governing board shall: (1) adopt a conflict of interest policy, including
 185 provisions related to nepotism, for itself and the Charter School's employees and contractors to
 186 ensure that no action taken by an individual or organization covered by the policy results in
 187 actual or apparent conflicts of interest; (2) provide verification that all board members and
 188 designated Charter School management employees (i.e., Form 700 filers) have participated in
 189 conflict of interest training; and (3) take action to comply with the Political Reform Act and its
 190 implementing regulations, including adoption of the Conflict of Interest Code of the Los Angeles
 191 County Office of Education. *Where the filing requirements for the authorizing entity and the*
 192 *Charter School are discrepant with regard to designated filing positions and/or assigned*
 193 *disclosure categories, the requirements of the authorizing entity shall prevail.* The Charter
 194 School shall follow the Political Reform Act, the California Corporation Code, and IRS
 195 regulations.
- 196 • *Internal Fiscal Control Policies: The Charter School shall develop and maintain internal fiscal
 197 control policies governing all financial activities that are approved by the governing board. **The**
 198 **charter school shall submit these policies to LACOE no later than 30 days** prior to opening
 199 **and within 10 days of governing board approval** whenever the policies are revised
- 200 • Adherence to County Board of Education Policy and Regulation: At the first governing board
 201 meeting of the Charter School following receipt of the MOU and each July thereafter, the
 202 governing board of the Charter School shall review and acknowledge in its board minutes that it
 203 shall adhere to all policies and regulations pertaining to charter schools that have been adopted
 204 by the Los Angeles County Board of Education and Superintendent, as long as the policies do
 205 not conflict with Education Code. All new and/or revised policies and procedures will be posted
 206 on the Charter School's website no more than 14 days after their adoption. Updated policies
 207 and regulations are available to the Charter School on our website www.lacoe.edu.
- 208 • Criminal Background Check Policies: These policies shall set the school's standards for
 209 employment, volunteering, vendors, and contractors.
- 210 • *Educational and Admissions Policies: These policies include admissions, enrollment, and
 211 lottery process; electronic device use; special education; homeless and foster youth;
 212 independent study; requirements for graduation and for the Certificate of Completion (as
 213 applicable)².
- 214 • *Uniform Complaint Procedures: Uniform Complaint Procedures (UCP), approved by the
 215 Charter School's governing board, shall be posted at all of the Charter School's sites, in a place
 216 available for public viewing and on its website. Complaint procedures shall identify the Los

² If these policies are incorporated into documents that are posted on the Charter School's website, the posting of those documents is sufficient, it is the Charter School's responsibility to identify the document location.

217 Angeles County Board of Education as the authorizer, and provide the telephone number to the
218 LACOE Charter School Office and the LACOE website (www.lacoe.edu).

219 • **Health Policies:* Policies related to absences, illness, medications, blood borne pathogens,
220 immunization requirements, for providing emergency medical services, establishing the Section
221 504 Accommodation Plan².

222 • **Comprehensive School Safety Policies:* Policies that provide for a safe learning environment
223 for all pupils. Policies shall include but are not limited to those areas specified and/or associated
224 with EC 32280-32289, as described in Section 1.4(B) of this document.

225 • **Parent/Student Handbook:* The governing board shall approve the Parent/Student Handbook to
226 ensure it complies with law and is aligned with the Charter School's board-approved policies
227 and authorized charter. The governing board shall ensure that it is distributed in hard copy to all
228 families each year, to new enrollees during registration, and upon request, and that it is at all
229 times available online. At a minimum, the handbook shall include detailed expectations for
230 student attendance, behavior, and discipline, including policies and consequences for bullying
231 and harassment, due process rights related to discipline (including suspension, expulsion, and
232 special education), and should include policies regarding dress code, student fees and field
233 trips, and the school calendar and bell schedule. Also, a description of complaint procedures
234 that parents may pursue in the event of disagreements, Independent Study and graduation
235 and/or Certificates of Completion requirements. An annual parent meeting shall be held to
236 inform parents regarding policies. The handbook shall be translated into language(s) most
237 represented in the Charter School.

238 • **Employee Handbook:* The governing board shall approve the Employee Handbook to ensure it
239 complies with law and is aligned with the Charter School's board-approved policies and
240 authorized charter. The governing board shall ensure that it is distributed in hard copy to each
241 employee at the time of their hire and each year at the beginning of the school year. At a
242 minimum, the handbook shall include detailed expectations for standard rules of behavior,
243 employee performance, employee problem solving, due process rights of employees related to
244 disciplinary actions including termination, compensation and benefit information, and a
245 description of both formal and informal complaint procedures, discrimination and harassment,
246 workplace security, drug and alcohol policies, at-will employment (if applicable), confidentiality,
247 electronic communications, family and medical leave and employee benefits.

248 Amendments to the employee handbook may be made and distributed to employees by the
249 Charter School during the year. A copy of the handbook may be reviewed during site visits.

250 **1.4 Administration**

251 **A. Enrollment and Admissions Documentation:** The Charter School shall maintain on file and provide to
252 LACOE upon request the following information:

253 • Descriptions of outreach and recruitment activities that have been conducted to reach target
254 populations as described in the charter

255 • Procedures for application, enrollment, admission, wait listing and lotteries for placement
256 (enrollment preferences) as described in the charter

257 • Evidence of enrollment preferences consistent with the charter and with LACOE conditions of
258 operation

259 • Copy of application and enrollment forms and information provided to prospective families

260 • Documentation, while pertinent, that start-up enrollment is consistent with enrollment numbers
261 described in the charter

262 • Evidence that each student is a resident of California in accordance with EC § 47612

- 263 • For students over 18, evidence that each student has been continuously enrolled (no break in
264 enrollment greater than 20 school days) in an educational program and is making satisfactory
265 progress toward completion of a high school diploma

266 B. Health and Safety Plans: Prior to opening, annually, and upon revision, the Charter School shall
267 provide to LACOE, and have posted on the Charter School's website, a copy of its Health and Safety
268 Plans as follows:

- 269 • A copy of its health plan for students and employees including policies and procedures related
270 to absences, illness, medications, blood borne pathogens, immunization requirements, plan for
271 providing emergency medical services, establishing a Section 504 Accommodation Plan, and
272 health/mental health services available at and/or through the Charter School.
- 273 • A copy of its Comprehensive School Safety Plan that addresses all components of EC § 32280-
274 32289.
- 275 • Student Discipline including a list of offenses for which students may be given detention, or may
276 and must be suspended or expelled, the procedures for suspension or expulsion, procedures by
277 which parents and students shall be informed about reasons for suspension or expulsion, and of
278 their due process rights in regard to the disciplinary action.
- 279 • Campus Supervision and Visitors including supervision of students before and after school,
280 while on campus, and student drop-off and pick-up; policies related to visitors on campus,
281 entering and leaving the campus.
- 282 • Child Abuse Reporting including procedures consistent with Article 2.5 (commencing with
283 Section 11164) of Chapter 2 of Title 1 of Part 4 of the Penal Code. The policy should include a
284 timeline for the annual training of mandated reporters and the process to be used by staff for
285 reporting suspected child abuse to the appropriate authorities.
- 286 • Teacher Notification of Dangerous Students including procedures to be used to notify teachers
287 of dangerous pupils pursuant to EC 49079.
- 288 • Discrimination and Harassment consistent with the prohibition of discrimination contained in EC
289 Part 1, Chapter 2 (commencing with section 200). The policy should include how the information
290 will be communicated to stakeholder groups and how related complaints may be filed.
- 291 • Dress Code including school-wide dress code, pursuant to EC 35183, that prohibits pupils from
292 wearing "gang-related apparel" or other items that, if worn on a school campus, could be
293 reasonably determined to threaten the health and safety of the school environment.
- 294 • Safe and Orderly Environment including procedures designed to ensure a safe and orderly
295 environment conducive to learning at the school in accordance with EC § 32282(a)(2)(H).
- 296 • Code of Conduct for all students clearly stating the responsibilities of students, teachers, and
297 administrators in maintaining a classroom environment that allows a teacher to communicate
298 effectively with all students in the class, allows all students to learn, has consequences that are
299 fair and age-appropriate, considers the student and circumstances and is enforced accordingly.
- 300 • Anti-Bullying including procedures aimed at the prevention of bullying, including cyber bullying,
301 to be developed in accordance with AB 9 and that include clear procedures for reporting
302 incidents of bullying or harassment.
- 303 • Disaster/Emergency Response Plan including the protective measures and procedures to be
304 followed in the event of a natural disaster or other incident that threatens the health and safety
305 of students and staff (ex. earthquake, fire, bomb threat or intruders on campus). Procedures
306 should include accommodations for pupils with disabilities and information to parents on the
307 student release process.

308 The section of the plan that addresses intruders on campus, bomb threats and other information
 309 that would compromise the Charter School's security **should not** be included in the website
 310 posting.

- 311 • Evidence that staff has been trained in health, safety, and emergency procedures.
- 312 • A calendar of emergency drills for students.

313 The Charter School shall provide training for staff in responding to emergencies and conduct routine
 314 emergency response drills for its students.

315 C. Notice to Parents/Guardians: Annually, the Charter School shall provide to LACOE a copy of the
 316 annual notice sent to all parents/guardians regarding their rights under the Family Educational Rights
 317 and Privacy Acts (FERPA).

318 If the Charter School receives Title I funding, parent notice shall provide information regarding the
 319 federal Every Student Succeeds Act (ESSA), including the right to request and receive essential
 320 information about the professional and qualifications of the teacher(s) instructing their child.

321 ***At all times the Charter School is operational, it shall post on its website and in the school's***
 322 ***office(s), a notice that the Charter School is authorized by the Los Angeles County Board of***
 323 ***Education and the contact telephone number for the Los Angeles County Office of Education,***
 324 ***Charter School Office.***

325 D. Family Educational Rights and Privacy Act (FERPA): Employees of the Charter School who have a
 326 legitimate educational interest are entitled to access students education records under 20 U.S.C.A. §
 327 1232g, the Family Educational Rights and Privacy Act (FERPA) and EC § 49076(b)(6). The Charter
 328 School, its officers and employees shall comply with FERPA at all times. In addition, it is agreed that
 329 LACOE has an educational interest in the educational records of the Charter School such that LACOE
 330 shall have access to those records for reasons that include, but are not limited to, records requests,
 331 complaints, and school closure. Records at a minimum, shall include emergency contact information,
 332 health and immunization data, attendance summaries, and academic performance data from the
 333 statewide student assessments required pursuant to EC §§ 60605 and 60851.

334 E. Criminal Record Summaries:

- 335 • Department of Justice (DOJ) Clearance: Prior to hiring any employee, the Charter School must
 336 obtain an Originating Agency Identifier (ORI) and receive approval of its designated Custodian
 337 of Records from the DOJ for the purposes of processing all school employees for DOJ
 338 clearance. Obtaining an ORI cannot be done prior to having obtained a school location.
- 339 • All employees of the Charter School, parent and non-parent volunteers who will be performing
 340 services that are not under the direct supervision of a certificated teacher, and onsite vendors
 341 and contractors having unsupervised contact with students shall submit to background checks
 342 and fingerprinting in accordance with EC §§ 44237 and 45125.1. The Charter School shall
 343 maintain documentation, and provide to LACOE upon request, that all employees, volunteers,
 344 and vendors (as applicable) have clear criminal records summaries prior to their having any
 345 unsupervised contact with students. The Charter School shall maintain on file and have
 346 available for inspection during site visits, evidence that the Charter School has performed
 347 criminal background checks for all employees and volunteers (as applicable) and
 348 documentation that vendors have conducted required criminal background checks for their
 349 employees prior to any unsupervised contact with students. The Charter school shall provide
 350 certification to LACOE that all employees and volunteers/vendors (as applicable) have cleared a
 351 criminal background check prior to any unsupervised contact with students.
- 352 • Any visitor to the Charter School shall wear an appropriate identification badge while at the
 353 Charter School.

354 F. Data Reporting: The Charter School shall directly report data to the California Department of
 355 Education (CDE) meeting all required deadlines. These reporting engines include, but are not limited to,
 356 the California School Information Service (CSIS), the California Longitudinal Pupil Achievement Data
 357 System (CALPADS), the Consolidated Application (ConApp), and the CDE charter school database.

358 Some of the specific documents to be submitted are as follows:

- 359 • Charter School Annual Information Survey
- 360 • Local Educational Plan (LEA) Plan
- 361 • Federal Cash Management
- 362 • Consolidated Application

363 A copy of the Consolidated Application, as approved by the school's governing board, and sent to CDE,
 364 shall be submitted to the Charter School Office annually and upon revision.

365 G. The School Accountability Report Card (SARC): On or before the date determined by the CDE each
 366 year, the Charter School shall post its SARC on the Charter School's website. The Charter School may,
 367 but is not required to, use the template developed by the CDE and available at
 368 <http://www.cde.ca.gov/talac/sa> as a guide. The Charter School shall include all elements as determined
 369 by the CDE. If the Charter School does not maintain a school website, it shall print and make copies of
 370 the SARC available to parents and other members of the community and provide CDE with a copy of
 371 the SARC to post on its website. If the Charter School posts the SARC on its website, and receives a
 372 request for a copy, it shall provide the copy at no charge.

373 H. Insurance and Risk Management: Before any individuals are employed, or property or facilities are
 374 acquired or leased, the Charter School shall procure from an insurance carrier licensed to do business
 375 in the State of California, or shall otherwise participate in a Joint Powers Authority (JPA) or other self-
 376 insurance pool consistent with Government Code § 6528 and keep in full force during the term of the
 377 charter, no less than the following insurance coverage:

- 378 • Commercial General Liability, including Damage to Rented Premises coverage (only required
 379 for rented premises the tenant occupies), of \$5,000,000 per Occurrence and in the Aggregate.
 380 The policy shall be endorsed to name the Los Angeles County Office of Education and the
 381 County Board of Education ("County Board") as named additional insured and shall provide
 382 specifically that any insurance carried by the District which may be applicable to any claims or
 383 loss shall be deemed excess and the Charter School's insurance shall be primary despite any
 384 conflicting provisions in the Charter School's policy. Coverage shall be maintained with no Self
 385 Insured Retention above \$15,000 without the prior written approval of the Office of Risk
 386 Management for the LACOE.
- 387 • Workers' Compensation Insurance in accordance with provisions of the California Labor Code
 388 adequate to protect the Charter School from claims that may arise from its operations pursuant
 389 to the Workers' Compensation Act (Statutory Coverage). The Workers' Compensation
 390 Insurance coverage must also include Employers Liability coverage with limits of
 391 \$1,000,000/\$1,000,000/\$1,000,000.
- 392 • Commercial Auto Liability, including Owned, Leased, Hired, and Non-owned, coverage with
 393 limits of \$1,000,000 Combined Single Limit per Occurrence if the Charter School does not
 394 operate a student bus service. If the Charter School provides student bus services, the required
 395 coverage limit is \$5,000,000 Combined Single Limit per Occurrence.
- 396 • Fidelity Bond coverage shall be maintained by the Charter School to cover all Charter School
 397 employees who handle, process or otherwise have responsibility for Charter School funds,
 398 supplies, equipment or other assets. Minimum amount of coverage shall be \$50,000 per
 399 occurrence, with no self-insured retention.

- 400 • Professional Educators Errors and Omissions liability coverage with minimum limits of
401 \$3,000,000 per occurrence and \$3,000,000 general aggregate.
- 402 • Sexual Molestation and Abuse coverage with minimum limits of \$5,000,000 per occurrence and
403 \$5,000,000 general aggregate. Coverage may be held as a separate policy or included by
404 endorsement in the Commercial General Liability or the Errors and Omissions Policy.
- 405 • Employment Practices Legal Liability coverage with limits of \$3,000,000 per occurrence and
406 \$3,000,000 general aggregate.
- 407 • Property Damage Liability replacement value limits sufficient to protect the school's assets.

408 Coverage's and limits of insurance may be accomplished through individual primary policies or through
409 a combination of primary and excess policies. The policy shall be endorsed to name the Los Angeles
410 County Office of Education and the County Board of Education as named additional insured's and **shall**
411 **provide specifically that any insurance carried by LACOE which may be applicable to any**
412 **claims or loss shall be deemed excess and the Charter School's insurance shall be primary**
413 **despite any conflicting provisions in the Charter School's policy.**

414 The Charter School shall provide evidence of insurance coverage to LACOE prior to opening, annually
415 and upon revision, its insurance carrier(s) and inform LACOE immediately if the coverage becomes
416 inoperative for any reason. LACOE may request to see evidence of insurance coverage during site
417 visits.

418 Certificates of insurance shall be mailed to:

419 Los Angeles County Office of Education
420 Insurance Compliance (EBIX)
421 P. O. Box 100085-LA
422 Duluth, GA 30096

423 In addition, the Charter School shall institute risk management policies and practices to address
424 reasonably foreseeable occurrences and provide LACOE with evidence of such policies and practices
425 on an annual basis.

426 The Charter School shall hold harmless, defend, indemnify, and name on the Certificate of Insurance
427 as additional insureds the County Board, LACOE, its officers, agents, employees, and volunteers, from
428 every liability, claim, or demand which may be made by reason of (1) any injury to volunteers; and (2)
429 any injury to person or property sustained by any person, firm, or corporation caused by any act,
430 neglect, default, or omission of the Charter School, its officers, employees or agents. In cases of such
431 liabilities, claims, or demands, the Charter School at its own expense and risk shall defend all legal
432 proceedings which may be brought against it and/or the County Board, LACOE, its officers, agents,
433 employees, and volunteers, and satisfy any resulting judgments up to the required amounts that may
434 be rendered against any of them. Certificates of insurance and policies shall name the County Board,
435 LACOE, its officers, agents, employees, and volunteers, as additional insureds with respect to any
436 potential tort liability irrespective of whether such potential liability might be predicted on theories of
437 negligence, strict liability, or products liability. The certificates and endorsements are to be signed by a
438 person employed and authorized by the insurer to bind coverage on its behalf and shall specifically
439 reference this Contract. The certificates of insurance and endorsements are to be received by LACOE
440 within thirty (30) calendar days of full execution of this Contract. LACOE reserves the right to require
441 complete, certified copies of all required insurance policies at any time.

442 I. Exclusive Employer: The Charter School is deemed the exclusive employer of the employees of the
443 Charter School for the purposes of the Educational Employee Relations Act (EERA) under Government
444 Code § 3540, et seq. The Charter School shall have sole responsibility for employment, management,
445 dismissal, and discipline of its employees.

446 J. Employee Contracts or Agreements: Prior to opening, annually, and upon revision, the Charter
 447 School shall provide to LACOE a sample copy of the employee contract that, at a minimum, states that
 448 the Charter School is the exclusive employer of employees and has sole responsibility for employment,
 449 management, dismissal, and discipline of its employees. Employee contracts, for each type of
 450 employee, shall be available for review by LACOE upon request.

451 K. Teacher Credentials, Highly Qualified Teacher Requirements, and Non-Certificated Personnel:
 452 Biannually in October and February, in accordance with Attachment C, Reporting Timeline, the Charter
 453 School shall provide to LACOE an all Staff Information List (certificated and non-certificated personnel)
 454 and documentation that all teachers hold a Commission on Teacher Credentialing certificate, permit, or
 455 other document equivalent to that which teachers in other public schools are required to hold, except as
 456 otherwise exempted by The Charter Schools Act.

457 The Charter School shall adhere to all provisions of employment laws applicable to charter schools
 458 including, but not limited to, EC § 47612.5(e)(1) which states: "Notwithstanding any other provision of
 459 law, and as a condition of apportionment, "classroom-based instruction" in a charter school, for the
 460 purposes of this part, occurs only when charter school pupils are engaged in educational activities
 461 required of those pupils and are under the immediate supervision and control of an employee of the
 462 school who possesses a valid teaching certification in accordance with subdivision (I) of Section
 463 47605."

464 L. Specific Roles to be Identified:

- 465 • School Accountability Report Card (SARC) Coordinator – To ensure timely receipt of important
 466 SARC information, it is the Charter School's responsibility to register and/or update the contact
 467 information for a school employee who will assume the responsibilities of SARC Coordinator on
 468 the California Department of Education's (CDE) Accountability Report Card Listserv web page.
 469 This is a user managed unrestricted listserv available to the public.
- 470 • Accountability (Testing) Coordinator – Coordinates and supervises implementation and
 471 administration of federal testing programs, statewide testing programs, state field testing and
 472 sample testing, and local group testing programs. It is the Charter School's responsibility to
 473 name a school employee who will manage, coordinate, identify, organize and distribute
 474 materials and ensure fidelity to the requirements of testing and ensure that all testing
 475 information is properly reported.
- 476 • Custodian of Records – Person responsible for processing, reviewing and maintaining DOJ
 477 clearance records. The individual must receive approval to fulfill this role from the DOJ.
- 478 • Homeless and Foster Youth Liaison – Individual responsible to act as point of contact for
 479 families as required by federal law: 42 USC § 11432 (g)(1)(J)(ii).

480 M. Business Services, Education Management, and Vendor Contracts: If within the term of the charter,
 481 the Charter School contracts with a vendor to provide business services including but not limited to
 482 payroll, accounting and budgeting, attendance accounting, fiscal reporting, contract management, or
 483 purchasing, the Charter School must provide LACOE a copy of the agreement that specifies the exact
 484 services to be provided and their cost, the term of the contract and the Charter School's provisions for
 485 monitoring the contract to ensure compliance with the contract and quality of service. **The charter
 486 school shall submit all contracts to LACOE no later than 30 days prior to opening and within 10
 487 days of governing board approval whenever a new contract is entered into or revised.**

488 N. Management Contracts: **Prior** to entering into a new or revised contract with an education or charter
 489 management organization (EMO/CMO), the Charter School shall provide LACOE with the following:

- 490 • A draft of the proposed management contract.
- 491 • A recent corporate annual report and audited financial statements for the EMO/CMO.
- 492 • A description of the EMO/CMO's roles and responsibilities for the management of the Charter.

- 493 • School and the internal controls that shall be put in place to guide the relationship.
- 494 • A list of other charter schools managed by the EMO/CMO and the academic and operational
- 495 results of such management.
- 496 • A list of and background on the EMO/CMO's leaders and board of directors.
- 497 • A letter of assurance from the EMO/CMO that it has conflict of interest policies in place and that
- 498 none of the principals of either the EMO/CMO or the Charter School have conflicts of interests.

499 The County Board considers entering into a contract with an EMO/CMO not identified in the charter to
 500 be a material revision to that charter. The County Board shall review and approve any charter school
 501 management contracts prior to the Charter School entering into the contract. (See Section 4.1 Material
 502 Revision to Charter)

503 O. Facilities: No later than 60 days prior to the opening of school or the occupying or re-occupying of a
 504 facility or site, including learning centers, satellite facilities, administrative offices, and/or other facilities
 505 used by the Charter School, the Charter School shall provide evidence that the facility is/will be
 506 adequate for the Charter School's needs.

- 507 • A pre-opening site visit will be conducted regardless of whether the Charter School is locating in
 508 a facility provided by a district under EC § 47614 (Proposition 39), in a privately-leased facility,
 509 or in a facility to be occupied under any other arrangement.

- 510 • Prior to signing any lease or similar document, the Charter School will ensure compliance with
 511 EC § 17215 regarding sites located near runways or potential runways.

- 512 • The Charter School will provide a written signed Agreement (lease or other similar document)
 513 indicating the Charter School's right to use the principal school site and any ancillary facilities
 514 identified by the Charter School for the first year of the School's operation and upon any
 515 change.

- 516 • Prior to opening a site or before an existing school may occupy a new or different facility,
 517 LACOE will conduct a site review to determine that the facilities are clean, safe, Americans with
 518 Disabilities Act (ADA) compliant, and have the necessary local approvals to operate. The
 519 Charter School may not operate in the facility until the County Board has granted approval to do
 520 so. Section 1.4 O of this Agreement describes the pre-opening site visit process and
 521 requirements.

- 522 • At all times it is operational, the Charter School shall maintain on file, post as required, and
 523 furnish upon request, certification that its facility or facilities is/are located at a site or sites zoned
 524 and/or permitted for operation of a charter school (grades 6-12) and has been cleared for use as
 525 a charter school by all appropriate local authorities (EC § 47610(d)). The facility shall meet all
 526 applicable fire marshal clearances, certificates of occupancy, signed building permit inspections,
 527 and approved zoning variances. The Charter School cannot exempt itself from applicable/local
 528 zoning or building code ordinances.

- 529 • If the Charter School seeks facilities from the district in which it intends to locate, or is located,
 530 under EC § 47614 (Proposition 39), it will follow applicable statute and regulations regarding
 531 timely submission of such a request to the district. LACOE will conduct a pre-opening site
 532 review to approve any facilities allocated to the school by the district.

- 533 • LACOE will conduct an annual facilities inspection to ensure the facility is adequate for the
 534 Charter School's needs, is safe, and complies with all applicable codes, laws, and ordinances.
 535 The school will be expected to make any required corrections identified by the facilities
 536 inspection team within a timeframe that is commensurate with the violation, or concern.

- 537 • Once open, a Charter School may change facilities only with prior approval of the County Board.

- 538 • Under ordinary circumstances, the Charter School shall provide LACOE not less than 60 days
 539 notification of any change in facilities in order for LACOE to conduct a site visit prior to students
 540 attending the new facilities. Under extraordinary circumstances, (e.g., a change of facilities
 541 necessitated by fire or natural disaster), LACOE may waive the pre-opening site visit.

SECTION 2: EDUCATIONAL PERFORMANCE

542

543 **2.1 Adherence to the Eight Areas of State Priority**

544 The Charter School must recognize the importance of ensuring all students, including all student
 545 subgroups, unduplicated students, and students with exceptional needs have attained the skills,
 546 knowledge, and attitudes specified in the school's educational program. To ensure success, a
 547 description of annual goals to be achieved in the following eight State Priorities as they apply to the
 548 grade levels served, or the nature of the program operated, by the Charter School.

	State Priority	Description
1	Basic Services	The degree to which teachers are appropriately assigned (EC § 44258.9) and fully credentialed, and every pupil has sufficient access to standards-aligned instructional materials (EC § 60119), and school facilities are maintained in good repair (EC § 17002(d)).
2	Implementation of Common Core State Standards	Implementation of Common Core State Standards, including how EL students will be enabled to gain academic content knowledge and English language proficiency
3	Parental Involvement	Parental involvement, including efforts to seek parent input for making decisions for schools, and how the school will promote parent participation
4	Student Achievement	Pupil achievement, as measured by all of the following, as applicable: <ol style="list-style-type: none"> a. CA Measurement of Academic Progress and Performance statewide assessment b. Percentage of pupils who have successfully completed courses that satisfy UC/CSU entrance requirements, or career technical education c. Percentage of ELs who make progress toward English language proficiency as measured by the California English Language Development Test (CELDT) and/or English Language Proficiency Assessment for California (ELPAC) d. EL reclassification rate e. Percentage of pupils who have passed an AP exam with a score of 3 or higher f. Percentage of pupils who participate in and demonstrate college preparedness pursuant to the Early Assessment Program (EC § 99300 et seq.) or any subsequent assessment of college preparedness
5	Student Engagement	Pupil engagement, as measured by all of the following, as applicable: <ol style="list-style-type: none"> a. School attendance rates b. Chronic absenteeism rates c. Middle school dropout rates (EC § 52052.1(a)(3)) d. High school dropout rates e. High school graduation rates
6	School Climate	School climate, as measured by all of the following, as applicable: <ol style="list-style-type: none"> a. Pupil suspension rates b. Pupil expulsion rates c. Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness
7	Course Access	The extent to which pupils have access to, and are enrolled in, a broad course of study, including programs and services developed and provided to unduplicated students (classified as EL, FRPM- eligible, or foster youth; EC § 42238.02) and students with exceptional needs. "Broad course of study" includes the following, as applicable: Grades 1-6: English, mathematics, social sciences, science, visual and performing arts, health, physical education, and other as prescribed by the governing board. (EC

	State Priority	Description
		§ 51210) Grades 7-12: English, social sciences, foreign language(s), physical education, science, mathematics, visual and performing arts, applied arts, and career technical education. (EC § 51220(a)-(i))
8	Other Student Outcomes	From the subject areas described above in "Course Access" (or #7), as applicable.

549 The Local Control and Accountability Plan (LCAP) and annual update template shall be used to provide
550 details regarding the charter school's actions and expenditures to support pupil outcomes and overall
551 performance. The Charter School is expected to describe goals and specific actions to achieve those
552 goals for all pupils and each subgroup of pupils identified in EC § 52052, including pupils with
553 disabilities for each of the state priorities that apply for the grade levels served, or the nature of the
554 program operated by the Charter School. The Charter School may identify additional school priorities,
555 the goals for the school priorities and the specific annual actions to achieve those goals.

556 2.2 Academic Performance

557 Academic Standards are the **benchmarks** of quality and excellence in education. Benchmarks indicate
558 the interim steps a student will take to reach an annual goal or objective. The benchmarks serve as a
559 measurement gauge to monitor a student's progress and to determine if the student is making sufficient
560 progress towards attaining those goals.

561 It will be the responsibility of the Charter School to submit to the LACOE, in a timely manner, the results
562 of the academic performance of the students, biannually. The results shall be provided for both English
563 Language Arts and Mathematics. Those results should provide the comparison of the students from
564 their baseline assessment to their mid-year and then to their end of year results.

- 565 • Mid-Year: mid-point of the fall semester or end of first trimester.
- 566 • End-of-year: mid-to-end of spring semester, end-of-second trimester or mid-third trimester.

567 This data must be submitted electronically in a format easily read by LACOE staff. In submitting
568 benchmark school specific data, the Charter School must address how the students are progressing
569 towards the measurable pupil outcomes written in the charter.

570 2.3 Educational Program

571 At all times it is operational the Charter School shall have available the information listed below. The
572 information shall be submitted to LACOE prior to opening, whenever updated, and upon request:

- 573 • Scope and sequence for all subjects to be offered by the Charter School during the school year
574 and during any supplemental instruction offering.
- 575 • The complete educational program for students to be served during the first year and each
576 subsequent year of operation including, but not limited to:
 - 577 (1) A description of the curriculum and identification of the basic instructional materials to be
578 used.
 - 579 (2) Plans for professional development for instructional personnel who will deliver the
580 curriculum and use the instructional materials, including agendas, topics to be covered,
581 and speakers.
 - 582 (3) Results of interim/benchmark assessments used to evaluate student specific progress
583 during the school year in addition to the results of the California Assessment of Student
584 Progress and Performance (CAASPP) program in evaluation of student progress.
 - 585 (4) If a high school, the University of California course descriptions submitted to UC Doorway
586 (<http://www.ucop.edu/doorwav/>).

- 587 (5) The Charter School's annual calendar for the school year that includes the number of
588 instructional days (minimum 175 days or as required by law), the annual instructional
589 minutes, minimum or early release days, holidays, board recess days, and professional
590 development days.
- 591 (6) Daily bell schedule for site-based programs that includes any passing time, breaks or
592 recess, lunch breaks, before and after school activities.
- 593 (7) Designation of any nonclassroom-based instructional days.
- 594 (8) Sample student contracts, description of frequency of contact with teachers, pupil/teacher
595 ratios, and description of how student work will be evaluated for time value for
596 nonclassroom-based programs (if applicable).
- 597 (9) Initial and mid-term (as appropriate) Western Association of Schools and Colleges
598 (WASC) accreditation self-study and visiting committee reports (if the school seeks such
599 accreditation).
- 600 (10) The Charter School's Single Plan/Single School District Plan (if applicable).

601 **2.4 Student Achievement Plan³**

602 The Charter School shall not be required to submit a Student Achievement Plan if it has met its LCAP
603 goals both school-wide and by significant subgroups, each year. If the Charter School fails to meet
604 goals school-wide or by numerically significant subgroups, it shall be required to submit a Student
605 Achievement Plan to LACOE according to the following dates:

- 606 • December 1 - Draft Student Achievement Plan
- 607 • February 1 - Final Student Achievement Plan

608 If the Charter School is seeking renewal of a charter and has not met its LCAP goals in the prior year, it
609 shall submit a draft Student Achievement Plan for the future concurrent with the charter renewal
610 request.

611 The Charter School shall implement its final Student Achievement Plan that sets forth school specific
612 goals, how progress towards and achievement of each goal shall be measured, and plans for
613 addressing areas identified as needing improvement. The Student Achievement Plan shall build upon
614 the assessment measures, educational goals, and student outcomes described in the charter petition,
615 and shall provide for more stringent assessment measures, educational goals, and student outcomes
616 than those described in the charter petition. If the final Student Achievement Plan is less stringent than
617 the charter, this shall be considered a material revision to the charter and shall be subject to County
618 Board of Education review and approval. The specific requirements of the Student Achievement Plan
619 are described in Attachment A, Student Achievement Plan Guidelines.

620 **2.5 Annual Report**

621 Beginning with the second year of operation, by December 1 each year, the Charter School shall
622 submit a written "Annual Report/School Accountability Report Card" (SARC) to the County Board of
623 Education for the prior year that examines and describes the following:

- 624 • California Assessment of Student Performance and Progress (CAASPP) results both in
625 aggregate and disaggregated by numerically significant subgroups.
- 626 • Progress made toward each of the educational goals and student outcomes identified in the
627 charter (Measureable Pupil Outcomes).
- 628 • Evidence that the Charter School is systematically examining student data and using it to drive
629 decisions regarding curriculum and instruction.

³ This requirement is subject to amendment in accordance with AB 97, EC § 47605.5 and the implementing Regulations.

- 630 • Names and results of any additional internal assessments used by the Charter School not
631 identified in the charter.
- 632 • Plans to address areas identified as needing improvement by the Charter School.
- 633 • Evidence that the Charter School is financially sound based on certain criteria as indicated in
634 Attachment B, Fiscal Oversight Requirements and Financial Reporting.
- 635 • Other relevant information as determined by LACOE or the County Board.

636 LACOE shall provide the Charter School with a template for completing the Annual Report/SARC each
637 year. The Charter School shall also be provided with comparison schools.

638 If the Charter School has been required to submit a Student Achievement Plan, it shall address the
639 following elements in the Annual Report/SARC:

- 640 • Progress made in areas identified where progress falls short of meeting outcomes identified in
641 the Student Achievement Plan.
- 642 • Professional development provided to further progress on goals described in the Student
643 Achievement Plan.
- 644 • Progress made on the implementation of changes to curriculum and instructional strategies
645 identified in the Student Achievement Plan.
- 646 • Identification of targeted funds to support elements of Student Achievement Plan.
- 647 • Specific evidence that the results, as shown in the Annual Report, are targeting improvement in
648 student achievement, and that the Charter School is financially sound according to the criteria
649 as set forth in Attachment B, Fiscal Oversight Requirements and Financial Reporting.

650 On or before July 1, 2015, and each year thereafter, the Annual Report shall conform to the
651 requirements of AB 97 as specified in EC § 47606.5, the implementing Regulations, County Board
652 Policy and Administrative Regulations. LACOE shall comply with EC § 47606.3 and the implementing
653 Regulations, County Board Policy and Administrative Regulations with respect to the monitoring,
654 oversight, technical assistance and revocation.

655 **2.6 Oral Report to the Los Angeles County Board of Education**

656 If requested by the County Board, the Charter School shall also participate in presenting an oral report
657 to the County Board each year. The presentation shall be after December 1 as calendared by the
658 County Board, typically between January and April. LACOE shall promptly inform the Charter School of
659 the date when it is calendared.

660 At the discretion of the County Board, the Charter School may be requested to present additional
661 updates and or reports during the year.

662 **2.7 Services for Students with Disabilities**

663 The Charter School shall submit documentation that it is a Local Education Agency (LEA) with a
664 Special Education Local Plan Area (SELPA) prior to commencing operations and provide a copy of its
665 SELPA Agreement to LACOE annually.

666 **2.8 Annual Assessment of Students**

667 The Charter School shall comply with all state and federal student assessment requirements. The
668 Charter School shall test independent of LACOE, comply with all requirements of the Educational
669 Testing Service (ETS), and provide LACOE with an electronic copy of all Student Level Data provided
670 by ETS within ten (10) days of receipt of the data from ETS.
671

672 **2.9 Independent Study**

673 If the Charter School provides instruction through independent study, (whether it is the primary mode of
674 instruction or it is on an incidental basis), it will comply with all requirements of statute applicable to the
675 provision of independent study in charter schools, including EC, Part 28, Chapter 5, Article 5.5
676 (commencing with Section 51745), and applicable regulations.

677 The Charter School may, on a case-by-case basis, use short-term independent study contracts for
678 students who receive prior approval for absences due to travel or extended illness of three (3) or more
679 days of duration. Any such independent study will be limited to occasional, incidental instances of
680 extended absences, and must be fully compliant with all independent study statutes and regulations
681 applicable to charter schools.

682 The letter from the auditor certifying compliance must be submitted to LACOE *prior* to reporting
683 independent study ADA at the apportionment reporting periods.

684 A. Instructional Time Requirements: If the Charter School is approved as a site-based school, it must
685 provide a classroom-based instructional program such that at least 80 percent of the instructional time
686 offered by the Charter School is at the school site and the Charter School requires the attendance of all
687 students for at least 80 percent of the minimum instructional time offered. If the Charter School fails to
688 meet the instructional time requirements, it will be required to file a funding determination in accordance
689 with EC § 47634.2.

690 B. Calendar and Bell Schedules: No later than June 30, the Charter School will provide to LACOE-
691 Controller's Office the instructional calendar for the coming year showing all holidays, staff development
692 days, minimum days, and any other non-instructional days. In addition, the school will provide a daily
693 schedule of instruction including minimum days and other non-standard day schedules necessary to
694 compute annual instructional minutes.

695 The calendar and bell schedules will be reviewed to ensure compliance with minimum annual
696 instructional minutes by grade level per EC § 47612.5.

697 If the Charter School changes or updates its daily schedule, or instructional days, it must provide to
698 LACOE-Controller's Office evidence of informing parents and guardians at least 30 days in advance of
699 the changes as well as the updated calendar or daily schedule.

700 **SECTION 3: FISCAL OPERATIONS**

701 **3.1 Funding**

702 The Charter School shall be funded in accordance with LCFF legislation, Chapter 47, Statutes of 2013
703 (AB 97) and Chapter 49, Statutes of 2013 (SB 91) The Charter School's entitlement shall be calculated
704 in accordance with LCFF Base Grant, Supplemental Grant and Concentration Grant The parties
705 recognize the authority of the Charter School to pursue additional sources of funding. The County
706 Board of Education must receive prior written notification of any source of additional funding that may
707 result in incurring additional debt (i.e., loans) to the Charter School. LACOE shall not be responsible for
708 resolving fiscal deficiencies for the Charter School.

709 **3.2 Fiscal Agent**

710 The Charter School shall contract with LACOE for the Charter School's participation in the State
711 Teachers' Retirement System (STRS) and/or the Public Employees Retirement System (PERS) if
712 applicable. See section 3.7 for further discussion of the STRS/PERS responsibilities.

713 **3.3 Student Attendance Accounting and Reporting**

714 The Charter School shall use commercially available attendance accounting software that is compliant
715 with CALPADS data collection requirements. Prior to opening, annually, and upon revision, the Charter
716 School shall provide a copy of the Charter School's procedures for attendance accounting, with
717 evidence of internal controls. Spreadsheets on Excel or other programs **shall not be accepted**. The

718 Charter School shall submit a calendar of attendance months to LACOE no later than June 30,
719 submitting it along with the school's bell schedules and instructional calendar. The structure of
720 attendance months shall adhere to EC § 37201.

721 The Charter School shall submit monthly enrollment and attendance data as required to receive
722 apportionment of funding within five (5) business days after the end of the attendance month to
723 LACOE.

724 In addition, the Charter School shall prepare and submit to LACOE/Controller's Office/Pupil Attendance
725 Accounting and Compliance Unit, the certified data file and original signature reports using the State
726 Principal Apportionment Data Collection Software reports according to the following schedule:

- 727 • Charter School Physical Location Report by April 10 or if it falls on a Saturday or Sunday, the
728 first business day following April 10.
- 729 • Charter School Adjustments to CALPADS Data (as applicable) by April 10 or if it falls on a
730 Saturday or Sunday, the first business day following April 10.
- 731 • First Principal Apportionment (P-1) (attendance for all full attendance months between July 1
732 and December 31) by January 4 or if it falls on a Saturday or Sunday, the first business day
733 following January 4.
- 734 • Second Principal Apportionment (P-2) (attendance for all full attendance months between July 1
735 and April 15) by April 20 or if it falls on a Saturday or Sunday, the first business day following
736 April 20.
- 737 • Annual Apportionment (attendance for the Charter School year) by July 5 or if it falls on a
738 Saturday or Sunday, the first business day following July 5.
- 739 • Corrections to the second principal apportionment and annual principal apportionment reports
740 shall be received by LACOE no later than September 15 or if it falls on a Saturday or Sunday,
741 the first business day following September 15.

742 NOTE: It is critical that the above attendance reporting deadlines are met in an accurate and timely
743 manner. If the School misses a reporting deadline or submits incomplete reports, it risks being excluded
744 from that apportionment's certification and funding period. For example, if P-1 attendance data is not
745 received in time for inclusion in the P-1 certification, the school ADA defaults to zero and no funds are
746 paid for the P-1 funding period, February through May.

747 The Charter School shall submit with the Monthly Attendance Report, an Exit Report for each student
748 who leaves the school (except when matriculating to the next grade). The Exit Report shall be
749 completed by the parent/guardian and minimally include: (1) reason for withdrawal; (2) date of
750 withdrawal; (3) school to which student is transferring; (4) parent/guardian signature and date; and (5)
751 administrative signature and date. The Exit Reports shall coincide with the inclusive dates of the
752 Monthly Attendance Report.

753 Summer Instruction: If the school is providing summer instruction, a calendar of the summer program
754 shall be provided to LACOE no less than two (2) weeks prior to the start of the instruction.

755 **3.4 Revenue and Expenditure Reporting**

756 The Charter School is required by EC § 47604.33 to submit periodic reports of revenues, expenditures,
757 and reserves. The Charter School shall submit to LACOE monthly statement of cash flows, copies of
758 bank statements, General Ledger, Revenue and Expenditure Summary, Statement of Financial
759 Position, Statement of Fund Balance, Year-to-date Budget to Actual Statement and notes to financial
760 statements in accordance with Attachment B, Fiscal Oversight Requirements and Financial Reporting.
761 As part of the continuous oversight, LACOE shall make a periodic assessment of the charter's fiscal
762 condition.

763 In order to meet statutory timelines for revenue and expenditure reporting, The Charter School shall
 764 submit reports to LACOE for review using the state software (SACS20 ALL), according to the following
 765 schedule:

- 766 • Preliminary budget on or before July 1
- 767 • First Interim Report (expenditures through 10/31) on or before December 15
- 768 • Second Interim Report (expenditures through 1/31) on or before March 15
- 769 • Unaudited Actuals Report for the prior fiscal year on or before September 15

770 Any changes in the budget or interim reports from one reporting period to the next period shall be
 771 explained in writing. Explanations and budget assumptions shall accompany the reports. The Charter
 772 School is expected to maintain reserves of no less than three (3) percent of the Charter School's
 773 Adopted Budget for the fiscal year. An explanation of any projected drop in reserves below the three (3)
 774 percent level shall be included in the assumptions.

775 **3.5 Annual Audit**

776 In accordance EC § 41020(b)(3) by March 13 of each year, the Charter School shall submit to LACOE
 777 information regarding the audit firm that will be conducting the annual audit. Information shall include
 778 the following:

- 779 • Cover letter includes: Audit firm name, address, partner(s), and audit firm contract number; e-
 780 mail address, contract period, contract amount, and date of Board approval
- 781 • Copy of Board minutes approving audit firm
- 782 • Copy of the fully executed contract with the audit firm

783 In accordance with EC § 41020, by **December 15** of each year, the Charter School shall submit an
 784 annual independent financial audit to the State Controller's Office (SCO), LACOE, and the CDE. The
 785 audit shall be conducted by an auditor from the list approved by the SCO and mutually agreeable to
 786 LACOE and the Charter School. If any findings or exceptions are identified in the annual audit, the
 787 Charter School shall implement corrective action plans in a timely manner. ***Continuing or unresolved***
 788 ***prior year findings or deficiencies shall have negative impact on the Charter School's renewal***
 789 ***request.***

790 The SCO does not grant filing extensions to charter schools. The extension must be obtained through
 791 the chartering entity. Submit extension requests to the LACOE Business Advisory Services Division,
 792 and LACOE will notify the SCO and the CDE of the approved extensions.

793 In addition to the Charter School's financial statements, the audit shall include, as applicable, but not be
 794 limited to:

- 795 • Contemporaneous records of attendance
- 796 • Annual instructional minutes
- 797 • Documentation related to non-classroom-based instruction
- 798 • Determination of funding for nonclassroom-based instruction as per EC § 47634.2

799 **3.6 Oversight Fees**

800 The Charter School shall be charged an oversight fee not to exceed one (1) percent of the LCFF Base
 801 Grant, Supplemental Grant and Concentration Grant received by the Charter School in accordance with
 802 EC § 47613 and used to offset consultant and administrative costs required for comprehensive
 803 oversight, which includes but is not limited to the following categories:

804

- 805 • Curriculum and instruction
- 806 • Assessment and accountability
- 807 • School fiscal review
- 808 • Site visitations
- 809 • Renewal evaluations
- 810 • Attendance accounting processing, analysis and certification
- 811 • In the case of a countywide charter (EC § 47605.6), the County Board may enter into an
- 812 agreement with a third party, at the expense of the Charter School, to oversee, monitor, and
- 813 report to the County Board on the Charter School's operations. The County Board may
- 814 prescribe the aspects of the Charter School's operations to be monitored by the third party and
- 815 may prescribe appropriate requirements regarding the reporting of information concerning the
- 816 operations of the Charter School to the county board of education. (EC § 47605.6(a)(1)) The
- 817 County Board delegates the authority to make this determination and enter into the agreement
- 818 to the County Superintendent of Schools/designee.

819 The oversight fee shall be based on the LCFF Base Grant, Supplemental Grant and Concentration
820 Grant funding provided to the Charter School at the Second Principal Apportionment (P-2).

821 **3.7 State Teachers Retirement System (STRS)/Public Employees Retirement System (PERS)** 822 **Reporting**

823 If the Charter School offers its employees the opportunity to participate in STRS or PERS, the Charter
824 School shall be responsible for contracting with LACOE for reporting purposes. Such arrangements
825 shall be made prior to the hiring of any employee. The Charter School shall notify LACOE of the staff
826 person who will make the arrangements and provide written notification that arrangements have been
827 made prior to the hiring of employees. If the school participates in any alternative retirement systems,
828 information regarding those systems must also be provided.

829 **SECTION 4: FULFILLING CHARTER TERMS**

830 **4.1 Material Revision to Charter**

831 Changes to the charter deemed to be material revisions may not be made without prior approval by the
832 County Board of Education. Revisions to the charter considered to be material changes include, but are
833 not limited to, the following:

- 834 • Substantial changes to the educational program (including the addition or deletion of an
835 educational program), mission, or vision.
- 836 • Changing to or adding a nonclassroom-based program.
- 837 • Proposed changes in enrollment that increases or decreases by more than 20 percent +/- of the
838 enrollment originally projected in the charter petition in any given year or a change that could
839 significantly impact the academic or financial sustainability of the School.
- 840 • Addition or deletion of grades or grade levels to be served.
- 841 • Changes to location of facilities or lease agreements for the Charter School sites, resource
842 centers, meeting space, or other satellite facility including the opening of a new facility;
843 temporary locations rented for annual student testing purposes shall be exempted from this
844 provision.
- 845 • Changing admissions requirements and procedures.

- 846 • Governance structure, including but not limited to: changes in number of board members,
847 method by which new board members are selected, and/or changes in majority/quorum or other
848 provisions relating to resolution approval.
- 849 • Entering into or revising a contract with an EMO/CMO.

850 **4.2 State Assessments**

851 The Charter School agrees to comply with and adhere to the state requirements for participation and
852 administration of all state mandated tests, including the designation of a test site coordinator and the
853 establishment of accounts with each test vendor. The state tests required to be administered include,
854 but may not be limited to:

- 855 • Smarter Balanced Assessments
- 856 • California Science Assessments
- 857 • Physical Fitness Test
- 858 • California English Language Development Test/English Language Proficiency Assessments for
859 California
- 860 • California Alternate Assessments

861 **4.3 Site Visits**

862 LACOE shall conduct at least two (2) visits during the school year. The site visits shall consist of the
863 following:

- 864 • At least one (1) site visit shall be conducted in order to assess the Charter School's progress in
865 governance and organizational management, educational performance, fiscal operations, and
866 fulfillment of the terms of the charter. The primary focus of the visit shall be on teaching and
867 learning and, if applicable, the Student Achievement Plan (described under Section 2:
868 Educational Performance). The site visit may include review of the facility, review of records
869 maintained by the Charter School, interviews with administrators, staff, students, and parents,
870 and observation of instruction in the classroom. The evaluations for each year shall constitute
871 one (1) basis upon which a renewal decision shall be made at the end of the term of the charter
872 in accordance with the Education Code. Any deficiencies shall be reviewed with the Charter
873 School administration. The Charter School administration will be given an opportunity to
874 address the deficiencies.
- 875 • At least one (1) site visit shall be conducted to review the charter school facilities. LACOE will
876 conduct an annual facilities inspection to ensure the facility is adequate for the Charter School's
877 needs, is safe, and complies with all applicable codes, laws, and ordinances. The school will be
878 expected to make any required corrections identified by the facilities inspection team within a
879 timeframe that is commensurate with the violation, or concern.

880 EC § 47604.32(b) requires LACOE to conduct a site visit at least annually. The purpose of the visits
881 shall be to monitor the instructional program and operations in accordance with County Board of
882 Education Policy 0420.4. The County Board and LACOE staff may inspect or observe any part of
883 the charter school at any time. (EC § 47607(a)(1)).

884 **4.4 Renewals**

885 The Charter School may seek renewal of its charter prior to expiration of the term of the charter in
886 accordance with EC § 47605(k)(3), EC § 47607(a) and (b), the implementing Regulations, County
887 Board Policy and Administrative Regulations.

888 In the case of a countywide charter, the elements of the renewal petition shall comply with EC §
889 47605.6. The Charter School shall submit its renewal petition for the next charter term along with a
890 copy of the most recent Annual Report and Student Achievement Plan (if applicable) to LACOE. The

891 renewal petition may be submitted no earlier than the date CDE releases the schools' academic
892 performance data for the school year prior to the last year of the term of the charter and no later than
893 January 31 of the last year of the term of the charter except as provided for under LACOE Board Policy.

894 LACOE shall review the charter petition, consider the Charter School's academic, financial, and
895 operational performance (including its audit reports and annual visitation reports), and conduct a
896 renewal site visit as part of the renewal process. To the extent required, the charter petition shall be
897 revised in accordance with current statutes and regulations. LACOE shall abide by Education Code,
898 California Code of Regulations (CCR), and County Board Policy and Regulation when considering
899 charter renewal.

900 **4.5 Notice of Violation, Opportunity to Remedy, and Revocation**

901 The County Board may provide notice of violation, opportunity to remedy, and revoke the charter as set
902 forth in EC § 47607, its implementing Regulations, County Board Policy, and Administrative
903 Regulations.

904 **4.6 Closure Procedures**

905 At all times it is operational, the Charter School shall have closure procedures in place and available for
906 review. Closure procedures shall be submitted to LACOE prior to opening, whenever updated, and
907 upon request. Procedures shall be compliant with EC § 47604.32, 47605, 47605.6 and 47607; with Title
908 5, CCR § 11962 and 11962.1; as well as with County Board Policies and Procedures, and shall contain
909 at a minimum, the following:

- 910 • Identification of a responsible person(s) (e.g., Executive Director, Financial Officer, President of
911 the Charter School governing board) to oversee and conduct the closure process; this provision
912 shall include a process to ensure that closure procedures are updated no less than annually or
913 when any change is made.
- 914 • Notification of students and families of the Charter School closure.
- 915 • Security of student and business records.
- 916 • System for exiting all students correctly in CALPADS. The exit date must be on or before the
917 official closure date.
- 918 • Processing of final employee payroll and benefits, including contributions to STRS/PERS, as
919 applicable.
- 920 • Identification of all assets and liabilities and the plan for transfer as detailed in the charter.
- 921 • Final close-out audit to be paid for by the Charter School.
- 922 • Identification of a source of funding to be used for closeout expenses including the final audit.
- 923 • Dissolution of the Charter School and/or nonprofit corporation.

924 Further descriptions of each of these items can be found in the laws and regulations listed above in 4.6.

925 If the Charter School is to close permanently for any reason (i.e., voluntary surrender, non-renewal, or
926 revocation), LACOE shall serve written notice on the Charter School that closure procedures have been
927 invoked. No later than 10 days after receiving that notice, the Charter School will meet with LACOE to
928 plan for the orderly closing of the Charter School. Individuals present at that meeting shall include the
929 individual the Charter School identified as responsible for closure, a member of the Charter School's
930 governing board and LACOE staff that will work with the Charter School to complete all close out
931 activities.

932 The Charter School expressly acknowledges the right of LACOE, on behalf of the County
933 Superintendent of Schools to take immediate and direct control of all of the Charter School's student
934 and business records at any time after LACOE gives written notice that it is invoking closure
935 procedures.

936

SECTION 5: REQUIRED DISCLOSURES

937 The preliminary or final written results of any investigation of the Charter School or Magnolia
938 Educational and Research Foundation will be provided as soon as possible, (within 48 hours of
939 receipt), to the LACOE Charter School Office for its review. This includes, but is not limited to, any
940 Notices of Violation or Orders to Comply from any federal, state or local agency. LACOE will determine
941 whether the violation constitutes grounds for revocation under Education Code 47607(c)(1).

942

SECTION 6: NONDISCRIMINATION

943 The parties recognize and agree that the Charter School shall not charge tuition, shall be nonsectarian,
944 and pursuant to EC § 200, the School shall be open to all students regardless of race, ethnicity,
945 national origin, gender, sexual orientation (whether perceived or actual), religion, socioeconomic status,
946 or disability, or any other characteristic that is contained in the definition of hate crimes set forth in §
947 422.55 of the Penal Code. These non-discrimination provisions shall apply to employment of all staff
948 members as well.

949

SECTION 7: SEVERABILITY

950 If any provision or any part of this Agreement is for any reason held to be invalid and/or unenforceable
951 or contrary to public policy, or statute, the remainder of this Agreement shall not be affected thereby
952 and shall remain valid and fully enforceable.

953

SECTION 8: NON-ASSIGNMENT

954 No portion of this Agreement or the charter petition approved by the LACOE may be assigned to
955 another entity without the prior written approval of the County Board of Education.

956

SECTION 9: WAIVER

957 A waiver of any provision or term of this Agreement shall be in writing and signed by both parties. Any
958 such waiver shall not constitute a waiver of any other provision of this Agreement. All parties agree that
959 neither party to this Agreement waives any of the rights, responsibilities, and privileges established by
960 the Charter Schools Act of 1992.

961

SECTION 10: NOTIFICATION

962 All notices, requests, and other communications under this Agreement shall be in writing and mailed to
963 the proper addresses as follows:

To LACOE:

Controller's Office	or	Charter School Office
C/O Patricia Smith, Executive Director		C/O Dina Wilson, Director II
Los Angeles County Office of Education		Los Angeles County Office of Education
9300 Imperial Highway		9300 Imperial Highway
Downey, CA 90242		Downey, CA 90242

To the Charter School:

Name: <u>Dr. Caprice Young</u>	Title: <u>Chief Executive Officer</u>
Magnolia Science Academy-1	
250 East 1 st St.	
Suite 1500	
Los Angeles, CA 90012	

964

To the Charter School governing board:

Name: Noel Unterberger Title: Board Chair
Magnolia Science Academy-1
250 East 1st St.
Suite 1500
Los Angeles, CA 90012

965 This Agreement, including Attachments A through D, contains the entire agreement of the parties with
966 respect to the matters covered hereby, and supersedes any oral or written understandings, agreement
967 or agreements between the parties with respect to the subject matter of this Agreement. No person or
968 party is authorized to make any representations or warranties except as set forth herein, and no
969 agreement, statement, representation or promise by any party hereto which is not contained herein
970 shall be valid or binding. The undersigned acknowledges that she/he has not relied upon any
971 warranties, representations, statements, or promises by any of the parties herein or any of their agents
972 or consultants except as may be expressly set forth in this Agreement. The parties further recognize
973 that this Agreement shall only be modified in writing by the mutual agreement of the parties.

Date Print Sign
Authorized School Representative, Magnolia Science Academy-1

Date Print Sign
Authorized Board Representative, Magnolia Science Academy-1

Date Patricia Smith, Executive Director
Business and Finance
Los Angeles County Office of Education

Attachment A: Student Achievement Plan Guidelines

I. Overview

A Student Achievement Plan is required to be submitted to the Los Angeles County Office of Education (LACOE) if the Charter School fails to meet all of its Measureable Pupil Outcomes (MPOs) and/or LCAP goals in any year. The Achievement Plan requires the Charter School to establish specific goals and actions the Charter School will take to improve student academic achievement in those areas identified through the MPOs and/or LCAP update as not meeting performance criteria. The Charter School shall be expected to present an annual update to the County Board of Education on the progress made in meeting goals identified in the Student Achievement Plan. These guidelines make explicit the elements that shall be addressed in the Student Achievement Plan for any subject area or criteria in which the Charter School falls short of targets. Data compiled from this Student Achievement Plan and the annual update, plus confirming evidence gathered during periodic site visits will provide LACOE with evidence of whether the Charter School is on track to its charter being renewed.

In addition to the MPOs and LCAP goals, the Charter School may incorporate a variety of additional outcome measures to further demonstrate academic achievement and organizational effectiveness. While these various supplemental measures will not carry as much weight as the required measures in making renewal decisions, they may be important in helping the Charter School achieve its academic goals and distinctive qualities in the Charter School's mission as well as highlight those goals.

II. Required Components of the Student Achievement Plan

For each area in which the Charter School did not meet its MPOs or LCAP goals, the Charter School shall submit a plan to the LACOE describing specific and concrete actions the Charter School will take in order to improve student achievement over the course of the current school year. The Student Achievement Plan shall address, at a minimum, the following elements:

- Methods or system the Charter School uses to examine student achievement data on a regular basis across grade levels, by subject matter, by significant subgroups, and across the Charter School as a whole.
- Analysis of the CAASPP results that identifies the specific problem in the area(s) not meeting targets and/or criteria.
- Specific actions, which follow from the examination of student data, which the Charter School will take to improve student achievement in the area(s) identified as needing improvement, including changes to curriculum, instruction, assessment, governance, and organization.
- Professional development plan for teachers and/or other staff that supports the activities the Charter School will implement to improve performance in targeted areas.
- Diagnostic assessments that will be used to enable the Charter School to monitor the effects of proposed changes on student performance.

The Charter School shall submit a draft Student Achievement Plan to LACOE by October 1 if the Charter School did not meet its MPOs or LCAP goals in the prior year. LACOE will review the draft plan and either approve it as submitted or request changes to it. If changes are required, the final Plan shall be due to LACOE by December 1.

Further information regarding API may be found at www.cde.ca.govitalaciap/index.asp on the LACOE website. Information on AYP, including targets and criteria may be found at www.cde.ca.goviteac/ayfindex.asp.

In accordance with AB 97, prior to July 1, 2015, these guidelines may be amended to reflect EC § 47605.5 and the implementing Regulations.

Attachment B: Fiscal Oversight Requirements and Financial Reporting

LACOE shall determine fiscal soundness of the Charter School by reviewing and analyzing the financial reports and documents provided by the Charter School. This determination shall be made each month and LACOE shall notify the Charter School in writing of any concerns it may have regarding the financial stability of the Charter School.

If the Charter School is in its first year of operation and will begin instruction by September 30, or if the Charter School is significantly expanding, the school may receive a special advance and/or allocation on their funding for certain state and federal categorical programs. The special advance and/or allocation are based on estimates of the school's upcoming enrollment, average daily attendance and/or pupil demographic data. These data estimates are submitted in the Pupil Estimates for New or Significantly Expanding Charters (PENSEC) report. This report should be submitted online on the CDE website with the original report submitted to LACOE, no later than the last day of July of that same year.

LACOE requires that the charter school shall make available for the authorizer's review any revisions in revenue and expenditures that it has made to its budget, not later than 45 days after the Governor signs the annual Budget Act, to reflect the funding made available by that Budget Act. This is pursuant to Ed. Code § 42127(i)(4).

In addition to the above, by the fifteen of each month the Charter School shall provide the following reports and documents with full disclosure of transactions to the Business Advisory Services Division for the prior month:

1. Monthly bank statements
2. Monthly bank reconciliations
3. Monthly general ledger
4. Statement of revenue and expenditures
5. Statement of financial position
6. Year to date budget to actual statement
7. Notes to financial statements

Beginning with the 2012–13 school-year, the Charter School will receive general purpose state aid funding pursuant to Proposition 30, known as the Education Protection Account (EPA). To be compliant with the requirements of Proposition 30, the school must:

1. The Charter School's governing board must meet to make spending determinations for the funds at an open public meeting.
2. Report the amount of funds received and how the funds will be/were spent.

LACOE may require additional financial related documents and shall request them of the Charter School as needed.

Attachment C: Reporting Timeline (Revised Annually)

**Los Angeles County Office of Education
Timeline and Due Dates**

Attachment D

Action of the County Board to Authorize the Charter School

(Provided as a separate file)

(Include with MOU)

Request for Taxpayer Identification Number and Certification

(Provided as a separate file)

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Los Angeles County Office of Education
Monitoring and Oversight Memorandum of Understanding¹

Magnolia Science Academy-2

Charter Authorization Period: July 1, 2017-June 30, 2022

Charter Type: Appeal of Denied Petition (EC § 47605) Establish Renew

Direct to County Board (EC § 47605.5) Establish Renew

Countywide Petition to County Board (EC § 47605.6) Establish Renew

INTRODUCTION

The Los Angeles County Board of Education (hereinafter “County Board”) is guided by the intent of the legislature, that quality charter schools are and should be an integral part of the California educational system. The County Board believes that charter schools provide an opportunity to implement accountability-based school-level reform, support innovation which improves student learning, and provide choice for parents. Charter schools operate under the provisions of the charter, applicable state and federal laws, and the general oversight of the County Board.

The County Board supports this effort by establishing a defined accountability system for determining the effectiveness of the charter schools it authorizes. Charter schools are public schools; as such, their performance is subject to review and comparison with any other publicly funded school. A charter school’s demographic composition should reflect the community it serves and in which it is located.

PURPOSE OF AGREEMENT

The State of California enacted the Charter Schools Act of 1992 authorizing the creation of charter schools with the intent that the schools improve student learning through a variety of means, including increased learning opportunities, innovative teaching methods, expanded choice for parents and pupils, and performance-based accountability.

Education Code (EC) § 47605 requires a charter petition to provide a “reasonably comprehensive description” of the manner in which the school will operate; it is not a comprehensive document. An agreement is a useful tool for clarifying the expectations, operations, and responsibilities of both parties beyond that which is required in the charter but is required for successful operation and monitoring of a charter school.

The County Board has established this Monitoring and Oversight Memorandum of Understanding (“Agreement”) to address matters not covered in the charter in order to clarify monitoring and oversight expectations and responsibilities. The Charter School Act allows the County Board to authorize charter schools under specified circumstances and by doing so, becomes the authorizing agency of the charter schools. The County Board has delegated to the County Superintendent of Schools (Superintendent), its obligation to oversee its authorized charter schools under the terms of this Agreement the provisions of the school’s charter, applicable laws, regulations, and County Board Policy and Administrative Regulations. The County Board reserves the right and authority to modify any decision made by the Superintendent, Los Angeles County Office of Education (hereinafter “LACOE”) or a designee.

The fundamental interest of LACOE is, on a continuing basis, to be reasonably assured that charter schools authorized by the County Board are:

¹ Adapted from the Memorandum of Understanding (MOU) utilized by the State Board of Education. This agreement reflects changes made for the Los Angeles County Board of Education as the authorizer.

- 37 • Implementing the provisions of the charter as approved
- 38 • Adhering to all federal, state, and local laws and regulations that apply to the charter school.
- 39 • Being operated prudently in all respects
- 40 • Providing a sound education pursuant to EC § 47605(b)(5)(A)(i-iii) including any future changes
- 41 and the California Core Content Standards for all of their students

42 LACOE will report periodically (annually or as requested or when necessary) to the County Board
43 regarding its delegated oversight of the Magnolia Science Academy-2 (hereinafter, "Charter School").

44 The County Board recognizes that there are matters related to the operation of the Charter School and
45 to the effective oversight of the Charter School by LACOE that go beyond the provisions included in the
46 school's charter. The County Board also acknowledges that the day-to-day operation of the Charter
47 School is appropriately carried out by the Charter School's leadership, faculty, and staff. This
48 Agreement is intended to address those matters that have not been covered in the charter and to
49 provide guidance on the oversight policies and procedures of the County Board, as carried out by
50 LACOE. Further, this Agreement is intended to outline the parties' agreement governing their
51 respective fiscal and administrative responsibilities and their legal relationships.

52 The Charter School petition and this signed Agreement, which includes:

- 53 • Attachment A: Student Achievement Plan Guidelines
- 54 • Attachment B: Fiscal Oversight Requirements and Financial Reporting
- 55 • Attachment C: Reporting Timeline (as revised yearly)
- 56 • Attachment D: County Board Action to Approve the Charter including Conditions for Approval
- 57 constitutes the conditions and terms under which the charter shall be monitored. To the extent
- 58 that the terms in the charter vary from the provisions of this Agreement, the Agreement shall
- 59 take precedence unless both parties agree to other terms.

60 The Charter School agrees that violation of a specific material provision of this Agreement is conclusive
61 proof that the Charter School has violated the conditions of the charter within the meaning of EC §
62 47607(c)(1). The Charter School further agrees that it waives any right to argue that this Agreement is
63 not enforceable or that violation of this Agreement is not a violation of the charter in any court,
64 administrative body, or before a mediator or arbitrator in any matter involving this charter.

65 **TERM OF AGREEMENT**

66 This Agreement shall commence on the date upon which it is fully executed by all parties and shall
67 cover the term of the charter. This Agreement between LACOE and the Charter School is inclusive of
68 Attachments A through D.

69 Any modification of this Agreement must be in writing and executed by duly authorized representatives
70 of the parties.

- 71 1. The duly authorized representatives of the Charter School are the governing board president,
72 CEO/Director or Principal of the Charter School or designee.
- 73 2. The duly authorized representative of the County Board is the County Superintendent of
74 Schools or designee. For purposes of material revision/amendments to the charter, such
75 revisions/amendments may only be made upon the approval of the Charter School's governing
76 board, and will take effect only if approved by the County Board.

77 This Agreement shall be reviewed at least annually and may be amended or augmented by addendum
78 at any time with mutual agreement. In the case of changes in law or County Board policy, the County
79 Board and the Charter School reserve the right to request modifications to this Agreement. Such
80 modifications, if agreed upon, shall be included as Addenda to this Agreement. Failure to reach

81 agreement on required changes to the Agreement which result in a violation of law will result in
 82 termination of the Agreement and lead to termination or revocation of the charter. The approved
 83 Agreement (including any subsequent addenda) shall continue unless modified in writing. If the Charter
 84 School becomes non-operational for any reason, this Agreement (including any addenda) shall remain
 85 in effect until closure procedures have been completed. The term of the charter automatically expires if
 86 the Charter School becomes non-operational, because of non-renewal, revocation, or closure.

87 **TERM OF THE CHARTER**

88 The Charter School is a public school that is or shall be operating pursuant to a charter (hereinafter the
 89 "charter"). On December 20, 2016, the County Board took action to approve the charter contingent
 90 upon the conditions specified in its action (Attachment D). Any condition of authorization that was not
 91 met through revision of the Charter may be addressed in this Agreement.

- 92 • The Charter School shall operate as a classroom based charter school within the geographic
 93 boundaries of the Los Angeles Unified School District in the county of Los Angeles in
 94 accordance with EC § 47605.
- 95 • The Charter School shall serve grades 6-12 and shall have an approximate enrollment of 473.
- 96 • The Charter School shall have a five (5) year term to expire on June 30, 2022. The provisions of
 97 the charter and the Agreement shall be aligned.

98 The Charter School shall be responsible for all the functions of a charter school subject to applicable
 99 statutes, the terms and conditions set forth in the charter, and this Agreement.

100 The County Board reserves the right to approve material revisions to the charter as authorized and/or
 101 revoke the charter as specified in EC § 47607.

102 This Agreement is subject to termination during its term as specified by law or as set forth in this
 103 Agreement.

104 **SECTION 1: GOVERNANCE AND ORGANIZATIONAL MANAGEMENT**

105 The Charter School is operated by Magnolia Educational and Research Foundation , a nonprofit public
 106 benefit corporation, formed and organized pursuant to the Nonprofit Public Benefit Corporation Law
 107 (Corporations Code § 5110 et seq.) The Charter School is a separate legal entity and neither the
 108 County Board nor LACOE is liable for the debts and obligations of the Charter School so long as the
 109 County Board has provided oversight in accordance with EC § 47604(c). The County Board reserves
 110 the right to appoint a single representative to the Charter School's Board of Directors pursuant to EC
 111 47604(b). The Charter School shall use all revenue received from state and federal sources only for the
 112 educational services specified in the charter and this Agreement for the benefit of the students enrolled
 113 in and attending the Charter School. Other sources of funding must be used in accordance with
 114 applicable state and federal statutes, and the terms or conditions of any grant or donation.

115 **1.1 Organization**

116 The Charter School shall have a phone number and e-mail address posted on its website and shall
 117 update the posting immediately whenever the information changes. The Charter School's website shall
 118 also identify the authorizing entity as the Los Angeles County Board of Education. Prior to opening,
 119 annually and upon revision, the Charter School shall provide LACOE with the following information in
 120 accordance with Attachment C, Reporting Timeline, and as updated:

- 121 • Contact information, including phone numbers, official addresses and e-mail addresses for the
 122 principal contacts for the Charter School and ensure that this information is kept current.
- 123 • Organization chart displaying relationship between governing board and the Charter School
 124 leadership.

- 125 • Immediate written notice (within 10 calendar days) of any changes in the Charter School's
126 directors, officers, and administrators, and ***provide resumes for the new individuals.***

127 **1.2 Governing Board Establishment**

128 Prior to opening, annually, and upon revision, the Charter School shall provide to LACOE the following
129 information; the Charter School shall also have the information posted on its website at all times the
130 Charter School is operational and shall update the information within 30 days of any changes:

- 131 • Articles of Incorporation
- 132 • Bylaws approved by the governing board
- 133 • Conflict of Interest Policy
- 134 • Roster and resumes of current governing board members

135 The Charter School shall provide to LACOE's Assistant Controller, (who serves as the filing officer),
136 annually (except where noted otherwise in Attachment C, Reporting Timeline) and as updated
137 Assuming Office, Leaving Office, and Annual Filings for the Statement of Economic Interests, Form 700
138 for all designated filers pursuant to the Conflict of Interest Code of the Los Angeles County Office of
139 Education in a timely manner as follows:

- 140 • Assuming Office Statements (i.e., Form 700) – within 30 calendar days of a designated filer
141 assuming the responsibilities for the Charter School for the position the designated filer is
142 submitting a Form 700.
- 143 • Leaving Office Statements (i.e., Form 700) – within 30 calendar days of a designated filer no
144 longer having responsibilities for the Charter School for the position the designated filer
145 submitted an Assuming Office Form 700; and
- 146 • Annual Statement – by the annual deadline established by the Fair Political Practices
147 Commission each year, which is typically April 1st.

148 **1.3 Governing Board Activities**

149 A. Calendar: The Charter School shall provide an annual calendar of regular meetings of the governing
150 board, including a description of how students, parents, and community members shall be notified of
151 meetings.

152 B. Governing Board Meetings: The governing board of the Charter School shall conduct public
153 meetings included on the annual calendar at such intervals as are necessary to ensure that the board is
154 providing sufficient direction to the Charter School through implementation of effective board policies
155 and procedures. Governing board meetings shall be conducted in keeping with the requirements of the
156 Ralph M. Brown Act (Government Code § 54950 - 54962). Governing board adopted policies, meeting
157 agendas and minutes shall be maintained and available for public inspection and during site visits. For
158 all regular and special meetings of the governing board and all standing committee meetings, the
159 Charter School shall provide LACOE with written notification of the meeting, including a copy of the
160 posted agenda, and shall be posted on the Charter School's website no less than 72 hours prior to a
161 regular meeting and no less than 24 hours prior to a special meeting. The posted agenda shall contain
162 a description of where the agenda was posted and that the meeting is held in compliance with the
163 Americans with Disabilities Act.

164 Within ten (10) working days of board meetings, the Charter School shall provide LACOE with an audio
165 recording of the meeting and all materials provided to the governing board by its administration,
166 contractors, or the public including approved previous meeting minutes. Once approved by the Charter
167 School's governing board, the Charter School shall provide LACOE with a copy of the minutes of the
168 meeting within ten (10) calendar days. All policies, policy changes, and approved meeting minutes shall
169 be posted on the Charter School's website no more than 30 days after each meeting.

170 C. Brown Act Training: The Charter School shall provide Brown Act training to its governing board
 171 members and administrative staff **prior** to the execution of any duties. The Charter School shall certify
 172 to LACOE annually or after any changes in governing board members or administrative staff that the
 173 Brown Act training was provided.

174 D. Governing Board Policies: Prior to opening, the governing board shall develop and adopt policies
 175 and procedures to guide the operation of the Charter School, including but not limited to, policies in the
 176 following areas. The policies shall comply with law and be aligned to the approved charter. A copy of
 177 these policies and procedures shall be submitted to LACOE no less than 30 days prior to opening,
 178 annually, and upon revision. All policies and procedures are subject to review during site visits. Policies
 179 identified with an asterisk shall be posted on the Charter School's website at all times the Charter
 180 School is operational; the website will be updated within 30 days of any revision.

181 • *Conflicts of Interest Policy: If it has not already done so for the current year, at the first meeting
 182 of the Charter School's governing board, following receipt of the MOU and each July thereafter,
 183 the Charter School's governing board shall: (1) adopt a conflict of interest policy, including
 184 provisions related to nepotism, for itself and the Charter School's employees and contractors to
 185 ensure that no action taken by an individual or organization covered by the policy results in
 186 actual or apparent conflicts of interest; (2) provide verification that all board members and
 187 designated Charter School management employees (i.e., Form 700 filers) have participated in
 188 conflict of interest training; and (3) take action to comply with the Political Reform Act and its
 189 implementing regulations, including adoption of the Conflict of Interest Code of the Los Angeles
 190 County Office of Education. *Where the filing requirements for the authorizing entity and the*
 191 *Charter School are discrepant with regard to designated filing positions and/or assigned*
 192 *disclosure categories, the requirements of the authorizing entity shall prevail.* The Charter
 193 School shall follow the Political Reform Act, the California Corporation Code, and IRS
 194 regulations.

195 • *Internal Fiscal Control Policies: The Charter School shall develop and maintain internal fiscal
 196 control policies governing all financial activities that are approved by the governing board. **The**
 197 **charter school shall submit these policies to LACOE no later than 30 days** prior to opening
 198 **and within 10 days of governing board approval** whenever the policies are revised

199 • Adherence to County Board of Education Policy and Regulation: At the first governing board
 200 meeting of the Charter School following receipt of the MOU and each July thereafter, the
 201 governing board of the Charter School shall review and acknowledge in its board minutes that it
 202 shall adhere to all policies and regulations pertaining to charter schools that have been adopted
 203 by the Los Angeles County Board of Education and Superintendent, as long as the policies do
 204 not conflict with Education Code. All new and/or revised policies and procedures will be posted
 205 on the Charter School's website no more than 14 days after their adoption. Updated policies
 206 and regulations are available to the Charter School on our website www.lacoe.edu.

207 • Criminal Background Check Policies: These policies shall set the school's standards for
 208 employment, volunteering, vendors, and contractors.

209 • *Educational and Admissions Policies: These policies include admissions, enrollment, and
 210 lottery process; electronic device use; special education; homeless and foster youth;
 211 independent study; requirements for graduation and for the Certificate of Completion (as
 212 applicable)².

213 • *Uniform Complaint Procedures: Uniform Complaint Procedures (UCP), approved by the
 214 Charter School's governing board, shall be posted at all of the Charter School's sites, in a place
 215 available for public viewing and on its website. Complaint procedures shall identify the Los

² If these policies are incorporated into documents that are posted on the Charter School's website, the posting of those documents is sufficient, it is the Charter School's responsibility to identify the document location.

216 Angeles County Board of Education as the authorizer, and provide the telephone number to the
217 LACOE Charter School Office and the LACOE website (www.lacoe.edu).

218 • **Health Policies:* Policies related to absences, illness, medications, blood borne pathogens,
219 immunization requirements, for providing emergency medical services, establishing the Section
220 504 Accommodation Plan².

221 • **Comprehensive School Safety Policies:* Policies that provide for a safe learning environment
222 for all pupils. Policies shall include but are not limited to those areas specified and/or associated
223 with EC 32280-32289, as described in Section 1.4(B) of this document.

224 • **Parent/Student Handbook:* The governing board shall approve the Parent/Student Handbook to
225 ensure it complies with law and is aligned with the Charter School's board-approved policies
226 and authorized charter. The governing board shall ensure that it is distributed in hard copy to all
227 families each year, to new enrollees during registration, and upon request, and that it is at all
228 times available online. At a minimum, the handbook shall include detailed expectations for
229 student attendance, behavior, and discipline, including policies and consequences for bullying
230 and harassment, due process rights related to discipline (including suspension, expulsion, and
231 special education), and should include policies regarding dress code, student fees and field
232 trips, and the school calendar and bell schedule. Also, a description of complaint procedures
233 that parents may pursue in the event of disagreements, Independent Study and graduation
234 and/or Certificates of Completion requirements. An annual parent meeting shall be held to
235 inform parents regarding policies. The handbook shall be translated into language(s) most
236 represented in the Charter School.

237 • **Employee Handbook:* The governing board shall approve the Employee Handbook to ensure it
238 complies with law and is aligned with the Charter School's board-approved policies and
239 authorized charter. The governing board shall ensure that it is distributed in hard copy to each
240 employee at the time of their hire and each year at the beginning of the school year. At a
241 minimum, the handbook shall include detailed expectations for standard rules of behavior,
242 employee performance, employee problem solving, due process rights of employees related to
243 disciplinary actions including termination, compensation and benefit information, and a
244 description of both formal and informal complaint procedures, discrimination and harassment,
245 workplace security, drug and alcohol policies, at-will employment (if applicable), confidentiality,
246 electronic communications, family and medical leave and employee benefits.

247 Amendments to the employee handbook may be made and distributed to employees by the
248 Charter School during the year. A copy of the handbook may be reviewed during site visits.

249 **1.4 Administration**

250 A. Enrollment and Admissions Documentation: The Charter School shall maintain on file and provide to
251 LACOE upon request the following information:

252 • Descriptions of outreach and recruitment activities that have been conducted to reach target
253 populations as described in the charter

254 • Procedures for application, enrollment, admission, wait listing and lotteries for placement
255 (enrollment preferences) as described in the charter

256 • Evidence of enrollment preferences consistent with the charter and with LACOE conditions of
257 operation

258 • Copy of application and enrollment forms and information provided to prospective families

259 • Documentation, while pertinent, that start-up enrollment is consistent with enrollment numbers
260 described in the charter

261 • Evidence that each student is a resident of California in accordance with EC § 47612

- 262 • For students over 18, evidence that each student has been continuously enrolled (no break in
263 enrollment greater than 20 school days) in an educational program and is making satisfactory
264 progress toward completion of a high school diploma

265 B. Health and Safety Plans: Prior to opening, annually, and upon revision, the Charter School shall
266 provide to LACOE, and have posted on the Charter School's website, a copy of its Health and Safety
267 Plans as follows:

- 268 • A copy of its health plan for students and employees including policies and procedures related
269 to absences, illness, medications, blood borne pathogens, immunization requirements, plan for
270 providing emergency medical services, establishing a Section 504 Accommodation Plan, and
271 health/mental health services available at and/or through the Charter School.
- 272 • A copy of its Comprehensive School Safety Plan that addresses all components of EC § 32280-
273 32289.
- 274 • Student Discipline including a list of offenses for which students may be given detention, or may
275 and must be suspended or expelled, the procedures for suspension or expulsion, procedures by
276 which parents and students shall be informed about reasons for suspension or expulsion, and of
277 their due process rights in regard to the disciplinary action.
- 278 • Campus Supervision and Visitors including supervision of students before and after school,
279 while on campus, and student drop-off and pick-up; policies related to visitors on campus,
280 entering and leaving the campus.
- 281 • Child Abuse Reporting including procedures consistent with Article 2.5 (commencing with
282 Section 11164) of Chapter 2 of Title 1 of Part 4 of the Penal Code. The policy should include a
283 timeline for the annual training of mandated reporters and the process to be used by staff for
284 reporting suspected child abuse to the appropriate authorities.
- 285 • Teacher Notification of Dangerous Students including procedures to be used to notify teachers
286 of dangerous pupils pursuant to EC 49079.
- 287 • Discrimination and Harassment consistent with the prohibition of discrimination contained in EC
288 Part 1, Chapter 2 (commencing with section 200). The policy should include how the information
289 will be communicated to stakeholder groups and how related complaints may be filed.
- 290 • Dress Code including school-wide dress code, pursuant to EC 35183, that prohibits pupils from
291 wearing "gang-related apparel" or other items that, if worn on a school campus, could be
292 reasonably determined to threaten the health and safety of the school environment.
- 293 • Safe and Orderly Environment including procedures designed to ensure a safe and orderly
294 environment conducive to learning at the school in accordance with EC § 32282(a)(2)(H).
- 295 • Code of Conduct for all students clearly stating the responsibilities of students, teachers, and
296 administrators in maintaining a classroom environment that allows a teacher to communicate
297 effectively with all students in the class, allows all students to learn, has consequences that are
298 fair and age-appropriate, considers the student and circumstances and is enforced accordingly.
- 299 • Anti-Bullying including procedures aimed at the prevention of bullying, including cyber bullying,
300 to be developed in accordance with AB 9 and that include clear procedures for reporting
301 incidents of bullying or harassment.
- 302 • Disaster/Emergency Response Plan including the protective measures and procedures to be
303 followed in the event of a natural disaster or other incident that threatens the health and safety
304 of students and staff (ex. earthquake, fire, bomb threat or intruders on campus). Procedures
305 should include accommodations for pupils with disabilities and information to parents on the
306 student release process.

307 The section of the plan that addresses intruders on campus, bomb threats and other information
 308 that would compromise the Charter School's security **should not** be included in the website
 309 posting.

- 310 • Evidence that staff has been trained in health, safety, and emergency procedures.
- 311 • A calendar of emergency drills for students.

312 The Charter School shall provide training for staff in responding to emergencies and conduct routine
 313 emergency response drills for its students.

314 C. Notice to Parents/Guardians: Annually, the Charter School shall provide to LACOE a copy of the
 315 annual notice sent to all parents/guardians regarding their rights under the Family Educational Rights
 316 and Privacy Acts (FERPA).

317 If the Charter School receives Title I funding, parent notice shall provide information regarding the
 318 federal Every Student Succeeds Act (ESSA), including the right to request and receive essential
 319 information about the professional and qualifications of the teacher(s) instructing their child.

320 ***At all times the Charter School is operational, it shall post on its website and in the school's***
 321 ***office(s), a notice that the Charter School is authorized by the Los Angeles County Board of***
 322 ***Education and the contact telephone number for the Los Angeles County Office of Education,***
 323 ***Charter School Office.***

324 D. Family Educational Rights and Privacy Act (FERPA): Employees of the Charter School who have a
 325 legitimate educational interest are entitled to access students education records under 20 U.S.C.A. §
 326 1232g, the Family Educational Rights and Privacy Act (FERPA) and EC § 49076(b)(6). The Charter
 327 School, its officers and employees shall comply with FERPA at all times. In addition, it is agreed that
 328 LACOE has an educational interest in the educational records of the Charter School such that LACOE
 329 shall have access to those records for reasons that include, but are not limited to, records requests,
 330 complaints, and school closure. Records at a minimum, shall include emergency contact information,
 331 health and immunization data, attendance summaries, and academic performance data from the
 332 statewide student assessments required pursuant to EC §§ 60605 and 60851.

333 E. Criminal Record Summaries:

- 334 • Department of Justice (DOJ) Clearance: Prior to hiring any employee, the Charter School must
 335 obtain an Originating Agency Identifier (ORI) and receive approval of its designated Custodian
 336 of Records from the DOJ for the purposes of processing all school employees for DOJ
 337 clearance. Obtaining an ORI cannot be done prior to having obtained a school location.
- 338 • All employees of the Charter School, parent and non-parent volunteers who will be performing
 339 services that are not under the direct supervision of a certificated teacher, and onsite vendors
 340 and contractors having unsupervised contact with students shall submit to background checks
 341 and fingerprinting in accordance with EC §§ 44237 and 45125.1. The Charter School shall
 342 maintain documentation, and provide to LACOE upon request, that all employees, volunteers,
 343 and vendors (as applicable) have clear criminal records summaries prior to their having any
 344 unsupervised contact with students. The Charter School shall maintain on file and have
 345 available for inspection during site visits, evidence that the Charter School has performed
 346 criminal background checks for all employees and volunteers (as applicable) and
 347 documentation that vendors have conducted required criminal background checks for their
 348 employees prior to any unsupervised contact with students. The Charter school shall provide
 349 certification to LACOE that all employees and volunteers/vendors (as applicable) have cleared a
 350 criminal background check prior to any unsupervised contact with students.
- 351 • Any visitor to the Charter School shall wear an appropriate identification badge while at the
 352 Charter School.

353 F. Data Reporting: The Charter School shall directly report data to the California Department of
 354 Education (CDE) meeting all required deadlines. These reporting engines include, but are not limited to,
 355 the California School Information Service (CSIS), the California Longitudinal Pupil Achievement Data
 356 System (CALPADS), the Consolidated Application (ConApp), and the CDE charter school database.

357 Some of the specific documents to be submitted are as follows:

- 358 • Charter School Annual Information Survey
- 359 • Local Educational Plan (LEA) Plan
- 360 • Federal Cash Management
- 361 • Consolidated Application

362 A copy of the Consolidated Application, as approved by the school's governing board, and sent to CDE,
 363 shall be submitted to the Charter School Office annually and upon revision.

364 G. The School Accountability Report Card (SARC): On or before the date determined by the CDE each
 365 year, the Charter School shall post its SARC on the Charter School's website. The Charter School may,
 366 but is not required to, use the template developed by the CDE and available at
 367 <http://www.cde.ca.gov/talac/sa> as a guide. The Charter School shall include all elements as determined
 368 by the CDE. If the Charter School does not maintain a school website, it shall print and make copies of
 369 the SARC available to parents and other members of the community and provide CDE with a copy of
 370 the SARC to post on its website. If the Charter School posts the SARC on its website, and receives a
 371 request for a copy, it shall provide the copy at no charge.

372 H. Insurance and Risk Management: Before any individuals are employed, or property or facilities are
 373 acquired or leased, the Charter School shall procure from an insurance carrier licensed to do business
 374 in the State of California, or shall otherwise participate in a Joint Powers Authority (JPA) or other self-
 375 insurance pool consistent with Government Code § 6528 and keep in full force during the term of the
 376 charter, no less than the following insurance coverage:

- 377 • Commercial General Liability, including Damage to Rented Premises coverage (only required
 378 for rented premises the tenant occupies), of \$5,000,000 per Occurrence and in the Aggregate.
 379 The policy shall be endorsed to name the Los Angeles County Office of Education and the
 380 County Board of Education ("County Board") as named additional insured and shall provide
 381 specifically that any insurance carried by the District which may be applicable to any claims or
 382 loss shall be deemed excess and the Charter School's insurance shall be primary despite any
 383 conflicting provisions in the Charter School's policy. Coverage shall be maintained with no Self
 384 Insured Retention above \$15,000 without the prior written approval of the Office of Risk
 385 Management for the LACOE.
- 386 • Workers' Compensation Insurance in accordance with provisions of the California Labor Code
 387 adequate to protect the Charter School from claims that may arise from its operations pursuant
 388 to the Workers' Compensation Act (Statutory Coverage). The Workers' Compensation
 389 Insurance coverage must also include Employers Liability coverage with limits of
 390 \$1,000,000/\$1,000,000/\$1,000,000.
- 391 • Commercial Auto Liability, including Owned, Leased, Hired, and Non-owned, coverage with
 392 limits of \$1,000,000 Combined Single Limit per Occurrence if the Charter School does not
 393 operate a student bus service. If the Charter School provides student bus services, the required
 394 coverage limit is \$5,000,000 Combined Single Limit per Occurrence.
- 395 • Fidelity Bond coverage shall be maintained by the Charter School to cover all Charter School
 396 employees who handle, process or otherwise have responsibility for Charter School funds,
 397 supplies, equipment or other assets. Minimum amount of coverage shall be \$50,000 per
 398 occurrence, with no self-insured retention.

- 399 • Professional Educators Errors and Omissions liability coverage with minimum limits of
400 \$3,000,000 per occurrence and \$3,000,000 general aggregate.
- 401 • Sexual Molestation and Abuse coverage with minimum limits of \$5,000,000 per occurrence and
402 \$5,000,000 general aggregate. Coverage may be held as a separate policy or included by
403 endorsement in the Commercial General Liability or the Errors and Omissions Policy.
- 404 • Employment Practices Legal Liability coverage with limits of \$3,000,000 per occurrence and
405 \$3,000,000 general aggregate.
- 406 • Property Damage Liability replacement value limits sufficient to protect the school's assets.

407 Coverage's and limits of insurance may be accomplished through individual primary policies or through
408 a combination of primary and excess policies. The policy shall be endorsed to name the Los Angeles
409 County Office of Education and the County Board of Education as named additional insured's and **shall**
410 **provide specifically that any insurance carried by LACOE which may be applicable to any**
411 **claims or loss shall be deemed excess and the Charter School's insurance shall be primary**
412 **despite any conflicting provisions in the Charter School's policy.**

413 The Charter School shall provide evidence of insurance coverage to LACOE prior to opening, annually
414 and upon revision, its insurance carrier(s) and inform LACOE immediately if the coverage becomes
415 inoperative for any reason. LACOE may request to see evidence of insurance coverage during site
416 visits.

417 Certificates of insurance shall be mailed to:

418 Los Angeles County Office of Education
419 Insurance Compliance (EBIX)
420 P. O. Box 100085-LA
421 Duluth, GA 30096

422 In addition, the Charter School shall institute risk management policies and practices to address
423 reasonably foreseeable occurrences and provide LACOE with evidence of such policies and practices
424 on an annual basis.

425 The Charter School shall hold harmless, defend, indemnify, and name on the Certificate of Insurance
426 as additional insureds the County Board, LACOE, its officers, agents, employees, and volunteers, from
427 every liability, claim, or demand which may be made by reason of (1) any injury to volunteers; and (2)
428 any injury to person or property sustained by any person, firm, or corporation caused by any act,
429 neglect, default, or omission of the Charter School, its officers, employees or agents. In cases of such
430 liabilities, claims, or demands, the Charter School at its own expense and risk shall defend all legal
431 proceedings which may be brought against it and/or the County Board, LACOE, its officers, agents,
432 employees, and volunteers, and satisfy any resulting judgments up to the required amounts that may
433 be rendered against any of them. Certificates of insurance and policies shall name the County Board,
434 LACOE, its officers, agents, employees, and volunteers, as additional insureds with respect to any
435 potential tort liability irrespective of whether such potential liability might be predicted on theories of
436 negligence, strict liability, or products liability. The certificates and endorsements are to be signed by a
437 person employed and authorized by the insurer to bind coverage on its behalf and shall specifically
438 reference this Contract. The certificates of insurance and endorsements are to be received by LACOE
439 within thirty (30) calendar days of full execution of this Contract. LACOE reserves the right to require
440 complete, certified copies of all required insurance policies at any time.

441 I. Exclusive Employer: The Charter School is deemed the exclusive employer of the employees of the
442 Charter School for the purposes of the Educational Employee Relations Act (EERA) under Government
443 Code § 3540, et seq. The Charter School shall have sole responsibility for employment, management,
444 dismissal, and discipline of its employees.

445 J. Employee Contracts or Agreements: Prior to opening, annually, and upon revision, the Charter
 446 School shall provide to LACOE a sample copy of the employee contract that, at a minimum, states that
 447 the Charter School is the exclusive employer of employees and has sole responsibility for employment,
 448 management, dismissal, and discipline of its employees. Employee contracts, for each type of
 449 employee, shall be available for review by LACOE upon request.

450 K. Teacher Credentials, Highly Qualified Teacher Requirements, and Non-Certificated Personnel:
 451 Biannually in October and February, in accordance with Attachment C, Reporting Timeline, the Charter
 452 School shall provide to LACOE an all Staff Information List (certificated and non-certificated personnel)
 453 and documentation that all teachers hold a Commission on Teacher Credentialing certificate, permit, or
 454 other document equivalent to that which teachers in other public schools are required to hold, except as
 455 otherwise exempted by The Charter Schools Act.

456 The Charter School shall adhere to all provisions of employment laws applicable to charter schools
 457 including, but not limited to, EC § 47612.5(e)(1) which states: "Notwithstanding any other provision of
 458 law, and as a condition of apportionment, "classroom-based instruction" in a charter school, for the
 459 purposes of this part, occurs only when charter school pupils are engaged in educational activities
 460 required of those pupils and are under the immediate supervision and control of an employee of the
 461 school who possesses a valid teaching certification in accordance with subdivision (I) of Section
 462 47605."

463 L. Specific Roles to be Identified:

- 464 • School Accountability Report Card (SARC) Coordinator – To ensure timely receipt of important
 465 SARC information, it is the Charter School's responsibility to register and/or update the contact
 466 information for a school employee who will assume the responsibilities of SARC Coordinator on
 467 the California Department of Education's (CDE) Accountability Report Card Listserv web page.
 468 This is a user managed unrestricted listserv available to the public.
- 469 • Accountability (Testing) Coordinator – Coordinates and supervises implementation and
 470 administration of federal testing programs, statewide testing programs, state field testing and
 471 sample testing, and local group testing programs. It is the Charter School's responsibility to
 472 name a school employee who will manage, coordinate, identify, organize and distribute
 473 materials and ensure fidelity to the requirements of testing and ensure that all testing
 474 information is properly reported.
- 475 • Custodian of Records – Person responsible for processing, reviewing and maintaining DOJ
 476 clearance records. The individual must receive approval to fulfill this role from the DOJ.
- 477 • Homeless and Foster Youth Liaison – Individual responsible to act as point of contact for
 478 families as required by federal law: 42 USC § 11432 (g)(1)(J)(ii).

479 M. Business Services, Education Management, and Vendor Contracts: If within the term of the charter,
 480 the Charter School contracts with a vendor to provide business services including but not limited to
 481 payroll, accounting and budgeting, attendance accounting, fiscal reporting, contract management, or
 482 purchasing, the Charter School must provide LACOE a copy of the agreement that specifies the exact
 483 services to be provided and their cost, the term of the contract and the Charter School's provisions for
 484 monitoring the contract to ensure compliance with the contract and quality of service. **The charter
 485 school shall submit all contracts to LACOE no later than 30 days prior to opening and within 10
 486 days of governing board approval whenever a new contract is entered into or revised.**

487 N. Management Contracts: **Prior** to entering into a new or revised contract with an education or charter
 488 management organization (EMO/CMO), the Charter School shall provide LACOE with the following:

- 489 • A draft of the proposed management contract.
- 490 • A recent corporate annual report and audited financial statements for the EMO/CMO.
- 491 • A description of the EMO/CMO's roles and responsibilities for the management of the Charter.

- 492 • School and the internal controls that shall be put in place to guide the relationship.
- 493 • A list of other charter schools managed by the EMO/CMO and the academic and operational
- 494 results of such management.
- 495 • A list of and background on the EMO/CMO's leaders and board of directors.
- 496 • A letter of assurance from the EMO/CMO that it has conflict of interest policies in place and that
- 497 none of the principals of either the EMO/CMO or the Charter School have conflicts of interests.

498 The County Board considers entering into a contract with an EMO/CMO not identified in the charter to
 499 be a material revision to that charter. The County Board shall review and approve any charter school
 500 management contracts prior to the Charter School entering into the contract. (See Section 4.1 Material
 501 Revision to Charter)

502 O. Facilities: No later than 60 days prior to the opening of school or the occupying or re-occupying of a
 503 facility or site, including learning centers, satellite facilities, administrative offices, and/or other facilities
 504 used by the Charter School, the Charter School shall provide evidence that the facility is/will be
 505 adequate for the Charter School's needs.

- 506 • A pre-opening site visit will be conducted regardless of whether the Charter School is locating in
 507 a facility provided by a district under EC § 47614 (Proposition 39), in a privately-leased facility,
 508 or in a facility to be occupied under any other arrangement.
- 509 • Prior to signing any lease or similar document, the Charter School will ensure compliance with
 510 EC § 17215 regarding sites located near runways or potential runways.
- 511 • The Charter School will provide a written signed Agreement (lease or other similar document)
 512 indicating the Charter School's right to use the principal school site and any ancillary facilities
 513 identified by the Charter School for the first year of the School's operation and upon any
 514 change.
- 515 • Prior to opening a site or before an existing school may occupy a new or different facility,
 516 LACOE will conduct a site review to determine that the facilities are clean, safe, Americans with
 517 Disabilities Act (ADA) compliant, and have the necessary local approvals to operate. The
 518 Charter School may not operate in the facility until the County Board has granted approval to do
 519 so. Section 1.4 O of this Agreement describes the pre-opening site visit process and
 520 requirements.
- 521 • At all times it is operational, the Charter School shall maintain on file, post as required, and
 522 furnish upon request, certification that its facility or facilities is/are located at a site or sites zoned
 523 and/or permitted for operation of a charter school (grades 6-12) and has been cleared for use as
 524 a charter school by all appropriate local authorities (EC § 47610(d)). The facility shall meet all
 525 applicable fire marshal clearances, certificates of occupancy, signed building permit inspections,
 526 and approved zoning variances. The Charter School cannot exempt itself from applicable/local
 527 zoning or building code ordinances.
- 528 • If the Charter School seeks facilities from the district in which it intends to locate, or is located,
 529 under EC § 47614 (Proposition 39), it will follow applicable statute and regulations regarding
 530 timely submission of such a request to the district. LACOE will conduct a pre-opening site
 531 review to approve any facilities allocated to the school by the district.
- 532 • LACOE will conduct an annual facilities inspection to ensure the facility is adequate for the
 533 Charter School's needs, is safe, and complies with all applicable codes, laws, and ordinances.
 534 The school will be expected to make any required corrections identified by the facilities
 535 inspection team within a timeframe that is commensurate with the violation, or concern.
- 536 • Once open, a Charter School may change facilities only with prior approval of the County Board.

- 537 • Under ordinary circumstances, the Charter School shall provide LACOE not less than 60 days
 538 notification of any change in facilities in order for LACOE to conduct a site visit prior to students
 539 attending the new facilities. Under extraordinary circumstances, (e.g., a change of facilities
 540 necessitated by fire or natural disaster), LACOE may waive the pre-opening site visit.

541 **SECTION 2: EDUCATIONAL PERFORMANCE**

542 **2.1 Adherence to the Eight Areas of State Priority**

543 The Charter School must recognize the importance of ensuring all students, including all student
 544 subgroups, unduplicated students, and students with exceptional needs have attained the skills,
 545 knowledge, and attitudes specified in the school's educational program. To ensure success, a
 546 description of annual goals to be achieved in the following eight State Priorities as they apply to the
 547 grade levels served, or the nature of the program operated, by the Charter School.

	State Priority	Description
1	Basic Services	The degree to which teachers are appropriately assigned (EC § 44258.9) and fully credentialed, and every pupil has sufficient access to standards-aligned instructional materials (EC § 60119), and school facilities are maintained in good repair (EC § 17002(d)).
2	Implementation of Common Core State Standards	Implementation of Common Core State Standards, including how EL students will be enabled to gain academic content knowledge and English language proficiency
3	Parental Involvement	Parental involvement, including efforts to seek parent input for making decisions for schools, and how the school will promote parent participation
4	Student Achievement	Pupil achievement, as measured by all of the following, as applicable: <ol style="list-style-type: none"> CA Measurement of Academic Progress and Performance statewide assessment Percentage of pupils who have successfully completed courses that satisfy UC/CSU entrance requirements, or career technical education Percentage of ELs who make progress toward English language proficiency as measured by the California English Language Development Test (CELDT) and/or English Language Proficiency Assessment for California (ELPAC) EL reclassification rate Percentage of pupils who have passed an AP exam with a score of 3 or higher Percentage of pupils who participate in and demonstrate college preparedness pursuant to the Early Assessment Program (EC § 99300 et seq.) or any subsequent assessment of college preparedness
5	Student Engagement	Pupil engagement, as measured by all of the following, as applicable: <ol style="list-style-type: none"> School attendance rates Chronic absenteeism rates Middle school dropout rates (EC § 52052.1(a)(3)) High school dropout rates High school graduation rates
6	School Climate	School climate, as measured by all of the following, as applicable: <ol style="list-style-type: none"> Pupil suspension rates Pupil expulsion rates Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness
7	Course Access	The extent to which pupils have access to, and are enrolled in, a broad course of study, including programs and services developed and provided to unduplicated students (classified as EL, FRPM- eligible, or foster youth; EC § 42238.02) and students with exceptional needs. "Broad course of study" includes the following, as applicable: Grades 1-6: English, mathematics, social sciences, science, visual and performing arts, health, physical education, and other as prescribed by the governing board. (EC

	State Priority	Description
		§ 51210) Grades 7-12: English, social sciences, foreign language(s), physical education, science, mathematics, visual and performing arts, applied arts, and career technical education. (EC § 51220(a)-(i))
8	Other Student Outcomes	From the subject areas described above in "Course Access" (or #7), as applicable.

548 The Local Control and Accountability Plan (LCAP) and annual update template shall be used to provide
549 details regarding the charter school's actions and expenditures to support pupil outcomes and overall
550 performance. The Charter School is expected to describe goals and specific actions to achieve those
551 goals for all pupils and each subgroup of pupils identified in EC § 52052, including pupils with
552 disabilities for each of the state priorities that apply for the grade levels served, or the nature of the
553 program operated by the Charter School. The Charter School may identify additional school priorities,
554 the goals for the school priorities and the specific annual actions to achieve those goals.

555 2.2 Academic Performance

556 Academic Standards are the **benchmarks** of quality and excellence in education. Benchmarks indicate
557 the interim steps a student will take to reach an annual goal or objective. The benchmarks serve as a
558 measurement gauge to monitor a student's progress and to determine if the student is making sufficient
559 progress towards attaining those goals.

560 It will be the responsibility of the Charter School to submit to the LACOE, in a timely manner, the results
561 of the academic performance of the students, biannually. The results shall be provided for both English
562 Language Arts and Mathematics. Those results should provide the comparison of the students from
563 their baseline assessment to their mid-year and then to their end of year results.

- 564 • Mid-Year: mid-point of the fall semester or end of first trimester.
- 565 • End-of-year: mid-to-end of spring semester, end-of-second trimester or mid-third trimester.

566 This data must be submitted electronically in a format easily read by LACOE staff. In submitting
567 benchmark school specific data, the Charter School must address how the students are progressing
568 towards the measurable pupil outcomes written in the charter.

569 2.3 Educational Program

570 At all times it is operational the Charter School shall have available the information listed below. The
571 information shall be submitted to LACOE prior to opening, whenever updated, and upon request:

- 572 • Scope and sequence for all subjects to be offered by the Charter School during the school year
573 and during any supplemental instruction offering.
- 574 • The complete educational program for students to be served during the first year and each
575 subsequent year of operation including, but not limited to:
 - 576 (1) A description of the curriculum and identification of the basic instructional materials to be
577 used.
 - 578 (2) Plans for professional development for instructional personnel who will deliver the
579 curriculum and use the instructional materials, including agendas, topics to be covered,
580 and speakers.
 - 581 (3) Results of interim/benchmark assessments used to evaluate student specific progress
582 during the school year in addition to the results of the California Assessment of Student
583 Progress and Performance (CAASPP) program in evaluation of student progress.
 - 584 (4) If a high school, the University of California course descriptions submitted to UC Doorway
585 (<http://www.ucop.edu/doorwav/>).

- 586 (5) The Charter School's annual calendar for the school year that includes the number of
 587 instructional days (minimum 175 days or as required by law), the annual instructional
 588 minutes, minimum or early release days, holidays, board recess days, and professional
 589 development days.
- 590 (6) Daily bell schedule for site-based programs that includes any passing time, breaks or
 591 recess, lunch breaks, before and after school activities.
- 592 (7) Designation of any nonclassroom-based instructional days.
- 593 (8) Sample student contracts, description of frequency of contact with teachers, pupil/teacher
 594 ratios, and description of how student work will be evaluated for time value for
 595 nonclassroom-based programs (if applicable).
- 596 (9) Initial and mid-term (as appropriate) Western Association of Schools and Colleges
 597 (WASC) accreditation self-study and visiting committee reports (if the school seeks such
 598 accreditation).
- 599 (10) The Charter School's Single Plan/Single School District Plan (if applicable).

600 **2.4 Student Achievement Plan³**

601 The Charter School shall not be required to submit a Student Achievement Plan if it has met its LCAP
 602 goals both school-wide and by significant subgroups, each year. If the Charter School fails to meet
 603 goals school-wide or by numerically significant subgroups, it shall be required to submit a Student
 604 Achievement Plan to LACOE according to the following dates:

- 605 • December 1 - Draft Student Achievement Plan
- 606 • February 1 - Final Student Achievement Plan

607 If the Charter School is seeking renewal of a charter and has not met its LCAP goals in the prior year, it
 608 shall submit a draft Student Achievement Plan for the future concurrent with the charter renewal
 609 request.

610 The Charter School shall implement its final Student Achievement Plan that sets forth school specific
 611 goals, how progress towards and achievement of each goal shall be measured, and plans for
 612 addressing areas identified as needing improvement. The Student Achievement Plan shall build upon
 613 the assessment measures, educational goals, and student outcomes described in the charter petition,
 614 and shall provide for more stringent assessment measures, educational goals, and student outcomes
 615 than those described in the charter petition. If the final Student Achievement Plan is less stringent than
 616 the charter, this shall be considered a material revision to the charter and shall be subject to County
 617 Board of Education review and approval. The specific requirements of the Student Achievement Plan
 618 are described in Attachment A, Student Achievement Plan Guidelines.

619 **2.5 Annual Report**

620 Beginning with the second year of operation, by December 1 each year, the Charter School shall
 621 submit a written "Annual Report/School Accountability Report Card" (SARC) to the County Board of
 622 Education for the prior year that examines and describes the following:

- 623 • California Assessment of Student Performance and Progress (CAASPP) results both in
 624 aggregate and disaggregated by numerically significant subgroups.
- 625 • Progress made toward each of the educational goals and student outcomes identified in the
 626 charter (Measureable Pupil Outcomes).
- 627 • Evidence that the Charter School is systematically examining student data and using it to drive
 628 decisions regarding curriculum and instruction.

³ This requirement is subject to amendment in accordance with AB 97, EC § 47605.5 and the implementing Regulations.

- 629 • Names and results of any additional internal assessments used by the Charter School not
630 identified in the charter.
- 631 • Plans to address areas identified as needing improvement by the Charter School.
- 632 • Evidence that the Charter School is financially sound based on certain criteria as indicated in
633 Attachment B, Fiscal Oversight Requirements and Financial Reporting.
- 634 • Other relevant information as determined by LACOE or the County Board.

635 LACOE shall provide the Charter School with a template for completing the Annual Report/SARC each
636 year. The Charter School shall also be provided with comparison schools.

637 If the Charter School has been required to submit a Student Achievement Plan, it shall address the
638 following elements in the Annual Report/SARC:

- 639 • Progress made in areas identified where progress falls short of meeting outcomes identified in
640 the Student Achievement Plan.
- 641 • Professional development provided to further progress on goals described in the Student
642 Achievement Plan.
- 643 • Progress made on the implementation of changes to curriculum and instructional strategies
644 identified in the Student Achievement Plan.
- 645 • Identification of targeted funds to support elements of Student Achievement Plan.
- 646 • Specific evidence that the results, as shown in the Annual Report, are targeting improvement in
647 student achievement, and that the Charter School is financially sound according to the criteria
648 as set forth in Attachment B, Fiscal Oversight Requirements and Financial Reporting.

649 On or before July 1, 2015, and each year thereafter, the Annual Report shall conform to the
650 requirements of AB 97 as specified in EC § 47606.5, the implementing Regulations, County Board
651 Policy and Administrative Regulations. LACOE shall comply with EC § 47606.3 and the implementing
652 Regulations, County Board Policy and Administrative Regulations with respect to the monitoring,
653 oversight, technical assistance and revocation.

654 **2.6 Oral Report to the Los Angeles County Board of Education**

655 If requested by the County Board, the Charter School shall also participate in presenting an oral report
656 to the County Board each year. The presentation shall be after December 1 as calendared by the
657 County Board, typically between January and April. LACOE shall promptly inform the Charter School of
658 the date when it is calendared.

659 At the discretion of the County Board, the Charter School may be requested to present additional
660 updates and or reports during the year.

661 **2.7 Services for Students with Disabilities**

662 The Charter School shall submit documentation that it is a Local Education Agency (LEA) with a
663 Special Education Local Plan Area (SELPA) prior to commencing operations and provide a copy of its
664 SELPA Agreement to LACOE annually.

665 **2.8 Annual Assessment of Students**

666 The Charter School shall comply with all state and federal student assessment requirements. The
667 Charter School shall test independent of LACOE, comply with all requirements of the Educational
668 Testing Service (ETS), and provide LACOE with an electronic copy of all Student Level Data provided
669 by ETS within ten (10) days of receipt of the data from ETS.
670

671 **2.9 Independent Study**

672 If the Charter School provides instruction through independent study, (whether it is the primary mode of
673 instruction or it is on an incidental basis), it will comply with all requirements of statute applicable to the
674 provision of independent study in charter schools, including EC, Part 28, Chapter 5, Article 5.5
675 (commencing with Section 51745), and applicable regulations.

676 The Charter School may, on a case-by-case basis, use short-term independent study contracts for
677 students who receive prior approval for absences due to travel or extended illness of three (3) or more
678 days of duration. Any such independent study will be limited to occasional, incidental instances of
679 extended absences, and must be fully compliant with all independent study statutes and regulations
680 applicable to charter schools.

681 The letter from the auditor certifying compliance must be submitted to LACOE *prior* to reporting
682 independent study ADA at the apportionment reporting periods.

683 A. Instructional Time Requirements: If the Charter School is approved as a site-based school, it must
684 provide a classroom-based instructional program such that at least 80 percent of the instructional time
685 offered by the Charter School is at the school site and the Charter School requires the attendance of all
686 students for at least 80 percent of the minimum instructional time offered. If the Charter School fails to
687 meet the instructional time requirements, it will be required to file a funding determination in accordance
688 with EC § 47634.2.

689 B. Calendar and Bell Schedules: No later than June 30, the Charter School will provide to LACOE-
690 Controller's Office the instructional calendar for the coming year showing all holidays, staff development
691 days, minimum days, and any other non-instructional days. In addition, the school will provide a daily
692 schedule of instruction including minimum days and other non-standard day schedules necessary to
693 compute annual instructional minutes.

694 The calendar and bell schedules will be reviewed to ensure compliance with minimum annual
695 instructional minutes by grade level per EC § 47612.5.

696 If the Charter School changes or updates its daily schedule, or instructional days, it must provide to
697 LACOE-Controller's Office evidence of informing parents and guardians at least 30 days in advance of
698 the changes as well as the updated calendar or daily schedule.

699 **SECTION 3: FISCAL OPERATIONS**

700 **3.1 Funding**

701 The Charter School shall be funded in accordance with LCFF legislation, Chapter 47, Statutes of 2013
702 (AB 97) and Chapter 49, Statutes of 2013 (SB 91) The Charter School's entitlement shall be calculated
703 in accordance with LCFF Base Grant, Supplemental Grant and Concentration Grant The parties
704 recognize the authority of the Charter School to pursue additional sources of funding. The County
705 Board of Education must receive prior written notification of any source of additional funding that may
706 result in incurring additional debt (i.e., loans) to the Charter School. LACOE shall not be responsible for
707 resolving fiscal deficiencies for the Charter School.

708 **3.2 Fiscal Agent**

709 The Charter School shall contract with LACOE for the Charter School's participation in the State
710 Teachers' Retirement System (STRS) and/or the Public Employees Retirement System (PERS) if
711 applicable. See section 3.7 for further discussion of the STRS/PERS responsibilities.

712 **3.3 Student Attendance Accounting and Reporting**

713 The Charter School shall use commercially available attendance accounting software that is compliant
714 with CALPADS data collection requirements. Prior to opening, annually, and upon revision, the Charter
715 School shall provide a copy of the Charter School's procedures for attendance accounting, with
716 evidence of internal controls. Spreadsheets on Excel or other programs **shall not be accepted**. The

717 Charter School shall submit a calendar of attendance months to LACOE no later than June 30,
718 submitting it along with the school's bell schedules and instructional calendar. The structure of
719 attendance months shall adhere to EC § 37201.

720 The Charter School shall submit monthly enrollment and attendance data as required to receive
721 apportionment of funding within five (5) business days after the end of the attendance month to
722 LACOE.

723 In addition, the Charter School shall prepare and submit to LACOE/Controller's Office/Pupil Attendance
724 Accounting and Compliance Unit, the certified data file and original signature reports using the State
725 Principal Apportionment Data Collection Software reports according to the following schedule:

- 726 • Charter School Physical Location Report by April 10 or if it falls on a Saturday or Sunday, the
727 first business day following April 10.
- 728 • Charter School Adjustments to CALPADS Data (as applicable) by April 10 or if it falls on a
729 Saturday or Sunday, the first business day following April 10.
- 730 • First Principal Apportionment (P-1) (attendance for all full attendance months between July 1
731 and December 31) by January 4 or if it falls on a Saturday or Sunday, the first business day
732 following January 4.
- 733 • Second Principal Apportionment (P-2) (attendance for all full attendance months between July 1
734 and April 15) by April 20 or if it falls on a Saturday or Sunday, the first business day following
735 April 20.
- 736 • Annual Apportionment (attendance for the Charter School year) by July 5 or if it falls on a
737 Saturday or Sunday, the first business day following July 5.
- 738 • Corrections to the second principal apportionment and annual principal apportionment reports
739 shall be received by LACOE no later than September 15 or if it falls on a Saturday or Sunday,
740 the first business day following September 15.

741 NOTE: It is critical that the above attendance reporting deadlines are met in an accurate and timely
742 manner. If the School misses a reporting deadline or submits incomplete reports, it risks being excluded
743 from that apportionment's certification and funding period. For example, if P-1 attendance data is not
744 received in time for inclusion in the P-1 certification, the school ADA defaults to zero and no funds are
745 paid for the P-1 funding period, February through May.

746 The Charter School shall submit with the Monthly Attendance Report, an Exit Report for each student
747 who leaves the school (except when matriculating to the next grade). The Exit Report shall be
748 completed by the parent/guardian and minimally include: (1) reason for withdrawal; (2) date of
749 withdrawal; (3) school to which student is transferring; (4) parent/guardian signature and date; and (5)
750 administrative signature and date. The Exit Reports shall coincide with the inclusive dates of the
751 Monthly Attendance Report.

752 Summer Instruction: If the school is providing summer instruction, a calendar of the summer program
753 shall be provided to LACOE no less than two (2) weeks prior to the start of the instruction.

754 **3.4 Revenue and Expenditure Reporting**

755 The Charter School is required by EC § 47604.33 to submit periodic reports of revenues, expenditures,
756 and reserves. The Charter School shall submit to LACOE monthly statement of cash flows, copies of
757 bank statements, General Ledger, Revenue and Expenditure Summary, Statement of Financial
758 Position, Statement of Fund Balance, Year-to-date Budget to Actual Statement and notes to financial
759 statements in accordance with Attachment B, Fiscal Oversight Requirements and Financial Reporting.
760 As part of the continuous oversight, LACOE shall make a periodic assessment of the charter's fiscal
761 condition.

762 In order to meet statutory timelines for revenue and expenditure reporting, The Charter School shall
 763 submit reports to LACOE for review using the state software (SACS20 ALL), according to the following
 764 schedule:

- 765 • Preliminary budget on or before July 1
- 766 • First Interim Report (expenditures through 10/31) on or before December 15
- 767 • Second Interim Report (expenditures through 1/31) on or before March 15
- 768 • Unaudited Actuals Report for the prior fiscal year on or before September 15

769 Any changes in the budget or interim reports from one reporting period to the next period shall be
 770 explained in writing. Explanations and budget assumptions shall accompany the reports. The Charter
 771 School is expected to maintain reserves of no less than three (3) percent of the Charter School's
 772 Adopted Budget for the fiscal year. An explanation of any projected drop in reserves below the three (3)
 773 percent level shall be included in the assumptions.

774 **3.5 Annual Audit**

775 In accordance EC § 41020(b)(3) by March 13 of each year, the Charter School shall submit to LACOE
 776 information regarding the audit firm that will be conducting the annual audit. Information shall include
 777 the following:

- 778 • Cover letter includes: Audit firm name, address, partner(s), and audit firm contract number; e-
 779 mail address, contract period, contract amount, and date of Board approval
- 780 • Copy of Board minutes approving audit firm
- 781 • Copy of the fully executed contract with the audit firm

782 In accordance with EC § 41020, by **December 15** of each year, the Charter School shall submit an
 783 annual independent financial audit to the State Controller's Office (SCO), LACOE, and the CDE. The
 784 audit shall be conducted by an auditor from the list approved by the SCO and mutually agreeable to
 785 LACOE and the Charter School. If any findings or exceptions are identified in the annual audit, the
 786 Charter School shall implement corrective action plans in a timely manner. ***Continuing or unresolved***
 787 ***prior year findings or deficiencies shall have negative impact on the Charter School's renewal***
 788 ***request.***

789 The SCO does not grant filing extensions to charter schools. The extension must be obtained through
 790 the chartering entity. Submit extension requests to the LACOE Business Advisory Services Division,
 791 and LACOE will notify the SCO and the CDE of the approved extensions.

792 In addition to the Charter School's financial statements, the audit shall include, as applicable, but not be
 793 limited to:

- 794 • Contemporaneous records of attendance
- 795 • Annual instructional minutes
- 796 • Documentation related to non-classroom-based instruction
- 797 • Determination of funding for nonclassroom-based instruction as per EC § 47634.2

798 **3.6 Oversight Fees**

799 The Charter School shall be charged an oversight fee not to exceed one (1) percent of the LCFF Base
 800 Grant, Supplemental Grant and Concentration Grant received by the Charter School in accordance with
 801 EC § 47613 and used to offset consultant and administrative costs required for comprehensive
 802 oversight, which includes but is not limited to the following categories:
 803

- 804 • Curriculum and instruction
- 805 • Assessment and accountability
- 806 • School fiscal review
- 807 • Site visitations
- 808 • Renewal evaluations
- 809 • Attendance accounting processing, analysis and certification
- 810 • In the case of a countywide charter (EC § 47605.6), the County Board may enter into an
- 811 agreement with a third party, at the expense of the Charter School, to oversee, monitor, and
- 812 report to the County Board on the Charter School's operations. The County Board may
- 813 prescribe the aspects of the Charter School's operations to be monitored by the third party and
- 814 may prescribe appropriate requirements regarding the reporting of information concerning the
- 815 operations of the Charter School to the county board of education. (EC § 47605.6(a)(1)) The
- 816 County Board delegates the authority to make this determination and enter into the agreement
- 817 to the County Superintendent of Schools/designee.

818 The oversight fee shall be based on the LCFF Base Grant, Supplemental Grant and Concentration
819 Grant funding provided to the Charter School at the Second Principal Apportionment (P-2).

820 **3.7 State Teachers Retirement System (STRS)/Public Employees Retirement System (PERS)** 821 **Reporting**

822 If the Charter School offers its employees the opportunity to participate in STRS or PERS, the Charter
823 School shall be responsible for contracting with LACOE for reporting purposes. Such arrangements
824 shall be made prior to the hiring of any employee. The Charter School shall notify LACOE of the staff
825 person who will make the arrangements and provide written notification that arrangements have been
826 made prior to the hiring of employees. If the school participates in any alternative retirement systems,
827 information regarding those systems must also be provided.

828 **SECTION 4: FULFILLING CHARTER TERMS**

829 **4.1 Material Revision to Charter**

830 Changes to the charter deemed to be material revisions may not be made without prior approval by the
831 County Board of Education. Revisions to the charter considered to be material changes include, but are
832 not limited to, the following:

- 833 • Substantial changes to the educational program (including the addition or deletion of an
834 educational program), mission, or vision.
- 835 • Changing to or adding a nonclassroom-based program.
- 836 • Proposed changes in enrollment that increases or decreases by more than 20 percent +/- of the
837 enrollment originally projected in the charter petition in any given year or a change that could
838 significantly impact the academic or financial sustainability of the School.
- 839 • Addition or deletion of grades or grade levels to be served.
- 840 • Changes to location of facilities or lease agreements for the Charter School sites, resource
841 centers, meeting space, or other satellite facility including the opening of a new facility;
842 temporary locations rented for annual student testing purposes shall be exempted from this
843 provision.
- 844 • Changing admissions requirements and procedures.

- 845 • Governance structure, including but not limited to: changes in number of board members,
846 method by which new board members are selected, and/or changes in majority/quorum or other
847 provisions relating to resolution approval.
- 848 • Entering into or revising a contract with an EMO/CMO.

849 **4.2 State Assessments**

850 The Charter School agrees to comply with and adhere to the state requirements for participation and
851 administration of all state mandated tests, including the designation of a test site coordinator and the
852 establishment of accounts with each test vendor. The state tests required to be administered include,
853 but may not be limited to:

- 854 • Smarter Balanced Assessments
- 855 • California Science Assessments
- 856 • Physical Fitness Test
- 857 • California English Language Development Test/English Language Proficiency Assessments for
858 California
- 859 • California Alternate Assessments

860 **4.3 Site Visits**

861 LACOE shall conduct at least two (2) visits during the school year. The site visits shall consist of the
862 following:

- 863 • At least one (1) site visit shall be conducted in order to assess the Charter School's progress in
864 governance and organizational management, educational performance, fiscal operations, and
865 fulfillment of the terms of the charter. The primary focus of the visit shall be on teaching and
866 learning and, if applicable, the Student Achievement Plan (described under Section 2:
867 Educational Performance). The site visit may include review of the facility, review of records
868 maintained by the Charter School, interviews with administrators, staff, students, and parents,
869 and observation of instruction in the classroom. The evaluations for each year shall constitute
870 one (1) basis upon which a renewal decision shall be made at the end of the term of the charter
871 in accordance with the Education Code. Any deficiencies shall be reviewed with the Charter
872 School administration. The Charter School administration will be given an opportunity to
873 address the deficiencies.
- 874 • At least one (1) site visit shall be conducted to review the charter school facilities. LACOE will
875 conduct an annual facilities inspection to ensure the facility is adequate for the Charter School's
876 needs, is safe, and complies with all applicable codes, laws, and ordinances. The school will be
877 expected to make any required corrections identified by the facilities inspection team within a
878 timeframe that is commensurate with the violation, or concern.

879 EC § 47604.32(b) requires LACOE to conduct a site visit at least annually. The purpose of the visits
880 shall be to monitor the instructional program and operations in accordance with County Board of
881 Education Policy 0420.4. The County Board and LACOE staff may inspect or observe any part of
882 the charter school at any time. (EC § 47607(a)(1)).

883 **4.4 Renewals**

884 The Charter School may seek renewal of its charter prior to expiration of the term of the charter in
885 accordance with EC § 47605(k)(3), EC § 47607(a) and (b), the implementing Regulations, County
886 Board Policy and Administrative Regulations.

887 In the case of a countywide charter, the elements of the renewal petition shall comply with EC §
888 47605.6. The Charter School shall submit its renewal petition for the next charter term along with a
889 copy of the most recent Annual Report and Student Achievement Plan (if applicable) to LACOE. The

890 renewal petition may be submitted no earlier than the date CDE releases the schools' academic
891 performance data for the school year prior to the last year of the term of the charter and no later than
892 January 31 of the last year of the term of the charter except as provided for under LACOE Board Policy.

893 LACOE shall review the charter petition, consider the Charter School's academic, financial, and
894 operational performance (including its audit reports and annual visitation reports), and conduct a
895 renewal site visit as part of the renewal process. To the extent required, the charter petition shall be
896 revised in accordance with current statutes and regulations. LACOE shall abide by Education Code,
897 California Code of Regulations (CCR), and County Board Policy and Regulation when considering
898 charter renewal.

899 **4.5 Notice of Violation, Opportunity to Remedy, and Revocation**

900 The County Board may provide notice of violation, opportunity to remedy, and revoke the charter as set
901 forth in EC § 47607, its implementing Regulations, County Board Policy, and Administrative
902 Regulations.

903 **4.6 Closure Procedures**

904 At all times it is operational, the Charter School shall have closure procedures in place and available for
905 review. Closure procedures shall be submitted to LACOE prior to opening, whenever updated, and
906 upon request. Procedures shall be compliant with EC § 47604.32, 47605, 47605.6 and 47607; with Title
907 5, CCR § 11962 and 11962.1; as well as with County Board Policies and Procedures, and shall contain
908 at a minimum, the following:

- 909 • Identification of a responsible person(s) (e.g., Executive Director, Financial Officer, President of
910 the Charter School governing board) to oversee and conduct the closure process; this provision
911 shall include a process to ensure that closure procedures are updated no less than annually or
912 when any change is made.
- 913 • Notification of students and families of the Charter School closure.
- 914 • Security of student and business records.
- 915 • System for exiting all students correctly in CALPADS. The exit date must be on or before the
916 official closure date.
- 917 • Processing of final employee payroll and benefits, including contributions to STRS/PERS, as
918 applicable.
- 919 • Identification of all assets and liabilities and the plan for transfer as detailed in the charter.
- 920 • Final close-out audit to be paid for by the Charter School.
- 921 • Identification of a source of funding to be used for closeout expenses including the final audit.
- 922 • Dissolution of the Charter School and/or nonprofit corporation.

923 Further descriptions of each of these items can be found in the laws and regulations listed above in 4.6.

924 If the Charter School is to close permanently for any reason (i.e., voluntary surrender, non-renewal, or
925 revocation), LACOE shall serve written notice on the Charter School that closure procedures have been
926 invoked. No later than 10 days after receiving that notice, the Charter School will meet with LACOE to
927 plan for the orderly closing of the Charter School. Individuals present at that meeting shall include the
928 individual the Charter School identified as responsible for closure, a member of the Charter School's
929 governing board and LACOE staff that will work with the Charter School to complete all close out
930 activities.

931 The Charter School expressly acknowledges the right of LACOE, on behalf of the County
932 Superintendent of Schools to take immediate and direct control of all of the Charter School's student
933 and business records at any time after LACOE gives written notice that it is invoking closure
934 procedures.

935

SECTION 5: REQUIRED DISCLOSURES

936 The preliminary or final written results of any investigation of the Charter School or Magnolia
937 Educational and Research Foundation will be provided as soon as possible, (within 48 hours of
938 receipt), to the LACOE Charter School Office for its review. This includes, but is not limited to, any
939 Notices of Violation or Orders to Comply from any federal, state or local agency. LACOE will determine
940 whether the violation constitutes grounds for revocation under Education Code 47607(c)(1).

941

SECTION 6: NONDISCRIMINATION

942 The parties recognize and agree that the Charter School shall not charge tuition, shall be nonsectarian,
943 and pursuant to EC § 200, the School shall be open to all students regardless of race, ethnicity,
944 national origin, gender, sexual orientation (whether perceived or actual), religion, socioeconomic status,
945 or disability, or any other characteristic that is contained in the definition of hate crimes set forth in §
946 422.55 of the Penal Code. These non-discrimination provisions shall apply to employment of all staff
947 members as well.

948

SECTION 7: SEVERABILITY

949 If any provision or any part of this Agreement is for any reason held to be invalid and/or unenforceable
950 or contrary to public policy, or statute, the remainder of this Agreement shall not be affected thereby
951 and shall remain valid and fully enforceable.

952

SECTION 8: NON-ASSIGNMENT

953 No portion of this Agreement or the charter petition approved by the LACOE may be assigned to
954 another entity without the prior written approval of the County Board of Education.

955

SECTION 9: WAIVER

956 A waiver of any provision or term of this Agreement shall be in writing and signed by both parties. Any
957 such waiver shall not constitute a waiver of any other provision of this Agreement. All parties agree that
958 neither party to this Agreement waives any of the rights, responsibilities, and privileges established by
959 the Charter Schools Act of 1992.

960

SECTION 10: NOTIFICATION

961 All notices, requests, and other communications under this Agreement shall be in writing and mailed to
962 the proper addresses as follows:

To LACOE:

Controller's Office C/O Patricia Smith, Executive Director Los Angeles County Office of Education 9300 Imperial Highway Downey, CA 90242	or Charter School Office C/O Dina Wilson, Director II Los Angeles County Office of Education 9300 Imperial Highway Downey, CA 90242
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To the Charter School:

Name: <u>Dr. Caprice Young</u> Magnolia Science Academy-2 250 East 1 st St. Suite 1500 Los Angeles, CA 90012	Title: <u>Chief Executive Officer</u>
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963

To the Charter School governing board:

Name: Noel Unterberger Title: Board Chair
Magnolia Science Academy-2
250 East 1st St.
Suite 1500
Los Angeles, CA 90012

964 This Agreement, including Attachments A through D, contains the entire agreement of the parties with
965 respect to the matters covered hereby, and supersedes any oral or written understandings, agreement
966 or agreements between the parties with respect to the subject matter of this Agreement. No person or
967 party is authorized to make any representations or warranties except as set forth herein, and no
968 agreement, statement, representation or promise by any party hereto which is not contained herein
969 shall be valid or binding. The undersigned acknowledges that she/he has not relied upon any
970 warranties, representations, statements, or promises by any of the parties herein or any of their agents
971 or consultants except as may be expressly set forth in this Agreement. The parties further recognize
972 that this Agreement shall only be modified in writing by the mutual agreement of the parties.

Date Print Sign
Authorized School Representative, Magnolia Science Academy-2

Date Print Sign
Authorized Board Representative, Magnolia Science Academy-2

Date Patricia Smith, Executive Director
Business and Finance
Los Angeles County Office of Education

Attachment A: Student Achievement Plan Guidelines

I. Overview

A Student Achievement Plan is required to be submitted to the Los Angeles County Office of Education (LACOE) if the Charter School fails to meet all of its Measureable Pupil Outcomes (MPOs) and/or LCAP goals in any year. The Achievement Plan requires the Charter School to establish specific goals and actions the Charter School will take to improve student academic achievement in those areas identified through the MPOs and/or LCAP update as not meeting performance criteria. The Charter School shall be expected to present an annual update to the County Board of Education on the progress made in meeting goals identified in the Student Achievement Plan. These guidelines make explicit the elements that shall be addressed in the Student Achievement Plan for any subject area or criteria in which the Charter School falls short of targets. Data compiled from this Student Achievement Plan and the annual update, plus confirming evidence gathered during periodic site visits will provide LACOE with evidence of whether the Charter School is on track to its charter being renewed.

In addition to the MPOs and LCAP goals, the Charter School may incorporate a variety of additional outcome measures to further demonstrate academic achievement and organizational effectiveness. While these various supplemental measures will not carry as much weight as the required measures in making renewal decisions, they may be important in helping the Charter School achieve its academic goals and distinctive qualities in the Charter School's mission as well as highlight those goals.

II. Required Components of the Student Achievement Plan

For each area in which the Charter School did not meet its MPOs or LCAP goals, the Charter School shall submit a plan to the LACOE describing specific and concrete actions the Charter School will take in order to improve student achievement over the course of the current school year. The Student Achievement Plan shall address, at a minimum, the following elements:

- Methods or system the Charter School uses to examine student achievement data on a regular basis across grade levels, by subject matter, by significant subgroups, and across the Charter School as a whole.
- Analysis of the CAASPP results that identifies the specific problem in the area(s) not meeting targets and/or criteria.
- Specific actions, which follow from the examination of student data, which the Charter School will take to improve student achievement in the area(s) identified as needing improvement, including changes to curriculum, instruction, assessment, governance, and organization.
- Professional development plan for teachers and/or other staff that supports the activities the Charter School will implement to improve performance in targeted areas.
- Diagnostic assessments that will be used to enable the Charter School to monitor the effects of proposed changes on student performance.

The Charter School shall submit a draft Student Achievement Plan to LACOE by October 1 if the Charter School did not meet its MPOs or LCAP goals in the prior year. LACOE will review the draft plan and either approve it as submitted or request changes to it. If changes are required, the final Plan shall be due to LACOE by December 1.

Further information regarding API may be found at www.cde.ca.govitalaciap/index.asp on the LACOE website. Information on AYP, including targets and criteria may be found at www.cde.ca.goviteac/ayfindex.asp.

In accordance with AB 97, prior to July 1, 2015, these guidelines may be amended to reflect EC § 47605.5 and the implementing Regulations.

Attachment B: Fiscal Oversight Requirements and Financial Reporting

LACOE shall determine fiscal soundness of the Charter School by reviewing and analyzing the financial reports and documents provided by the Charter School. This determination shall be made each month and LACOE shall notify the Charter School in writing of any concerns it may have regarding the financial stability of the Charter School.

If the Charter School is in its first year of operation and will begin instruction by September 30, or if the Charter School is significantly expanding, the school may receive a special advance and/or allocation on their funding for certain state and federal categorical programs. The special advance and/or allocation are based on estimates of the school's upcoming enrollment, average daily attendance and/or pupil demographic data. These data estimates are submitted in the Pupil Estimates for New or Significantly Expanding Charters (PENSEC) report. This report should be submitted online on the CDE website with the original report submitted to LACOE, no later than the last day of July of that same year.

LACOE requires that the charter school shall make available for the authorizer's review any revisions in revenue and expenditures that it has made to its budget, not later than 45 days after the Governor signs the annual Budget Act, to reflect the funding made available by that Budget Act. This is pursuant to Ed. Code § 42127(i)(4).

In addition to the above, by the fifteen of each month the Charter School shall provide the following reports and documents with full disclosure of transactions to the Business Advisory Services Division for the prior month:

1. Monthly bank statements
2. Monthly bank reconciliations
3. Monthly general ledger
4. Statement of revenue and expenditures
5. Statement of financial position
6. Year to date budget to actual statement
7. Notes to financial statements

Beginning with the 2012–13 school-year, the Charter School will receive general purpose state aid funding pursuant to Proposition 30, known as the Education Protection Account (EPA). To be compliant with the requirements of Proposition 30, the school must:

1. The Charter School's governing board must meet to make spending determinations for the funds at an open public meeting.
2. Report the amount of funds received and how the funds will be/were spent.

LACOE may require additional financial related documents and shall request them of the Charter School as needed.

Attachment C: Reporting Timeline (Revised Annually)

**Los Angeles County Office of Education
Timeline and Due Dates**

Attachment D

Action of the County Board to Authorize the Charter School

(Provided as a separate file)

(Include with MOU)

Request for Taxpayer Identification Number and Certification

(Provided as a separate file)

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Los Angeles County Office of Education
Monitoring and Oversight Memorandum of Understanding¹

Magnolia Science Academy-3

Charter Authorization Period: July 1, 2017-June 30, 2022

Charter Type: Appeal of Denied Petition (EC § 47605) Establish Renew

Direct to County Board (EC § 47605.5) Establish Renew

Countywide Petition to County Board (EC § 47605.6) Establish Renew

INTRODUCTION

The Los Angeles County Board of Education (hereinafter “County Board”) is guided by the intent of the legislature, that quality charter schools are and should be an integral part of the California educational system. The County Board believes that charter schools provide an opportunity to implement accountability-based school-level reform, support innovation which improves student learning, and provide choice for parents. Charter schools operate under the provisions of the charter, applicable state and federal laws, and the general oversight of the County Board.

The County Board supports this effort by establishing a defined accountability system for determining the effectiveness of the charter schools it authorizes. Charter schools are public schools; as such, their performance is subject to review and comparison with any other publicly funded school. A charter school’s demographic composition should reflect the community it serves and in which it is located.

PURPOSE OF AGREEMENT

The State of California enacted the Charter Schools Act of 1992 authorizing the creation of charter schools with the intent that the schools improve student learning through a variety of means, including increased learning opportunities, innovative teaching methods, expanded choice for parents and pupils, and performance-based accountability.

Education Code (EC) § 47605 requires a charter petition to provide a “reasonably comprehensive description” of the manner in which the school will operate; it is not a comprehensive document. An agreement is a useful tool for clarifying the expectations, operations, and responsibilities of both parties beyond that which is required in the charter but is required for successful operation and monitoring of a charter school.

The County Board has established this Monitoring and Oversight Memorandum of Understanding (“Agreement”) to address matters not covered in the charter in order to clarify monitoring and oversight expectations and responsibilities. The Charter School Act allows the County Board to authorize charter schools under specified circumstances and by doing so, becomes the authorizing agency of the charter schools. The County Board has delegated to the County Superintendent of Schools (Superintendent), its obligation to oversee its authorized charter schools under the terms of this Agreement the provisions of the school’s charter, applicable laws, regulations, and County Board Policy and Administrative Regulations. The County Board reserves the right and authority to modify any decision made by the Superintendent, Los Angeles County Office of Education (hereinafter “LACOE”) or a designee.

The fundamental interest of LACOE is, on a continuing basis, to be reasonably assured that charter schools authorized by the County Board are:

¹ Adapted from the Memorandum of Understanding (MOU) utilized by the State Board of Education. This agreement reflects changes made for the Los Angeles County Board of Education as the authorizer.

- 37 • Implementing the provisions of the charter as approved
- 38 • Adhering to all federal, state, and local laws and regulations that apply to the charter school.
- 39 • Being operated prudently in all respects
- 40 • Providing a sound education pursuant to EC § 47605(b)(5)(A)(i-iii) including any future changes
- 41 and the California Core Content Standards for all of their students

42 LACOE will report periodically (annually or as requested or when necessary) to the County Board
43 regarding its delegated oversight of the Magnolia Science Academy-3 (hereinafter, "Charter School").

44 The County Board recognizes that there are matters related to the operation of the Charter School and
45 to the effective oversight of the Charter School by LACOE that go beyond the provisions included in the
46 school's charter. The County Board also acknowledges that the day-to-day operation of the Charter
47 School is appropriately carried out by the Charter School's leadership, faculty, and staff. This
48 Agreement is intended to address those matters that have not been covered in the charter and to
49 provide guidance on the oversight policies and procedures of the County Board, as carried out by
50 LACOE. Further, this Agreement is intended to outline the parties' agreement governing their
51 respective fiscal and administrative responsibilities and their legal relationships.

52 The Charter School petition and this signed Agreement, which includes:

- 53 • Attachment A: Student Achievement Plan Guidelines
- 54 • Attachment B: Fiscal Oversight Requirements and Financial Reporting
- 55 • Attachment C: Reporting Timeline (as revised yearly)
- 56 • Attachment D: County Board Action to Approve the Charter including Conditions for Approval
- 57 constitutes the conditions and terms under which the charter shall be monitored. To the extent
- 58 that the terms in the charter vary from the provisions of this Agreement, the Agreement shall
- 59 take precedence unless both parties agree to other terms.

60 The Charter School agrees that violation of a specific material provision of this Agreement is conclusive
61 proof that the Charter School has violated the conditions of the charter within the meaning of EC §
62 47607(c)(1). The Charter School further agrees that it waives any right to argue that this Agreement is
63 not enforceable or that violation of this Agreement is not a violation of the charter in any court,
64 administrative body, or before a mediator or arbitrator in any matter involving this charter.

65 **TERM OF AGREEMENT**

66 This Agreement shall commence on the date upon which it is fully executed by all parties and shall
67 cover the term of the charter. This Agreement between LACOE and the Charter School is inclusive of
68 Attachments A through D.

69 Any modification of this Agreement must be in writing and executed by duly authorized representatives
70 of the parties.

- 71 1. The duly authorized representatives of the Charter School are the governing board president,
72 CEO/Director or Principal of the Charter School or designee.
- 73 2. The duly authorized representative of the County Board is the County Superintendent of
74 Schools or designee. For purposes of material revision/amendments to the charter, such
75 revisions/amendments may only be made upon the approval of the Charter School's governing
76 board, and will take effect only if approved by the County Board.

77 This Agreement shall be reviewed at least annually and may be amended or augmented by addendum
78 at any time with mutual agreement. In the case of changes in law or County Board policy, the County
79 Board and the Charter School reserve the right to request modifications to this Agreement. Such
80 modifications, if agreed upon, shall be included as Addenda to this Agreement. Failure to reach

81 agreement on required changes to the Agreement which result in a violation of law will result in
 82 termination of the Agreement and lead to termination or revocation of the charter. The approved
 83 Agreement (including any subsequent addenda) shall continue unless modified in writing. If the Charter
 84 School becomes non-operational for any reason, this Agreement (including any addenda) shall remain
 85 in effect until closure procedures have been completed. The term of the charter automatically expires if
 86 the Charter School becomes non-operational, because of non-renewal, revocation, or closure.

87 **TERM OF THE CHARTER**

88 The Charter School is a public school that is or shall be operating pursuant to a charter (hereinafter the
 89 "charter"). On December 20, 2016, the County Board took action to approve the charter contingent
 90 upon the conditions specified in its action (Attachment D). Any condition of authorization that was not
 91 met through revision of the Charter may be addressed in this Agreement.

- 92 • The Charter School shall operate as a classroom based charter school within the geographic
 93 boundaries of the Los Angeles Unified School District in the county of Los Angeles in
 94 accordance with EC § 47605.
- 95 • The Charter School shall serve grades 6-12 and shall have an approximate enrollment of 449.
- 96 • The Charter School shall have a five (5) year term to expire on June 30, 2022. The provisions of
 97 the charter and the Agreement shall be aligned.

98 The Charter School shall be responsible for all the functions of a charter school subject to applicable
 99 statutes, the terms and conditions set forth in the charter, and this Agreement.

100 The County Board reserves the right to approve material revisions to the charter as authorized and/or
 101 revoke the charter as specified in EC § 47607.

102 This Agreement is subject to termination during its term as specified by law or as set forth in this
 103 Agreement.

104 **SECTION 1: GOVERNANCE AND ORGANIZATIONAL MANAGEMENT**

105 The Charter School is operated by Magnolia Educational and Research Foundation , a nonprofit public
 106 benefit corporation, formed and organized pursuant to the Nonprofit Public Benefit Corporation Law
 107 (Corporations Code § 5110 et seq.) The Charter School is a separate legal entity and neither the
 108 County Board nor LACOE is liable for the debts and obligations of the Charter School so long as the
 109 County Board has provided oversight in accordance with EC § 47604(c). The County Board reserves
 110 the right to appoint a single representative to the Charter School's Board of Directors pursuant to EC
 111 47604(b). The Charter School shall use all revenue received from state and federal sources only for the
 112 educational services specified in the charter and this Agreement for the benefit of the students enrolled
 113 in and attending the Charter School. Other sources of funding must be used in accordance with
 114 applicable state and federal statutes, and the terms or conditions of any grant or donation.

115 **1.1 Organization**

116 The Charter School shall have a phone number and e-mail address posted on its website and shall
 117 update the posting immediately whenever the information changes. The Charter School's website shall
 118 also identify the authorizing entity as the Los Angeles County Board of Education. Prior to opening,
 119 annually and upon revision, the Charter School shall provide LACOE with the following information in
 120 accordance with Attachment C, Reporting Timeline, and as updated:

- 121 • Contact information, including phone numbers, official addresses and e-mail addresses for the
 122 principal contacts for the Charter School and ensure that this information is kept current.
- 123 • Organization chart displaying relationship between governing board and the Charter School
 124 leadership.

- 125 • Immediate written notice (within 10 calendar days) of any changes in the Charter School's
126 directors, officers, and administrators, and ***provide resumes for the new individuals.***

127 **1.2 Governing Board Establishment**

128 Prior to opening, annually, and upon revision, the Charter School shall provide to LACOE the following
129 information; the Charter School shall also have the information posted on its website at all times the
130 Charter School is operational and shall update the information within 30 days of any changes:

- 131 • Articles of Incorporation
- 132 • Bylaws approved by the governing board
- 133 • Conflict of Interest Policy
- 134 • Roster and resumes of current governing board members

135 The Charter School shall provide to LACOE's Assistant Controller, (who serves as the filing officer),
136 annually (except where noted otherwise in Attachment C, Reporting Timeline) and as updated
137 Assuming Office, Leaving Office, and Annual Filings for the Statement of Economic Interests, Form 700
138 for all designated filers pursuant to the Conflict of Interest Code of the Los Angeles County Office of
139 Education in a timely manner as follows:

- 140 • Assuming Office Statements (i.e., Form 700) – within 30 calendar days of a designated filer
141 assuming the responsibilities for the Charter School for the position the designated filer is
142 submitting a Form 700.
- 143 • Leaving Office Statements (i.e., Form 700) – within 30 calendar days of a designated filer no
144 longer having responsibilities for the Charter School for the position the designated filer
145 submitted an Assuming Office Form 700; and
- 146 • Annual Statement – by the annual deadline established by the Fair Political Practices
147 Commission each year, which is typically April 1st.

148 **1.3 Governing Board Activities**

149 A. Calendar: The Charter School shall provide an annual calendar of regular meetings of the governing
150 board, including a description of how students, parents, and community members shall be notified of
151 meetings.

152 B. Governing Board Meetings: The governing board of the Charter School shall conduct public
153 meetings included on the annual calendar at such intervals as are necessary to ensure that the board is
154 providing sufficient direction to the Charter School through implementation of effective board policies
155 and procedures. Governing board meetings shall be conducted in keeping with the requirements of the
156 Ralph M. Brown Act (Government Code § 54950 - 54962). Governing board adopted policies, meeting
157 agendas and minutes shall be maintained and available for public inspection and during site visits. For
158 all regular and special meetings of the governing board and all standing committee meetings, the
159 Charter School shall provide LACOE with written notification of the meeting, including a copy of the
160 posted agenda, and shall be posted on the Charter School's website no less than 72 hours prior to a
161 regular meeting and no less than 24 hours prior to a special meeting. The posted agenda shall contain
162 a description of where the agenda was posted and that the meeting is held in compliance with the
163 Americans with Disabilities Act.

164 Within ten (10) working days of board meetings, the Charter School shall provide LACOE with an audio
165 recording of the meeting and all materials provided to the governing board by its administration,
166 contractors, or the public including approved previous meeting minutes. Once approved by the Charter
167 School's governing board, the Charter School shall provide LACOE with a copy of the minutes of the
168 meeting within ten (10) calendar days. All policies, policy changes, and approved meeting minutes shall
169 be posted on the Charter School's website no more than 30 days after each meeting.

170 C. Brown Act Training: The Charter School shall provide Brown Act training to its governing board
 171 members and administrative staff **prior** to the execution of any duties. The Charter School shall certify
 172 to LACOE annually or after any changes in governing board members or administrative staff that the
 173 Brown Act training was provided.

174 D. Governing Board Policies: Prior to opening, the governing board shall develop and adopt policies
 175 and procedures to guide the operation of the Charter School, including but not limited to, policies in the
 176 following areas. The policies shall comply with law and be aligned to the approved charter. A copy of
 177 these policies and procedures shall be submitted to LACOE no less than 30 days prior to opening,
 178 annually, and upon revision. All policies and procedures are subject to review during site visits. Policies
 179 identified with an asterisk shall be posted on the Charter School's website at all times the Charter
 180 School is operational; the website will be updated within 30 days of any revision.

- 181 • *Conflicts of Interest Policy: If it has not already done so for the current year, at the first meeting
 182 of the Charter School's governing board, following receipt of the MOU and each July thereafter,
 183 the Charter School's governing board shall: (1) adopt a conflict of interest policy, including
 184 provisions related to nepotism, for itself and the Charter School's employees and contractors to
 185 ensure that no action taken by an individual or organization covered by the policy results in
 186 actual or apparent conflicts of interest; (2) provide verification that all board members and
 187 designated Charter School management employees (i.e., Form 700 filers) have participated in
 188 conflict of interest training; and (3) take action to comply with the Political Reform Act and its
 189 implementing regulations, including adoption of the Conflict of Interest Code of the Los Angeles
 190 County Office of Education. *Where the filing requirements for the authorizing entity and the*
 191 *Charter School are discrepant with regard to designated filing positions and/or assigned*
 192 *disclosure categories, the requirements of the authorizing entity shall prevail.* The Charter
 193 School shall follow the Political Reform Act, the California Corporation Code, and IRS
 194 regulations.
- 195 • *Internal Fiscal Control Policies: The Charter School shall develop and maintain internal fiscal
 196 control policies governing all financial activities that are approved by the governing board. **The**
 197 **charter school shall submit these policies to LACOE no later than 30 days** prior to opening
 198 **and within 10 days of governing board approval** whenever the policies are revised
- 199 • Adherence to County Board of Education Policy and Regulation: At the first governing board
 200 meeting of the Charter School following receipt of the MOU and each July thereafter, the
 201 governing board of the Charter School shall review and acknowledge in its board minutes that it
 202 shall adhere to all policies and regulations pertaining to charter schools that have been adopted
 203 by the Los Angeles County Board of Education and Superintendent, as long as the policies do
 204 not conflict with Education Code. All new and/or revised policies and procedures will be posted
 205 on the Charter School's website no more than 14 days after their adoption. Updated policies
 206 and regulations are available to the Charter School on our website www.lacoe.edu.
- 207 • Criminal Background Check Policies: These policies shall set the school's standards for
 208 employment, volunteering, vendors, and contractors.
- 209 • *Educational and Admissions Policies: These policies include admissions, enrollment, and
 210 lottery process; electronic device use; special education; homeless and foster youth;
 211 independent study; requirements for graduation and for the Certificate of Completion (as
 212 applicable)².
- 213 • *Uniform Complaint Procedures: Uniform Complaint Procedures (UCP), approved by the
 214 Charter School's governing board, shall be posted at all of the Charter School's sites, in a place
 215 available for public viewing and on its website. Complaint procedures shall identify the Los

² If these policies are incorporated into documents that are posted on the Charter School's website, the posting of those documents is sufficient, it is the Charter School's responsibility to identify the document location.

216 Angeles County Board of Education as the authorizer, and provide the telephone number to the
217 LACOE Charter School Office and the LACOE website (www.lacoe.edu).

218 • *Health Policies: Policies related to absences, illness, medications, blood borne pathogens,
219 immunization requirements, for providing emergency medical services, establishing the Section
220 504 Accommodation Plan².

221 • *Comprehensive School Safety Policies: Policies that provide for a safe learning environment
222 for all pupils. Policies shall include but are not limited to those areas specified and/or associated
223 with EC 32280-32289, as described in Section 1.4(B) of this document.

224 • *Parent/Student Handbook: The governing board shall approve the Parent/Student Handbook to
225 ensure it complies with law and is aligned with the Charter School's board-approved policies
226 and authorized charter. The governing board shall ensure that it is distributed in hard copy to all
227 families each year, to new enrollees during registration, and upon request, and that it is at all
228 times available online. At a minimum, the handbook shall include detailed expectations for
229 student attendance, behavior, and discipline, including policies and consequences for bullying
230 and harassment, due process rights related to discipline (including suspension, expulsion, and
231 special education), and should include policies regarding dress code, student fees and field
232 trips, and the school calendar and bell schedule. Also, a description of complaint procedures
233 that parents may pursue in the event of disagreements, Independent Study and graduation
234 and/or Certificates of Completion requirements. An annual parent meeting shall be held to
235 inform parents regarding policies. The handbook shall be translated into language(s) most
236 represented in the Charter School.

237 • Employee Handbook: The governing board shall approve the Employee Handbook to ensure it
238 complies with law and is aligned with the Charter School's board-approved policies and
239 authorized charter. The governing board shall ensure that it is distributed in hard copy to each
240 employee at the time of their hire and each year at the beginning of the school year. At a
241 minimum, the handbook shall include detailed expectations for standard rules of behavior,
242 employee performance, employee problem solving, due process rights of employees related to
243 disciplinary actions including termination, compensation and benefit information, and a
244 description of both formal and informal complaint procedures, discrimination and harassment,
245 workplace security, drug and alcohol policies, at-will employment (if applicable), confidentiality,
246 electronic communications, family and medical leave and employee benefits.

247 Amendments to the employee handbook may be made and distributed to employees by the
248 Charter School during the year. A copy of the handbook may be reviewed during site visits.

249 **1.4 Administration**

250 A. Enrollment and Admissions Documentation: The Charter School shall maintain on file and provide to
251 LACOE upon request the following information:

252 • Descriptions of outreach and recruitment activities that have been conducted to reach target
253 populations as described in the charter

254 • Procedures for application, enrollment, admission, wait listing and lotteries for placement
255 (enrollment preferences) as described in the charter

256 • Evidence of enrollment preferences consistent with the charter and with LACOE conditions of
257 operation

258 • Copy of application and enrollment forms and information provided to prospective families

259 • Documentation, while pertinent, that start-up enrollment is consistent with enrollment numbers
260 described in the charter

261 • Evidence that each student is a resident of California in accordance with EC § 47612

- 262 • For students over 18, evidence that each student has been continuously enrolled (no break in
263 enrollment greater than 20 school days) in an educational program and is making satisfactory
264 progress toward completion of a high school diploma

265 B. Health and Safety Plans: Prior to opening, annually, and upon revision, the Charter School shall
266 provide to LACOE, and have posted on the Charter School's website, a copy of its Health and Safety
267 Plans as follows:

- 268 • A copy of its health plan for students and employees including policies and procedures related
269 to absences, illness, medications, blood borne pathogens, immunization requirements, plan for
270 providing emergency medical services, establishing a Section 504 Accommodation Plan, and
271 health/mental health services available at and/or through the Charter School.
- 272 • A copy of its Comprehensive School Safety Plan that addresses all components of EC § 32280-
273 32289.
- 274 • Student Discipline including a list of offenses for which students may be given detention, or may
275 and must be suspended or expelled, the procedures for suspension or expulsion, procedures by
276 which parents and students shall be informed about reasons for suspension or expulsion, and of
277 their due process rights in regard to the disciplinary action.
- 278 • Campus Supervision and Visitors including supervision of students before and after school,
279 while on campus, and student drop-off and pick-up; policies related to visitors on campus,
280 entering and leaving the campus.
- 281 • Child Abuse Reporting including procedures consistent with Article 2.5 (commencing with
282 Section 11164) of Chapter 2 of Title 1 of Part 4 of the Penal Code. The policy should include a
283 timeline for the annual training of mandated reporters and the process to be used by staff for
284 reporting suspected child abuse to the appropriate authorities.
- 285 • Teacher Notification of Dangerous Students including procedures to be used to notify teachers
286 of dangerous pupils pursuant to EC 49079.
- 287 • Discrimination and Harassment consistent with the prohibition of discrimination contained in EC
288 Part 1, Chapter 2 (commencing with section 200). The policy should include how the information
289 will be communicated to stakeholder groups and how related complaints may be filed.
- 290 • Dress Code including school-wide dress code, pursuant to EC 35183, that prohibits pupils from
291 wearing "gang-related apparel" or other items that, if worn on a school campus, could be
292 reasonably determined to threaten the health and safety of the school environment.
- 293 • Safe and Orderly Environment including procedures designed to ensure a safe and orderly
294 environment conducive to learning at the school in accordance with EC § 32282(a)(2)(H).
- 295 • Code of Conduct for all students clearly stating the responsibilities of students, teachers, and
296 administrators in maintaining a classroom environment that allows a teacher to communicate
297 effectively with all students in the class, allows all students to learn, has consequences that are
298 fair and age-appropriate, considers the student and circumstances and is enforced accordingly.
- 299 • Anti-Bullying including procedures aimed at the prevention of bullying, including cyber bullying,
300 to be developed in accordance with AB 9 and that include clear procedures for reporting
301 incidents of bullying or harassment.
- 302 • Disaster/Emergency Response Plan including the protective measures and procedures to be
303 followed in the event of a natural disaster or other incident that threatens the health and safety
304 of students and staff (ex. earthquake, fire, bomb threat or intruders on campus). Procedures
305 should include accommodations for pupils with disabilities and information to parents on the
306 student release process.

307 The section of the plan that addresses intruders on campus, bomb threats and other information
 308 that would compromise the Charter School's security **should not** be included in the website
 309 posting.

- 310 • Evidence that staff has been trained in health, safety, and emergency procedures.
- 311 • A calendar of emergency drills for students.

312 The Charter School shall provide training for staff in responding to emergencies and conduct routine
 313 emergency response drills for its students.

314 C. Notice to Parents/Guardians: Annually, the Charter School shall provide to LACOE a copy of the
 315 annual notice sent to all parents/guardians regarding their rights under the Family Educational Rights
 316 and Privacy Acts (FERPA).

317 If the Charter School receives Title I funding, parent notice shall provide information regarding the
 318 federal Every Student Succeeds Act (ESSA), including the right to request and receive essential
 319 information about the professional and qualifications of the teacher(s) instructing their child.

320 ***At all times the Charter School is operational, it shall post on its website and in the school's***
 321 ***office(s), a notice that the Charter School is authorized by the Los Angeles County Board of***
 322 ***Education and the contact telephone number for the Los Angeles County Office of Education,***
 323 ***Charter School Office.***

324 D. Family Educational Rights and Privacy Act (FERPA): Employees of the Charter School who have a
 325 legitimate educational interest are entitled to access students education records under 20 U.S.C.A. §
 326 1232g, the Family Educational Rights and Privacy Act (FERPA) and EC § 49076(b)(6). The Charter
 327 School, its officers and employees shall comply with FERPA at all times. In addition, it is agreed that
 328 LACOE has an educational interest in the educational records of the Charter School such that LACOE
 329 shall have access to those records for reasons that include, but are not limited to, records requests,
 330 complaints, and school closure. Records at a minimum, shall include emergency contact information,
 331 health and immunization data, attendance summaries, and academic performance data from the
 332 statewide student assessments required pursuant to EC §§ 60605 and 60851.

333 E. Criminal Record Summaries:

- 334 • Department of Justice (DOJ) Clearance: Prior to hiring any employee, the Charter School must
 335 obtain an Originating Agency Identifier (ORI) and receive approval of its designated Custodian
 336 of Records from the DOJ for the purposes of processing all school employees for DOJ
 337 clearance. Obtaining an ORI cannot be done prior to having obtained a school location.
- 338 • All employees of the Charter School, parent and non-parent volunteers who will be performing
 339 services that are not under the direct supervision of a certificated teacher, and onsite vendors
 340 and contractors having unsupervised contact with students shall submit to background checks
 341 and fingerprinting in accordance with EC §§ 44237 and 45125.1. The Charter School shall
 342 maintain documentation, and provide to LACOE upon request, that all employees, volunteers,
 343 and vendors (as applicable) have clear criminal records summaries prior to their having any
 344 unsupervised contact with students. The Charter School shall maintain on file and have
 345 available for inspection during site visits, evidence that the Charter School has performed
 346 criminal background checks for all employees and volunteers (as applicable) and
 347 documentation that vendors have conducted required criminal background checks for their
 348 employees prior to any unsupervised contact with students. The Charter school shall provide
 349 certification to LACOE that all employees and volunteers/vendors (as applicable) have cleared a
 350 criminal background check prior to any unsupervised contact with students.
- 351 • Any visitor to the Charter School shall wear an appropriate identification badge while at the
 352 Charter School.

353 F. Data Reporting: The Charter School shall directly report data to the California Department of
 354 Education (CDE) meeting all required deadlines. These reporting engines include, but are not limited to,
 355 the California School Information Service (CSIS), the California Longitudinal Pupil Achievement Data
 356 System (CALPADS), the Consolidated Application (ConApp), and the CDE charter school database.

357 Some of the specific documents to be submitted are as follows:

- 358 • Charter School Annual Information Survey
- 359 • Local Educational Plan (LEA) Plan
- 360 • Federal Cash Management
- 361 • Consolidated Application

362 A copy of the Consolidated Application, as approved by the school's governing board, and sent to CDE,
 363 shall be submitted to the Charter School Office annually and upon revision.

364 G. The School Accountability Report Card (SARC): On or before the date determined by the CDE each
 365 year, the Charter School shall post its SARC on the Charter School's website. The Charter School may,
 366 but is not required to, use the template developed by the CDE and available at
 367 <http://www.cde.ca.gov/talac/sa> as a guide. The Charter School shall include all elements as determined
 368 by the CDE. If the Charter School does not maintain a school website, it shall print and make copies of
 369 the SARC available to parents and other members of the community and provide CDE with a copy of
 370 the SARC to post on its website. If the Charter School posts the SARC on its website, and receives a
 371 request for a copy, it shall provide the copy at no charge.

372 H. Insurance and Risk Management: Before any individuals are employed, or property or facilities are
 373 acquired or leased, the Charter School shall procure from an insurance carrier licensed to do business
 374 in the State of California, or shall otherwise participate in a Joint Powers Authority (JPA) or other self-
 375 insurance pool consistent with Government Code § 6528 and keep in full force during the term of the
 376 charter, no less than the following insurance coverage:

- 377 • Commercial General Liability, including Damage to Rented Premises coverage (only required
 378 for rented premises the tenant occupies), of \$5,000,000 per Occurrence and in the Aggregate.
 379 The policy shall be endorsed to name the Los Angeles County Office of Education and the
 380 County Board of Education ("County Board") as named additional insured and shall provide
 381 specifically that any insurance carried by the District which may be applicable to any claims or
 382 loss shall be deemed excess and the Charter School's insurance shall be primary despite any
 383 conflicting provisions in the Charter School's policy. Coverage shall be maintained with no Self
 384 Insured Retention above \$15,000 without the prior written approval of the Office of Risk
 385 Management for the LACOE.
- 386 • Workers' Compensation Insurance in accordance with provisions of the California Labor Code
 387 adequate to protect the Charter School from claims that may arise from its operations pursuant
 388 to the Workers' Compensation Act (Statutory Coverage). The Workers' Compensation
 389 Insurance coverage must also include Employers Liability coverage with limits of
 390 \$1,000,000/\$1,000,000/\$1,000,000.
- 391 • Commercial Auto Liability, including Owned, Leased, Hired, and Non-owned, coverage with
 392 limits of \$1,000,000 Combined Single Limit per Occurrence if the Charter School does not
 393 operate a student bus service. If the Charter School provides student bus services, the required
 394 coverage limit is \$5,000,000 Combined Single Limit per Occurrence.
- 395 • Fidelity Bond coverage shall be maintained by the Charter School to cover all Charter School
 396 employees who handle, process or otherwise have responsibility for Charter School funds,
 397 supplies, equipment or other assets. Minimum amount of coverage shall be \$50,000 per
 398 occurrence, with no self-insured retention.

445 J. Employee Contracts or Agreements: Prior to opening, annually, and upon revision, the Charter
 446 School shall provide to LACOE a sample copy of the employee contract that, at a minimum, states that
 447 the Charter School is the exclusive employer of employees and has sole responsibility for employment,
 448 management, dismissal, and discipline of its employees. Employee contracts, for each type of
 449 employee, shall be available for review by LACOE upon request.

450 K. Teacher Credentials, Highly Qualified Teacher Requirements, and Non-Certificated Personnel:
 451 Biannually in October and February, in accordance with Attachment C, Reporting Timeline, the Charter
 452 School shall provide to LACOE an all Staff Information List (certificated and non-certificated personnel)
 453 and documentation that all teachers hold a Commission on Teacher Credentialing certificate, permit, or
 454 other document equivalent to that which teachers in other public schools are required to hold, except as
 455 otherwise exempted by The Charter Schools Act.

456 The Charter School shall adhere to all provisions of employment laws applicable to charter schools
 457 including, but not limited to, EC § 47612.5(e)(1) which states: "Notwithstanding any other provision of
 458 law, and as a condition of apportionment, "classroom-based instruction" in a charter school, for the
 459 purposes of this part, occurs only when charter school pupils are engaged in educational activities
 460 required of those pupils and are under the immediate supervision and control of an employee of the
 461 school who possesses a valid teaching certification in accordance with subdivision (I) of Section
 462 47605."

463 L. Specific Roles to be Identified:

- 464 • School Accountability Report Card (SARC) Coordinator – To ensure timely receipt of important
 465 SARC information, it is the Charter School's responsibility to register and/or update the contact
 466 information for a school employee who will assume the responsibilities of SARC Coordinator on
 467 the California Department of Education's (CDE) Accountability Report Card Listserv web page.
 468 This is a user managed unrestricted listserv available to the public.
- 469 • Accountability (Testing) Coordinator – Coordinates and supervises implementation and
 470 administration of federal testing programs, statewide testing programs, state field testing and
 471 sample testing, and local group testing programs. It is the Charter School's responsibility to
 472 name a school employee who will manage, coordinate, identify, organize and distribute
 473 materials and ensure fidelity to the requirements of testing and ensure that all testing
 474 information is properly reported.
- 475 • Custodian of Records – Person responsible for processing, reviewing and maintaining DOJ
 476 clearance records. The individual must receive approval to fulfill this role from the DOJ.
- 477 • Homeless and Foster Youth Liaison – Individual responsible to act as point of contact for
 478 families as required by federal law: 42 USC § 11432 (g)(1)(J)(ii).

479 M. Business Services, Education Management, and Vendor Contracts: If within the term of the charter,
 480 the Charter School contracts with a vendor to provide business services including but not limited to
 481 payroll, accounting and budgeting, attendance accounting, fiscal reporting, contract management, or
 482 purchasing, the Charter School must provide LACOE a copy of the agreement that specifies the exact
 483 services to be provided and their cost, the term of the contract and the Charter School's provisions for
 484 monitoring the contract to ensure compliance with the contract and quality of service. **The charter
 485 school shall submit all contracts to LACOE no later than 30 days prior to opening and within 10
 486 days of governing board approval whenever a new contract is entered into or revised.**

487 N. Management Contracts: **Prior** to entering into a new or revised contract with an education or charter
 488 management organization (EMO/CMO), the Charter School shall provide LACOE with the following:

- 489 • A draft of the proposed management contract.
- 490 • A recent corporate annual report and audited financial statements for the EMO/CMO.
- 491 • A description of the EMO/CMO's roles and responsibilities for the management of the Charter.

- 492 • School and the internal controls that shall be put in place to guide the relationship.
- 493 • A list of other charter schools managed by the EMO/CMO and the academic and operational
- 494 results of such management.
- 495 • A list of and background on the EMO/CMO's leaders and board of directors.
- 496 • A letter of assurance from the EMO/CMO that it has conflict of interest policies in place and that
- 497 none of the principals of either the EMO/CMO or the Charter School have conflicts of interests.

498 The County Board considers entering into a contract with an EMO/CMO not identified in the charter to
 499 be a material revision to that charter. The County Board shall review and approve any charter school
 500 management contracts prior to the Charter School entering into the contract. (See Section 4.1 Material
 501 Revision to Charter)

502 O. Facilities: No later than 60 days prior to the opening of school or the occupying or re-occupying of a
 503 facility or site, including learning centers, satellite facilities, administrative offices, and/or other facilities
 504 used by the Charter School, the Charter School shall provide evidence that the facility is/will be
 505 adequate for the Charter School's needs.

- 506 • A pre-opening site visit will be conducted regardless of whether the Charter School is locating in
 507 a facility provided by a district under EC § 47614 (Proposition 39), in a privately-leased facility,
 508 or in a facility to be occupied under any other arrangement.
- 509 • Prior to signing any lease or similar document, the Charter School will ensure compliance with
 510 EC § 17215 regarding sites located near runways or potential runways.
- 511 • The Charter School will provide a written signed Agreement (lease or other similar document)
 512 indicating the Charter School's right to use the principal school site and any ancillary facilities
 513 identified by the Charter School for the first year of the School's operation and upon any
 514 change.
- 515 • Prior to opening a site or before an existing school may occupy a new or different facility,
 516 LACOE will conduct a site review to determine that the facilities are clean, safe, Americans with
 517 Disabilities Act (ADA) compliant, and have the necessary local approvals to operate. The
 518 Charter School may not operate in the facility until the County Board has granted approval to do
 519 so. Section 1.4 O of this Agreement describes the pre-opening site visit process and
 520 requirements.
- 521 • At all times it is operational, the Charter School shall maintain on file, post as required, and
 522 furnish upon request, certification that its facility or facilities is/are located at a site or sites zoned
 523 and/or permitted for operation of a charter school (grades 6-12) and has been cleared for use as
 524 a charter school by all appropriate local authorities (EC § 47610(d)). The facility shall meet all
 525 applicable fire marshal clearances, certificates of occupancy, signed building permit inspections,
 526 and approved zoning variances. The Charter School cannot exempt itself from applicable/local
 527 zoning or building code ordinances.
- 528 • If the Charter School seeks facilities from the district in which it intends to locate, or is located,
 529 under EC § 47614 (Proposition 39), it will follow applicable statute and regulations regarding
 530 timely submission of such a request to the district. LACOE will conduct a pre-opening site
 531 review to approve any facilities allocated to the school by the district.
- 532 • LACOE will conduct an annual facilities inspection to ensure the facility is adequate for the
 533 Charter School's needs, is safe, and complies with all applicable codes, laws, and ordinances.
 534 The school will be expected to make any required corrections identified by the facilities
 535 inspection team within a timeframe that is commensurate with the violation, or concern.
- 536 • Once open, a Charter School may change facilities only with prior approval of the County Board.

- 537 • Under ordinary circumstances, the Charter School shall provide LACOE not less than 60 days
 538 notification of any change in facilities in order for LACOE to conduct a site visit prior to students
 539 attending the new facilities. Under extraordinary circumstances, (e.g., a change of facilities
 540 necessitated by fire or natural disaster), LACOE may waive the pre-opening site visit.

541 **SECTION 2: EDUCATIONAL PERFORMANCE**

542 **2.1 Adherence to the Eight Areas of State Priority**

543 The Charter School must recognize the importance of ensuring all students, including all student
 544 subgroups, unduplicated students, and students with exceptional needs have attained the skills,
 545 knowledge, and attitudes specified in the school's educational program. To ensure success, a
 546 description of annual goals to be achieved in the following eight State Priorities as they apply to the
 547 grade levels served, or the nature of the program operated, by the Charter School.

	State Priority	Description
1	Basic Services	The degree to which teachers are appropriately assigned (EC § 44258.9) and fully credentialed, and every pupil has sufficient access to standards-aligned instructional materials (EC § 60119), and school facilities are maintained in good repair (EC § 17002(d)).
2	Implementation of Common Core State Standards	Implementation of Common Core State Standards, including how EL students will be enabled to gain academic content knowledge and English language proficiency
3	Parental Involvement	Parental involvement, including efforts to seek parent input for making decisions for schools, and how the school will promote parent participation
4	Student Achievement	Pupil achievement, as measured by all of the following, as applicable: <ol style="list-style-type: none"> CA Measurement of Academic Progress and Performance statewide assessment Percentage of pupils who have successfully completed courses that satisfy UC/CSU entrance requirements, or career technical education Percentage of ELs who make progress toward English language proficiency as measured by the California English Language Development Test (CELDT) and/or English Language Proficiency Assessment for California (ELPAC) EL reclassification rate Percentage of pupils who have passed an AP exam with a score of 3 or higher Percentage of pupils who participate in and demonstrate college preparedness pursuant to the Early Assessment Program (EC § 99300 et seq.) or any subsequent assessment of college preparedness
5	Student Engagement	Pupil engagement, as measured by all of the following, as applicable: <ol style="list-style-type: none"> School attendance rates Chronic absenteeism rates Middle school dropout rates (EC § 52052.1(a)(3)) High school dropout rates High school graduation rates
6	School Climate	School climate, as measured by all of the following, as applicable: <ol style="list-style-type: none"> Pupil suspension rates Pupil expulsion rates Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness
7	Course Access	The extent to which pupils have access to, and are enrolled in, a broad course of study, including programs and services developed and provided to unduplicated students (classified as EL, FRPM- eligible, or foster youth; EC § 42238.02) and students with exceptional needs. "Broad course of study" includes the following, as applicable: Grades 1-6: English, mathematics, social sciences, science, visual and performing arts, health, physical education, and other as prescribed by the governing board. (EC

	State Priority	Description
		§ 51210) Grades 7-12: English, social sciences, foreign language(s), physical education, science, mathematics, visual and performing arts, applied arts, and career technical education. (EC § 51220(a)-(i))
8	Other Student Outcomes	From the subject areas described above in "Course Access" (or #7), as applicable.

548 The Local Control and Accountability Plan (LCAP) and annual update template shall be used to provide
549 details regarding the charter school's actions and expenditures to support pupil outcomes and overall
550 performance. The Charter School is expected to describe goals and specific actions to achieve those
551 goals for all pupils and each subgroup of pupils identified in EC § 52052, including pupils with
552 disabilities for each of the state priorities that apply for the grade levels served, or the nature of the
553 program operated by the Charter School. The Charter School may identify additional school priorities,
554 the goals for the school priorities and the specific annual actions to achieve those goals.

555 2.2 Academic Performance

556 Academic Standards are the **benchmarks** of quality and excellence in education. Benchmarks indicate
557 the interim steps a student will take to reach an annual goal or objective. The benchmarks serve as a
558 measurement gauge to monitor a student's progress and to determine if the student is making sufficient
559 progress towards attaining those goals.

560 It will be the responsibility of the Charter School to submit to the LACOE, in a timely manner, the results
561 of the academic performance of the students, biannually. The results shall be provided for both English
562 Language Arts and Mathematics. Those results should provide the comparison of the students from
563 their baseline assessment to their mid-year and then to their end of year results.

- 564 • Mid-Year: mid-point of the fall semester or end of first trimester.
- 565 • End-of-year: mid-to-end of spring semester, end-of-second trimester or mid-third trimester.

566 This data must be submitted electronically in a format easily read by LACOE staff. In submitting
567 benchmark school specific data, the Charter School must address how the students are progressing
568 towards the measurable pupil outcomes written in the charter.

569 2.3 Educational Program

570 At all times it is operational the Charter School shall have available the information listed below. The
571 information shall be submitted to LACOE prior to opening, whenever updated, and upon request:

- 572 • Scope and sequence for all subjects to be offered by the Charter School during the school year
573 and during any supplemental instruction offering.
- 574 • The complete educational program for students to be served during the first year and each
575 subsequent year of operation including, but not limited to:
 - 576 (1) A description of the curriculum and identification of the basic instructional materials to be
577 used.
 - 578 (2) Plans for professional development for instructional personnel who will deliver the
579 curriculum and use the instructional materials, including agendas, topics to be covered,
580 and speakers.
 - 581 (3) Results of interim/benchmark assessments used to evaluate student specific progress
582 during the school year in addition to the results of the California Assessment of Student
583 Progress and Performance (CAASPP) program in evaluation of student progress.
 - 584 (4) If a high school, the University of California course descriptions submitted to UC Doorway
585 (<http://www.ucop.edu/doorwav/>).

- 586 (5) The Charter School's annual calendar for the school year that includes the number of
 587 instructional days (minimum 175 days or as required by law), the annual instructional
 588 minutes, minimum or early release days, holidays, board recess days, and professional
 589 development days.
- 590 (6) Daily bell schedule for site-based programs that includes any passing time, breaks or
 591 recess, lunch breaks, before and after school activities.
- 592 (7) Designation of any nonclassroom-based instructional days.
- 593 (8) Sample student contracts, description of frequency of contact with teachers, pupil/teacher
 594 ratios, and description of how student work will be evaluated for time value for
 595 nonclassroom-based programs (if applicable).
- 596 (9) Initial and mid-term (as appropriate) Western Association of Schools and Colleges
 597 (WASC) accreditation self-study and visiting committee reports (if the school seeks such
 598 accreditation).
- 599 (10) The Charter School's Single Plan/Single School District Plan (if applicable).

600 **2.4 Student Achievement Plan³**

601 The Charter School shall not be required to submit a Student Achievement Plan if it has met its LCAP
 602 goals both school-wide and by significant subgroups, each year. If the Charter School fails to meet
 603 goals school-wide or by numerically significant subgroups, it shall be required to submit a Student
 604 Achievement Plan to LACOE according to the following dates:

- 605 • December 1 - Draft Student Achievement Plan
- 606 • February 1 - Final Student Achievement Plan

607 If the Charter School is seeking renewal of a charter and has not met its LCAP goals in the prior year, it
 608 shall submit a draft Student Achievement Plan for the future concurrent with the charter renewal
 609 request.

610 The Charter School shall implement its final Student Achievement Plan that sets forth school specific
 611 goals, how progress towards and achievement of each goal shall be measured, and plans for
 612 addressing areas identified as needing improvement. The Student Achievement Plan shall build upon
 613 the assessment measures, educational goals, and student outcomes described in the charter petition,
 614 and shall provide for more stringent assessment measures, educational goals, and student outcomes
 615 than those described in the charter petition. If the final Student Achievement Plan is less stringent than
 616 the charter, this shall be considered a material revision to the charter and shall be subject to County
 617 Board of Education review and approval. The specific requirements of the Student Achievement Plan
 618 are described in Attachment A, Student Achievement Plan Guidelines.

619 **2.5 Annual Report**

620 Beginning with the second year of operation, by December 1 each year, the Charter School shall
 621 submit a written "Annual Report/School Accountability Report Card" (SARC) to the County Board of
 622 Education for the prior year that examines and describes the following:

- 623 • California Assessment of Student Performance and Progress (CAASPP) results both in
 624 aggregate and disaggregated by numerically significant subgroups.
- 625 • Progress made toward each of the educational goals and student outcomes identified in the
 626 charter (Measureable Pupil Outcomes).
- 627 • Evidence that the Charter School is systematically examining student data and using it to drive
 628 decisions regarding curriculum and instruction.

³ This requirement is subject to amendment in accordance with AB 97, EC § 47605.5 and the implementing Regulations.

- 629 • Names and results of any additional internal assessments used by the Charter School not
630 identified in the charter.
- 631 • Plans to address areas identified as needing improvement by the Charter School.
- 632 • Evidence that the Charter School is financially sound based on certain criteria as indicated in
633 Attachment B, Fiscal Oversight Requirements and Financial Reporting.
- 634 • Other relevant information as determined by LACOE or the County Board.

635 LACOE shall provide the Charter School with a template for completing the Annual Report/SARC each
636 year. The Charter School shall also be provided with comparison schools.

637 If the Charter School has been required to submit a Student Achievement Plan, it shall address the
638 following elements in the Annual Report/SARC:

- 639 • Progress made in areas identified where progress falls short of meeting outcomes identified in
640 the Student Achievement Plan.
- 641 • Professional development provided to further progress on goals described in the Student
642 Achievement Plan.
- 643 • Progress made on the implementation of changes to curriculum and instructional strategies
644 identified in the Student Achievement Plan.
- 645 • Identification of targeted funds to support elements of Student Achievement Plan.
- 646 • Specific evidence that the results, as shown in the Annual Report, are targeting improvement in
647 student achievement, and that the Charter School is financially sound according to the criteria
648 as set forth in Attachment B, Fiscal Oversight Requirements and Financial Reporting.

649 On or before July 1, 2015, and each year thereafter, the Annual Report shall conform to the
650 requirements of AB 97 as specified in EC § 47606.5, the implementing Regulations, County Board
651 Policy and Administrative Regulations. LACOE shall comply with EC § 47606.3 and the implementing
652 Regulations, County Board Policy and Administrative Regulations with respect to the monitoring,
653 oversight, technical assistance and revocation.

654 **2.6 Oral Report to the Los Angeles County Board of Education**

655 If requested by the County Board, the Charter School shall also participate in presenting an oral report
656 to the County Board each year. The presentation shall be after December 1 as calendared by the
657 County Board, typically between January and April. LACOE shall promptly inform the Charter School of
658 the date when it is calendared.

659 At the discretion of the County Board, the Charter School may be requested to present additional
660 updates and or reports during the year.

661 **2.7 Services for Students with Disabilities**

662 The Charter School shall submit documentation that it is a Local Education Agency (LEA) with a
663 Special Education Local Plan Area (SELPA) prior to commencing operations and provide a copy of its
664 SELPA Agreement to LACOE annually.

665 **2.8 Annual Assessment of Students**

666 The Charter School shall comply with all state and federal student assessment requirements. The
667 Charter School shall test independent of LACOE, comply with all requirements of the Educational
668 Testing Service (ETS), and provide LACOE with an electronic copy of all Student Level Data provided
669 by ETS within ten (10) days of receipt of the data from ETS.
670

671 **2.9 Independent Study**

672 If the Charter School provides instruction through independent study, (whether it is the primary mode of
673 instruction or it is on an incidental basis), it will comply with all requirements of statute applicable to the
674 provision of independent study in charter schools, including EC, Part 28, Chapter 5, Article 5.5
675 (commencing with Section 51745), and applicable regulations.

676 The Charter School may, on a case-by-case basis, use short-term independent study contracts for
677 students who receive prior approval for absences due to travel or extended illness of three (3) or more
678 days of duration. Any such independent study will be limited to occasional, incidental instances of
679 extended absences, and must be fully compliant with all independent study statutes and regulations
680 applicable to charter schools.

681 The letter from the auditor certifying compliance must be submitted to LACOE *prior* to reporting
682 independent study ADA at the apportionment reporting periods.

683 A. Instructional Time Requirements: If the Charter School is approved as a site-based school, it must
684 provide a classroom-based instructional program such that at least 80 percent of the instructional time
685 offered by the Charter School is at the school site and the Charter School requires the attendance of all
686 students for at least 80 percent of the minimum instructional time offered. If the Charter School fails to
687 meet the instructional time requirements, it will be required to file a funding determination in accordance
688 with EC § 47634.2.

689 B. Calendar and Bell Schedules: No later than June 30, the Charter School will provide to LACOE-
690 Controller's Office the instructional calendar for the coming year showing all holidays, staff development
691 days, minimum days, and any other non-instructional days. In addition, the school will provide a daily
692 schedule of instruction including minimum days and other non-standard day schedules necessary to
693 compute annual instructional minutes.

694 The calendar and bell schedules will be reviewed to ensure compliance with minimum annual
695 instructional minutes by grade level per EC § 47612.5.

696 If the Charter School changes or updates its daily schedule, or instructional days, it must provide to
697 LACOE-Controller's Office evidence of informing parents and guardians at least 30 days in advance of
698 the changes as well as the updated calendar or daily schedule.

699 **SECTION 3: FISCAL OPERATIONS**

700 **3.1 Funding**

701 The Charter School shall be funded in accordance with LCFF legislation, Chapter 47, Statutes of 2013
702 (AB 97) and Chapter 49, Statutes of 2013 (SB 91) The Charter School's entitlement shall be calculated
703 in accordance with LCFF Base Grant, Supplemental Grant and Concentration Grant The parties
704 recognize the authority of the Charter School to pursue additional sources of funding. The County
705 Board of Education must receive prior written notification of any source of additional funding that may
706 result in incurring additional debt (i.e., loans) to the Charter School. LACOE shall not be responsible for
707 resolving fiscal deficiencies for the Charter School.

708 **3.2 Fiscal Agent**

709 The Charter School shall contract with LACOE for the Charter School's participation in the State
710 Teachers' Retirement System (STRS) and/or the Public Employees Retirement System (PERS) if
711 applicable. See section 3.7 for further discussion of the STRS/PERS responsibilities.

712 **3.3 Student Attendance Accounting and Reporting**

713 The Charter School shall use commercially available attendance accounting software that is compliant
714 with CALPADS data collection requirements. Prior to opening, annually, and upon revision, the Charter
715 School shall provide a copy of the Charter School's procedures for attendance accounting, with
716 evidence of internal controls. Spreadsheets on Excel or other programs **shall not be accepted**. The

717 Charter School shall submit a calendar of attendance months to LACOE no later than June 30,
718 submitting it along with the school's bell schedules and instructional calendar. The structure of
719 attendance months shall adhere to EC § 37201.

720 The Charter School shall submit monthly enrollment and attendance data as required to receive
721 apportionment of funding within five (5) business days after the end of the attendance month to
722 LACOE.

723 In addition, the Charter School shall prepare and submit to LACOE/Controller's Office/Pupil Attendance
724 Accounting and Compliance Unit, the certified data file and original signature reports using the State
725 Principal Apportionment Data Collection Software reports according to the following schedule:

- 726 • Charter School Physical Location Report by April 10 or if it falls on a Saturday or Sunday, the
727 first business day following April 10.
- 728 • Charter School Adjustments to CALPADS Data (as applicable) by April 10 or if it falls on a
729 Saturday or Sunday, the first business day following April 10.
- 730 • First Principal Apportionment (P-1) (attendance for all full attendance months between July 1
731 and December 31) by January 4 or if it falls on a Saturday or Sunday, the first business day
732 following January 4.
- 733 • Second Principal Apportionment (P-2) (attendance for all full attendance months between July 1
734 and April 15) by April 20 or if it falls on a Saturday or Sunday, the first business day following
735 April 20.
- 736 • Annual Apportionment (attendance for the Charter School year) by July 5 or if it falls on a
737 Saturday or Sunday, the first business day following July 5.
- 738 • Corrections to the second principal apportionment and annual principal apportionment reports
739 shall be received by LACOE no later than September 15 or if it falls on a Saturday or Sunday,
740 the first business day following September 15.

741 NOTE: It is critical that the above attendance reporting deadlines are met in an accurate and timely
742 manner. If the School misses a reporting deadline or submits incomplete reports, it risks being excluded
743 from that apportionment's certification and funding period. For example, if P-1 attendance data is not
744 received in time for inclusion in the P-1 certification, the school ADA defaults to zero and no funds are
745 paid for the P-1 funding period, February through May.

746 The Charter School shall submit with the Monthly Attendance Report, an Exit Report for each student
747 who leaves the school (except when matriculating to the next grade). The Exit Report shall be
748 completed by the parent/guardian and minimally include: (1) reason for withdrawal; (2) date of
749 withdrawal; (3) school to which student is transferring; (4) parent/guardian signature and date; and (5)
750 administrative signature and date. The Exit Reports shall coincide with the inclusive dates of the
751 Monthly Attendance Report.

752 Summer Instruction: If the school is providing summer instruction, a calendar of the summer program
753 shall be provided to LACOE no less than two (2) weeks prior to the start of the instruction.

754 **3.4 Revenue and Expenditure Reporting**

755 The Charter School is required by EC § 47604.33 to submit periodic reports of revenues, expenditures,
756 and reserves. The Charter School shall submit to LACOE monthly statement of cash flows, copies of
757 bank statements, General Ledger, Revenue and Expenditure Summary, Statement of Financial
758 Position, Statement of Fund Balance, Year-to-date Budget to Actual Statement and notes to financial
759 statements in accordance with Attachment B, Fiscal Oversight Requirements and Financial Reporting.
760 As part of the continuous oversight, LACOE shall make a periodic assessment of the charter's fiscal
761 condition.

762 In order to meet statutory timelines for revenue and expenditure reporting, The Charter School shall
 763 submit reports to LACOE for review using the state software (SACS20 ALL), according to the following
 764 schedule:

- 765 • Preliminary budget on or before July 1
- 766 • First Interim Report (expenditures through 10/31) on or before December 15
- 767 • Second Interim Report (expenditures through 1/31) on or before March 15
- 768 • Unaudited Actuals Report for the prior fiscal year on or before September 15

769 Any changes in the budget or interim reports from one reporting period to the next period shall be
 770 explained in writing. Explanations and budget assumptions shall accompany the reports. The Charter
 771 School is expected to maintain reserves of no less than three (3) percent of the Charter School's
 772 Adopted Budget for the fiscal year. An explanation of any projected drop in reserves below the three (3)
 773 percent level shall be included in the assumptions.

774 **3.5 Annual Audit**

775 In accordance EC § 41020(b)(3) by March 13 of each year, the Charter School shall submit to LACOE
 776 information regarding the audit firm that will be conducting the annual audit. Information shall include
 777 the following:

- 778 • Cover letter includes: Audit firm name, address, partner(s), and audit firm contract number; e-
 779 mail address, contract period, contract amount, and date of Board approval
- 780 • Copy of Board minutes approving audit firm
- 781 • Copy of the fully executed contract with the audit firm

782 In accordance with EC § 41020, by **December 15** of each year, the Charter School shall submit an
 783 annual independent financial audit to the State Controller's Office (SCO), LACOE, and the CDE. The
 784 audit shall be conducted by an auditor from the list approved by the SCO and mutually agreeable to
 785 LACOE and the Charter School. If any findings or exceptions are identified in the annual audit, the
 786 Charter School shall implement corrective action plans in a timely manner. ***Continuing or unresolved***
 787 ***prior year findings or deficiencies shall have negative impact on the Charter School's renewal***
 788 ***request.***

789 The SCO does not grant filing extensions to charter schools. The extension must be obtained through
 790 the chartering entity. Submit extension requests to the LACOE Business Advisory Services Division,
 791 and LACOE will notify the SCO and the CDE of the approved extensions.

792 In addition to the Charter School's financial statements, the audit shall include, as applicable, but not be
 793 limited to:

- 794 • Contemporaneous records of attendance
- 795 • Annual instructional minutes
- 796 • Documentation related to non-classroom-based instruction
- 797 • Determination of funding for nonclassroom-based instruction as per EC § 47634.2

798 **3.6 Oversight Fees**

799 The Charter School shall be charged an oversight fee not to exceed one (1) percent of the LCFF Base
 800 Grant, Supplemental Grant and Concentration Grant received by the Charter School in accordance with
 801 EC § 47613 and used to offset consultant and administrative costs required for comprehensive
 802 oversight, which includes but is not limited to the following categories:
 803

- 804 • Curriculum and instruction
- 805 • Assessment and accountability
- 806 • School fiscal review
- 807 • Site visitations
- 808 • Renewal evaluations
- 809 • Attendance accounting processing, analysis and certification
- 810 • In the case of a countywide charter (EC § 47605.6), the County Board may enter into an
- 811 agreement with a third party, at the expense of the Charter School, to oversee, monitor, and
- 812 report to the County Board on the Charter School's operations. The County Board may
- 813 prescribe the aspects of the Charter School's operations to be monitored by the third party and
- 814 may prescribe appropriate requirements regarding the reporting of information concerning the
- 815 operations of the Charter School to the county board of education. (EC § 47605.6(a)(1)) The
- 816 County Board delegates the authority to make this determination and enter into the agreement
- 817 to the County Superintendent of Schools/designee.

818 The oversight fee shall be based on the LCFF Base Grant, Supplemental Grant and Concentration
819 Grant funding provided to the Charter School at the Second Principal Apportionment (P-2).

820 **3.7 State Teachers Retirement System (STRS)/Public Employees Retirement System (PERS)** 821 **Reporting**

822 If the Charter School offers its employees the opportunity to participate in STRS or PERS, the Charter
823 School shall be responsible for contracting with LACOE for reporting purposes. Such arrangements
824 shall be made prior to the hiring of any employee. The Charter School shall notify LACOE of the staff
825 person who will make the arrangements and provide written notification that arrangements have been
826 made prior to the hiring of employees. If the school participates in any alternative retirement systems,
827 information regarding those systems must also be provided.

828 **SECTION 4: FULFILLING CHARTER TERMS**

829 **4.1 Material Revision to Charter**

830 Changes to the charter deemed to be material revisions may not be made without prior approval by the
831 County Board of Education. Revisions to the charter considered to be material changes include, but are
832 not limited to, the following:

- 833 • Substantial changes to the educational program (including the addition or deletion of an
834 educational program), mission, or vision.
- 835 • Changing to or adding a nonclassroom-based program.
- 836 • Proposed changes in enrollment that increases or decreases by more than 20 percent +/- of the
837 enrollment originally projected in the charter petition in any given year or a change that could
838 significantly impact the academic or financial sustainability of the School.
- 839 • Addition or deletion of grades or grade levels to be served.
- 840 • Changes to location of facilities or lease agreements for the Charter School sites, resource
841 centers, meeting space, or other satellite facility including the opening of a new facility;
842 temporary locations rented for annual student testing purposes shall be exempted from this
843 provision.
- 844 • Changing admissions requirements and procedures.

- 845 • Governance structure, including but not limited to: changes in number of board members,
846 method by which new board members are selected, and/or changes in majority/quorum or other
847 provisions relating to resolution approval.
- 848 • Entering into or revising a contract with an EMO/CMO.

849 **4.2 State Assessments**

850 The Charter School agrees to comply with and adhere to the state requirements for participation and
851 administration of all state mandated tests, including the designation of a test site coordinator and the
852 establishment of accounts with each test vendor. The state tests required to be administered include,
853 but may not be limited to:

- 854 • Smarter Balanced Assessments
- 855 • California Science Assessments
- 856 • Physical Fitness Test
- 857 • California English Language Development Test/English Language Proficiency Assessments for
858 California
- 859 • California Alternate Assessments

860 **4.3 Site Visits**

861 LACOE shall conduct at least two (2) visits during the school year. The site visits shall consist of the
862 following:

- 863 • At least one (1) site visit shall be conducted in order to assess the Charter School's progress in
864 governance and organizational management, educational performance, fiscal operations, and
865 fulfillment of the terms of the charter. The primary focus of the visit shall be on teaching and
866 learning and, if applicable, the Student Achievement Plan (described under Section 2:
867 Educational Performance). The site visit may include review of the facility, review of records
868 maintained by the Charter School, interviews with administrators, staff, students, and parents,
869 and observation of instruction in the classroom. The evaluations for each year shall constitute
870 one (1) basis upon which a renewal decision shall be made at the end of the term of the charter
871 in accordance with the Education Code. Any deficiencies shall be reviewed with the Charter
872 School administration. The Charter School administration will be given an opportunity to
873 address the deficiencies.
- 874 • At least one (1) site visit shall be conducted to review the charter school facilities. LACOE will
875 conduct an annual facilities inspection to ensure the facility is adequate for the Charter School's
876 needs, is safe, and complies with all applicable codes, laws, and ordinances. The school will be
877 expected to make any required corrections identified by the facilities inspection team within a
878 timeframe that is commensurate with the violation, or concern.

879 EC § 47604.32(b) requires LACOE to conduct a site visit at least annually. The purpose of the visits
880 shall be to monitor the instructional program and operations in accordance with County Board of
881 Education Policy 0420.4. The County Board and LACOE staff may inspect or observe any part of
882 the charter school at any time. (EC § 47607(a)(1)).

883 **4.4 Renewals**

884 The Charter School may seek renewal of its charter prior to expiration of the term of the charter in
885 accordance with EC § 47605(k)(3), EC § 47607(a) and (b), the implementing Regulations, County
886 Board Policy and Administrative Regulations.

887 In the case of a countywide charter, the elements of the renewal petition shall comply with EC §
888 47605.6. The Charter School shall submit its renewal petition for the next charter term along with a
889 copy of the most recent Annual Report and Student Achievement Plan (if applicable) to LACOE. The

890 renewal petition may be submitted no earlier than the date CDE releases the schools' academic
891 performance data for the school year prior to the last year of the term of the charter and no later than
892 January 31 of the last year of the term of the charter except as provided for under LACOE Board Policy.

893 LACOE shall review the charter petition, consider the Charter School's academic, financial, and
894 operational performance (including its audit reports and annual visitation reports), and conduct a
895 renewal site visit as part of the renewal process. To the extent required, the charter petition shall be
896 revised in accordance with current statutes and regulations. LACOE shall abide by Education Code,
897 California Code of Regulations (CCR), and County Board Policy and Regulation when considering
898 charter renewal.

899 **4.5 Notice of Violation, Opportunity to Remedy, and Revocation**

900 The County Board may provide notice of violation, opportunity to remedy, and revoke the charter as set
901 forth in EC § 47607, its implementing Regulations, County Board Policy, and Administrative
902 Regulations.

903 **4.6 Closure Procedures**

904 At all times it is operational, the Charter School shall have closure procedures in place and available for
905 review. Closure procedures shall be submitted to LACOE prior to opening, whenever updated, and
906 upon request. Procedures shall be compliant with EC § 47604.32, 47605, 47605.6 and 47607; with Title
907 5, CCR § 11962 and 11962.1; as well as with County Board Policies and Procedures, and shall contain
908 at a minimum, the following:

- 909 • Identification of a responsible person(s) (e.g., Executive Director, Financial Officer, President of
910 the Charter School governing board) to oversee and conduct the closure process; this provision
911 shall include a process to ensure that closure procedures are updated no less than annually or
912 when any change is made.
- 913 • Notification of students and families of the Charter School closure.
- 914 • Security of student and business records.
- 915 • System for exiting all students correctly in CALPADS. The exit date must be on or before the
916 official closure date.
- 917 • Processing of final employee payroll and benefits, including contributions to STRS/PERS, as
918 applicable.
- 919 • Identification of all assets and liabilities and the plan for transfer as detailed in the charter.
- 920 • Final close-out audit to be paid for by the Charter School.
- 921 • Identification of a source of funding to be used for closeout expenses including the final audit.
- 922 • Dissolution of the Charter School and/or nonprofit corporation.

923 Further descriptions of each of these items can be found in the laws and regulations listed above in 4.6.

924 If the Charter School is to close permanently for any reason (i.e., voluntary surrender, non-renewal, or
925 revocation), LACOE shall serve written notice on the Charter School that closure procedures have been
926 invoked. No later than 10 days after receiving that notice, the Charter School will meet with LACOE to
927 plan for the orderly closing of the Charter School. Individuals present at that meeting shall include the
928 individual the Charter School identified as responsible for closure, a member of the Charter School's
929 governing board and LACOE staff that will work with the Charter School to complete all close out
930 activities.

931 The Charter School expressly acknowledges the right of LACOE, on behalf of the County
932 Superintendent of Schools to take immediate and direct control of all of the Charter School's student
933 and business records at any time after LACOE gives written notice that it is invoking closure
934 procedures.

935

SECTION 5: REQUIRED DISCLOSURES

936 The preliminary or final written results of any investigation of the Charter School or Magnolia
937 Educational and Research Foundation will be provided as soon as possible, (within 48 hours of
938 receipt), to the LACOE Charter School Office for its review. This includes, but is not limited to, any
939 Notices of Violation or Orders to Comply from any federal, state or local agency. LACOE will determine
940 whether the violation constitutes grounds for revocation under Education Code 47607(c)(1).

941

SECTION 6: NONDISCRIMINATION

942 The parties recognize and agree that the Charter School shall not charge tuition, shall be nonsectarian,
943 and pursuant to EC § 200, the School shall be open to all students regardless of race, ethnicity,
944 national origin, gender, sexual orientation (whether perceived or actual), religion, socioeconomic status,
945 or disability, or any other characteristic that is contained in the definition of hate crimes set forth in §
946 422.55 of the Penal Code. These non-discrimination provisions shall apply to employment of all staff
947 members as well.

948

SECTION 7: SEVERABILITY

949 If any provision or any part of this Agreement is for any reason held to be invalid and/or unenforceable
950 or contrary to public policy, or statute, the remainder of this Agreement shall not be affected thereby
951 and shall remain valid and fully enforceable.

952

SECTION 8: NON-ASSIGNMENT

953 No portion of this Agreement or the charter petition approved by the LACOE may be assigned to
954 another entity without the prior written approval of the County Board of Education.

955

SECTION 9: WAIVER

956 A waiver of any provision or term of this Agreement shall be in writing and signed by both parties. Any
957 such waiver shall not constitute a waiver of any other provision of this Agreement. All parties agree that
958 neither party to this Agreement waives any of the rights, responsibilities, and privileges established by
959 the Charter Schools Act of 1992.

960

SECTION 10: NOTIFICATION

961 All notices, requests, and other communications under this Agreement shall be in writing and mailed to
962 the proper addresses as follows:

To LACOE:

Controller's Office	or	Charter School Office
C/O Patricia Smith, Executive Director		C/O Dina Wilson, Director II
Los Angeles County Office of Education		Los Angeles County Office of Education
9300 Imperial Highway		9300 Imperial Highway
Downey, CA 90242		Downey, CA 90242

To the Charter School:

Name: <u>Dr. Caprice Young</u>	Title: <u>Chief Executive Officer</u>
Magnolia Science Academy-3	
250 East 1 st St.	
Suite 1500	
Los Angeles, CA 90012	

963

To the Charter School governing board:

Name: Noel Unterberger Title: Board Chair
Magnolia Science Academy-3
250 East 1st St.
Suite 1500
Los Angeles, CA 90012

964 This Agreement, including Attachments A through D, contains the entire agreement of the parties with
965 respect to the matters covered hereby, and supersedes any oral or written understandings, agreement
966 or agreements between the parties with respect to the subject matter of this Agreement. No person or
967 party is authorized to make any representations or warranties except as set forth herein, and no
968 agreement, statement, representation or promise by any party hereto which is not contained herein
969 shall be valid or binding. The undersigned acknowledges that she/he has not relied upon any
970 warranties, representations, statements, or promises by any of the parties herein or any of their agents
971 or consultants except as may be expressly set forth in this Agreement. The parties further recognize
972 that this Agreement shall only be modified in writing by the mutual agreement of the parties.

Date Print Sign
Authorized School Representative, Magnolia Science Academy-3

Date Print Sign
Authorized Board Representative, Magnolia Science Academy-3

Date Patricia Smith, Executive Director
Business and Finance
Los Angeles County Office of Education

Attachment A: Student Achievement Plan Guidelines

I. Overview

A Student Achievement Plan is required to be submitted to the Los Angeles County Office of Education (LACOE) if the Charter School fails to meet all of its Measureable Pupil Outcomes (MPOs) and/or LCAP goals in any year. The Achievement Plan requires the Charter School to establish specific goals and actions the Charter School will take to improve student academic achievement in those areas identified through the MPOs and/or LCAP update as not meeting performance criteria. The Charter School shall be expected to present an annual update to the County Board of Education on the progress made in meeting goals identified in the Student Achievement Plan. These guidelines make explicit the elements that shall be addressed in the Student Achievement Plan for any subject area or criteria in which the Charter School falls short of targets. Data compiled from this Student Achievement Plan and the annual update, plus confirming evidence gathered during periodic site visits will provide LACOE with evidence of whether the Charter School is on track to its charter being renewed.

In addition to the MPOs and LCAP goals, the Charter School may incorporate a variety of additional outcome measures to further demonstrate academic achievement and organizational effectiveness. While these various supplemental measures will not carry as much weight as the required measures in making renewal decisions, they may be important in helping the Charter School achieve its academic goals and distinctive qualities in the Charter School's mission as well as highlight those goals.

II. Required Components of the Student Achievement Plan

For each area in which the Charter School did not meet its MPOs or LCAP goals, the Charter School shall submit a plan to the LACOE describing specific and concrete actions the Charter School will take in order to improve student achievement over the course of the current school year. The Student Achievement Plan shall address, at a minimum, the following elements:

- Methods or system the Charter School uses to examine student achievement data on a regular basis across grade levels, by subject matter, by significant subgroups, and across the Charter School as a whole.
- Analysis of the CAASPP results that identifies the specific problem in the area(s) not meeting targets and/or criteria.
- Specific actions, which follow from the examination of student data, which the Charter School will take to improve student achievement in the area(s) identified as needing improvement, including changes to curriculum, instruction, assessment, governance, and organization.
- Professional development plan for teachers and/or other staff that supports the activities the Charter School will implement to improve performance in targeted areas.
- Diagnostic assessments that will be used to enable the Charter School to monitor the effects of proposed changes on student performance.

The Charter School shall submit a draft Student Achievement Plan to LACOE by October 1 if the Charter School did not meet its MPOs or LCAP goals in the prior year. LACOE will review the draft plan and either approve it as submitted or request changes to it. If changes are required, the final Plan shall be due to LACOE by December 1.

Further information regarding API may be found at www.cde.ca.govitalaciap/index.asp on the LACOE website. Information on AYP, including targets and criteria may be found at www.cde.ca.goviteac/ayfindex.asp.

In accordance with AB 97, prior to July 1, 2015, these guidelines may be amended to reflect EC § 47605.5 and the implementing Regulations.

Attachment B: Fiscal Oversight Requirements and Financial Reporting

LACOE shall determine fiscal soundness of the Charter School by reviewing and analyzing the financial reports and documents provided by the Charter School. This determination shall be made each month and LACOE shall notify the Charter School in writing of any concerns it may have regarding the financial stability of the Charter School.

If the Charter School is in its first year of operation and will begin instruction by September 30, or if the Charter School is significantly expanding, the school may receive a special advance and/or allocation on their funding for certain state and federal categorical programs. The special advance and/or allocation are based on estimates of the school's upcoming enrollment, average daily attendance and/or pupil demographic data. These data estimates are submitted in the Pupil Estimates for New or Significantly Expanding Charters (PENSEC) report. This report should be submitted online on the CDE website with the original report submitted to LACOE, no later than the last day of July of that same year.

LACOE requires that the charter school shall make available for the authorizer's review any revisions in revenue and expenditures that it has made to its budget, not later than 45 days after the Governor signs the annual Budget Act, to reflect the funding made available by that Budget Act. This is pursuant to Ed. Code § 42127(i)(4).

In addition to the above, by the fifteen of each month the Charter School shall provide the following reports and documents with full disclosure of transactions to the Business Advisory Services Division for the prior month:

1. Monthly bank statements
2. Monthly bank reconciliations
3. Monthly general ledger
4. Statement of revenue and expenditures
5. Statement of financial position
6. Year to date budget to actual statement
7. Notes to financial statements

Beginning with the 2012–13 school-year, the Charter School will receive general purpose state aid funding pursuant to Proposition 30, known as the Education Protection Account (EPA). To be compliant with the requirements of Proposition 30, the school must:

1. The Charter School's governing board must meet to make spending determinations for the funds at an open public meeting.
2. Report the amount of funds received and how the funds will be/were spent.

LACOE may require additional financial related documents and shall request them of the Charter School as needed.

Attachment C: Reporting Timeline (Revised Annually)

**Los Angeles County Office of Education
Timeline and Due Dates**

Attachment D

Action of the County Board to Authorize the Charter School

(Provided as a separate file)

(Include with MOU)

Request for Taxpayer Identification Number and Certification

(Provided as a separate file)

Cover Sheet

Approval of Revised 2016-17 Revised Budget for MERF and all Magnolia Science Academies

Section: IV. Action Items
Item: D. Approval of Revised 2016-17 Revised Budget for MERF and all Magnolia Science Academies
Purpose: Vote
Submitted by:
Related Material: IV D 2016-17 Revised Budget.pdf



Board Agenda Item #	Agenda # IV D
Date:	February 9, 2017
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Nanie Montijo, Chief Financial Officer
RE:	Revised Budget

Proposed Board Recommendation

I move that the board approve the consolidated revised budget including a 3% increase in the Home Office revenues and expenses over 2016-17 board approved budget.

Background

The board approved MERF 2016-17 budget on September 8, 2016 and the school sites 2016-17 budgets on June 6, 2016. These budgets were based on estimates and available assumptions in June 2016. In order to align the budgets with current events and latest available assumptions, we request that the board approve the revised budgets presented herein.

The board directed staff that the maximum revision to the home office (MERF) budget should not exceed 3% over the board approved budget. The following summarizes the changes and budget cuts included in the proposed budget Home Office:

- Savings for not filling vacant positions for COO, Controller and Senior Financial Analyst: \$242k
- Unbudgeted Expenses including accrued vacation, PTO (sick time) pay out, severance pays, STRS/PERS/ H & W Benefits, etc.: \$342k
- Cuts from previous forecasted expenses including supplies, travel, consultants, professional development, marketing, etc.: \$183k

The proposed budget maintains the 5% net operating income for MERF in fiscal year 2016-17, which results in revised calculations of CMO fees to the school sites. The school sites updated ADA projections and revised CMO fees allocation in the proposed budget resulted in maintaining positive ongoing net income for all sites except for Santa Ana when adjusted to exclude the one time 13th month of payroll expense due to the shift in the teachers' contract. Santa Ana's approved budget reflected a net loss of \$550k while the proposed revised budget shows a projected net loss of \$154k.

Budget Implications

Three percent (3%) increase in 2016-17 MERF budget over board approved budget, or \$183k.

How Does This Action Relate/Affect/Benefit All MSAs?

Revised CMO Fees and Updated ADA projections have various impact on each school's budget. Details are contained in the December 2017 Financials Presentation.

Name of Staff Originator:

Nanie Montijo, Chief Financial Officer

Attachments

CMO Fees Summary

Savings and Additions

Year to date Actuals and Proposed Budget

CMO FEES SUMMARY Proposed vs Approved

	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD	Total
Proposed											
CMO Fee	1,013,267	918,273	918,273	75,995	75,995	75,995	633,292	1,013,267	1,013,267	337,375	6,074,999
Direct CMO Fee	41,388	34,536	35,271	14,807	14,022	13,621	22,779	38,555	72,367	22,916	310,263
Approved Budget											
CMO Fee	972,192	972,192	881,049	72,914	72,914	72,914	607,620	972,192	972,192	370,217	5,966,395
Direct CMO Fee	38,472	34,890	33,176	13,260	11,683	12,485	21,260	35,258	33,233	42,738	276,455
Variance											
CMO Fee	41,075	(53,918)	37,225	3,081	3,081	3,081	25,672	41,075	41,075	(32,843)	108,604
Direct CMO Fee	2,916	(354)	2,096	1,547	2,339	1,136	1,519	3,297	39,135	(19,822)	33,808
Total	43,991	(54,273)	39,320	4,628	5,420	4,216	27,191	44,372	80,210	(52,665)	142,412
Net Income Proposed	337,177	10,436	(94,419)	223,420	130,807	132,616	46,072	(22,148)	(199,416)	44,678	609,223
Net Income Approved	151,181	152,640	343,065	188,978	15,706	293,915	53,688	63,471	(550,228)	186,876	899,293
Variance	185,996	(142,204)	(437,485)	34,442	115,101	(161,299)	(7,616)	(85,618)	350,812	(142,198)	(290,069)

MERF		
Savings & Additional Expenses		
Savings - Approved vs. Proposed		
Salaries - Unfilled Positions	201,000.00	
Benefits - Unfilled Positions	40,884.00	
Total Savings	241,884.00	
Additional Expenses - Approved vs. Proposed		
PTO Payouts (unused sick time)	(21,750.00)	
Accrued Vacation	(61,887.45)	
Bonuses/Stipends	(19,799.07)	
Health Reimbursements	(6,900.00)	
STRS	(46,595)	
PERS	(23,362)	
H&W Benefits	(31,006)	
Salaries for non-budgeted employees	(70,613.52)	Two employees were supposed to leave by 7/1
Severance - OD & SM	(60,481.34)	
Total Additions	(342,394.66)	
Cuts/Additions from Previous Proposed Budget		
4330 - Office Supplies	(10,000.00)	
4420 - Computers	(5,000.00)	
5220 - Travel & Lodging	(22,000.00)	Cut from academic and parent & outreach departments
5822- Consultants - addition	51,024.70	NM contract and Account Temp Added
5822 - Consultants	(117,383.95)	Removed Grant Matching, OC Community Outreach, and part of Alfredo's additional outreach, See next tab
5851 - Marketing & Student Recruiting	(40,000.00)	Removed from External Affairs department budget
5863 - Professional Development	(25,000.00)	Removed from Academic and HR Department
5864 - Tuition Reimbursement	(15,000.00)	Removed from External Affairs department budget
Total Adjustment	(183,359.25)	

MERF

Budget vs. Actuals

As of most recent monthly close

	Budget						
	Actual YTD	Approved Budget	Proposed Revised Budget	Variance (Budget vs. Current Forecast)	Budget Remaining	Forecast Remaining	% of Forecast Spent
SUMMARY							
Revenue							
LCFF Entitlement	-	-	-	-	-	-	-
Federal Revenue	-	-	-	-	-	-	-
Other State Revenues	-	-	-	-	-	-	-
Local Revenues	3,008,303	6,242,850	6,410,367	167,517	3,234,547	3,402,064	47%
Fundraising and Grants	86,850	150,000	150,000	-	63,150	63,150	58%
Total Revenue	3,095,153	6,392,850	6,560,367	167,517	3,297,697	3,465,214	47%
Expenses							
Compensation and Benefits	1,937,146	3,467,487	3,567,998	(100,511)	1,530,341	1,630,851	54%
Books and Supplies	40,827	75,821	84,820	(8,999)	34,994	43,993	48%
Services and Other Operating Expenditures	1,273,893	2,537,455	2,616,824	(79,369)	1,263,562	1,342,931	49%
Depreciation	3,834	7,666	1,440	6,226	3,832	(2,394)	266%
Total Expenses	3,255,700	6,088,429	6,271,082	(182,653)	2,832,729	3,015,382	52%
Operating Income	(160,547)	30442131.33%	28928550.62%	(15,136)	464,969	449,833	-55%
Fund Balance							
Beginning Balance (Unaudited)		35,855	(285,175)				0%
Audit Adjustment		-	311,971				0%
Beginning Balance (Audited)		35,855	26,796				0%
Operating Income		304,421	289,286				0%
Ending Fund Balance		340,277	316,081				0%

Cover Sheet

Financial Update- December 2016 Financials

Section: V. Discussion Items
Item: A. Financial Update- December 2016 Financials
Purpose: Discuss
Submitted by:
Related Material: VA Financial Update- Dec 2016.pdf



Business and Development Specialists
for Charter Schools

MEMORANDUM

TO: Caprice Young, CEO, Magnolia Public Schools
FROM: EdTec
SUBJECT: December 2016 Financial Presentation
DATE: 02/01/2017

2017-18 California State Budget Summary

Governor proposes a cautious budget; no additional funding toward LCFF implementation.

LCFF

- No funding toward implementation
- Cost of Living Adjustment of 1.48% over the 2016-17 targets
 - Increase on average of \$120 per ADA (will vary based on school specific targets)
 - Applies to other state programs as well
- June Deferral: One-third of June LCFF payment will be deferred to July and will be paid along with the July 2017 apportionment

One Time Funds

- Approximately \$48 per ADA (down from \$214 per ADA in 2016-17)

School Facilities

- Up to \$500M available after accountability provisions on bond funds are enacted

This is the first step in iterative process involving Governor and Legislature that will result in final budget being approved in June. EdTec will continue to monitor developments and provide updates

SUMMARY OF RESULTS – CURRENT FORECAST VS. BOARD APPROVED BUDGET

For purposes of this narrative, the Current Forecast is the Proposed Revised Budget. Any reference to the Current Forecast is referring to the Proposed Revised Budget.

MAGNOLIA PUBLIC SCHOOLS - CONSOLIDATED

Board Approved Budget vs. Proposed Budget

	Budget				
	Approved Budget	November Forecast	Proposed Revised Budget	(November Forecast vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY					
Revenue					
LCFF Entitlement	33,973,830	34,512,586	34,523,569	10,983	549,739
Federal Revenue	3,351,379	4,433,475	4,434,404	929	1,083,025
Other State Revenues	4,188,588	5,469,987	5,466,121	(3,865)	1,277,534
Local Revenues	6,682,886	7,157,141	7,080,455	(76,687)	397,569
Fundraising and Grants	382,518	377,648	386,755	9,107	4,237
Total Revenue	48,579,200	51,950,837	51,891,304	(59,533)	3,312,104
Expenses					
Compensation and Benefits (excl adjustment)	25,599,982	28,122,686	26,871,597	1,251,089	(1,271,615)
Books and Supplies	3,270,502	3,868,772	3,780,627	88,145	(510,125)
Services and Other Operating Expenditures	17,681,744	18,674,043	18,434,384	239,660	(752,640)
Depreciation	823,259	794,178	804,525	(10,347)	18,734
Total Expenses	47,375,486	51,459,679	49,891,132	1,568,547	(2,515,646)
Operating Income Before One-Time Adjustment	1,203,714	491,158	2,000,172	1,509,014	796,458
One-Time Compensation Adjustment			(1,101,603)		
Operating Income (including adjustment)			898,569		
Fund Balance					
Beginning Balance (Unaudited)	20,766,592	20,749,323	20,749,323		
Audit Adjustment	284,225	(88,347)	(127,921)		
Beginning Balance (Audited)	21,050,817	20,660,975	20,621,401		
Operating Income (including Depreciation)	1,203,714	491,158	898,569		
Ending Fund Balance	22,254,531	21,152,133	21,519,970		
Capital Outlay	13,743,061	970,200	1,050,224		

	2016/17 Proposed Revised Budget MSA-1	2016/17 Proposed Revised Budget MSA-2	2016/17 Proposed Revised Budget MSA-3	2016/17 Proposed Revised Budget MSA-4	2016/17 Proposed Revised Budget MSA-5	2016/17 Proposed Revised Budget MSA-6	2016/17 Proposed Revised Budget MSA-7	2016/17 Proposed Revised Budget MSA-8	2016/17 Proposed Revised Budget MSA-SA	2016/17 Proposed Revised Budget MSA-SD	2016/17 Current Forecast - MSA-SC	2016/17 Proposed Revised Budget MERF	2016/17 Proposed Revised Budget - Total
SUMMARY													
Revenue													
LCFF Entitlement	5,305,480	4,295,058	4,352,807	1,818,445	1,660,532	1,518,270	2,599,553	4,440,491	5,465,892	3,067,041	-	-	34,523,569
Federal Revenue	1,202,884	522,541	493,745	247,687	164,096	161,359	421,493	297,469	783,158	139,972	-	-	4,434,404
Other State Revenues	1,158,352	544,067	879,335	267,852	177,416	253,252	622,567	620,567	556,982	386,040	-	-	5,466,121
Local Revenues	84,550	77,280	40,114	22,430	178,813	10,512	71,193	70,411	26,185	88,597	-	6,410,367	7,080,455
Fundraising and Grants	69,360	27,722	19,018	12,374	500	11,100	25,000	20,000	27,854	23,827	-	150,000	386,755
Total Revenue	7,820,626	5,466,669	5,785,019	2,368,788	2,181,357	1,954,494	3,739,806	5,448,629	6,860,071	3,705,478	-	6,560,367	51,891,304
Expenses													
Compensation and Benefits (excl adjustment)	3,562,432	2,938,373	3,184,511	1,212,821	1,152,508	1,035,074	1,633,722	2,701,941	3,723,254	2,158,964	-	3,567,998	26,871,597
Books and Supplies	647,387	451,104	401,887	132,807	171,807	154,776	306,250	420,157	829,376	180,455	-	84,820	3,780,627
Services and Other Operating Expenditures	2,929,102	1,848,804	2,087,914	701,330	655,357	555,450	1,626,862	2,142,840	2,087,914	1,181,986	-	2,616,824	18,434,384
Depreciation	146,166	53,602	19,096	15,656	4,774	28,726	36,918	84,873	373,813	39,460	-	1,440	804,525
Total Expenses	7,285,087	5,291,884	5,693,409	2,062,614	1,984,245	1,774,026	3,603,752	5,349,811	7,014,357	3,560,866	-	6,271,082	49,891,132
Operating Income Before One-Time Adjustment	535,539	174,785	91,611	306,175	197,112	180,468	136,054	98,817	(154,287)	144,612	-	289,286	2,000,172
One-Time Compensation Adjustment	(198,362)	(164,349)	(186,030)	(82,695)	(66,305)	(47,852)	(89,982)	(120,965)	(45,129)	(99,934)	-	-	(1,101,603)
Operating Income (including adjustment)	337,177	10,436	(94,419)	223,480	130,807	132,616	46,072	(22,148)	(199,416)	44,678	-	289,286	898,569
Fund Balance													
Beginning Balance (Unaudited)	3,197,834	1,210,746	976,777	763,641	1,144,335	1,006,776	939,109	3,061,348	8,291,101	1,173,620	(730,789)	(285,175)	20,749,323
Audit Adjustment	(37,421)	(69,796)	(1,355)	(101,149)	(66,819)	(61,339)	8,244	(90,501)	7,820	960	(791)	284,225	(127,921)
Beginning Balance (Audited)	3,160,413	1,140,950	975,422	662,491	1,077,516	945,437	947,353	2,970,847	8,298,921	1,174,581	(731,580)	(950)	20,621,401
Operating Income (including Depreciation)	337,177	10,436	(94,419)	223,480	130,807	132,616	46,072	(22,148)	(199,416)	44,678	-	289,286	898,569
Ending Fund Balance	3,497,590	1,151,386	881,003	885,971	1,208,323	1,078,053	993,425	2,948,699	8,099,505	1,219,259	(731,580)	288,335	21,519,970
Ending Fund Balance as a % of Expenses	48%	22%	15%	43%	61%	61%	28%	55%	115%	34%	-	5%	43%
Capital Outlay													
Total ADA	522.1	442.0	443.9	186.2	177.7	167.9	284.7	477.7	606.0	413.0	0.0	0.0	3,721

Consolidated Net Income before one-time compensation adjustments* is forecasted for the year at **\$2,000,172**. Net income, adjusted for one-time compensation expense correction is **\$898,569**. This is a decrease \$305,145 from the board approved budget, and an increase of \$407,411 from the November forecast.

*During this current year, Magnolia is recognizing an additional month of payroll and related benefits due to an accounting change based on the reporting method recommended by the auditors. This results in additional one-time expenses being recognized in the current year.

The main drivers of the changes between the original approved budget and proposed revised budget are:

- One-Time Funding added at \$214.55/PY ADA based on preliminary entitlements.
- College Readiness Block Grant Revenue (\$75,000/site) added to MSA-1, 2, 3, 4, and SA along with corresponding expenses.
- Expenses were updated based on prior year actuals and latest assumptions across all sites during budget revision meetings.
- Enrollment and FRL/UPP rates updated for all sites based on actual data
- Salaries updated to reflect actual staff in contracted positions and health benefits per master benefits list received from HR
- Revenue rates for Lottery, Special Ed, Title I/II, Summer Program adjusted per updated assumptions/data
- Option 3 COP Grant adjusted to match preliminary entitlements

ACCOMPLISHMENTS

- No uncategorized in December
- CMO staff have proposed a revised CMO budget with 3% increase over board-approved budget as directed by the Board (including a PTO reserve)
- S&P has taken MPS off credit watch and affirmed BB rating

OPPORTUNITIES AND RISKS

Increase in ADA and Resulting Revenues

On a consolidated basis, Cumulative Average Daily Attendance at the end of Month 5 is +27.90 higher than forecast. These numbers have not yet been certified by the State, but if these numbers hold steady through P2 reporting, 8 of the 10 MPS schools will realize higher than forecasted revenues. See tables beginning on Page 39 for further details.

Hourly Employees & Benefits

Hourly employees at school sites are exceeding the 20-hour limit, which will make them eligible for PERS. Others are exceeding the 29-hour limit, which will make them eligible for PERS and health benefits. This will have a negative budget impact. HR is reconciling which employees will need to receive benefits and EdTec will analyze the fiscal impact FY16-17.

MSA-1, 2, and 3 CDS Numbers

MSA-1, 2, and 3 will need to change CDS codes as of the new fiscal year due to change in authorizer. MPS will need to work with CDE to make sure that all appropriate revenue and grants get properly transferred to the new CDS codes.

Expense Risks – MERF Proposed Budget

The current MERF proposed budget does not include expansion of the FCMAT contract yet as amount and timing of expense are not yet known. Legal expenses are currently tracking higher than originally expected due to OIG related concerns, and there is risk of exceeding budget in this line item.

STRS/PERS Corrections

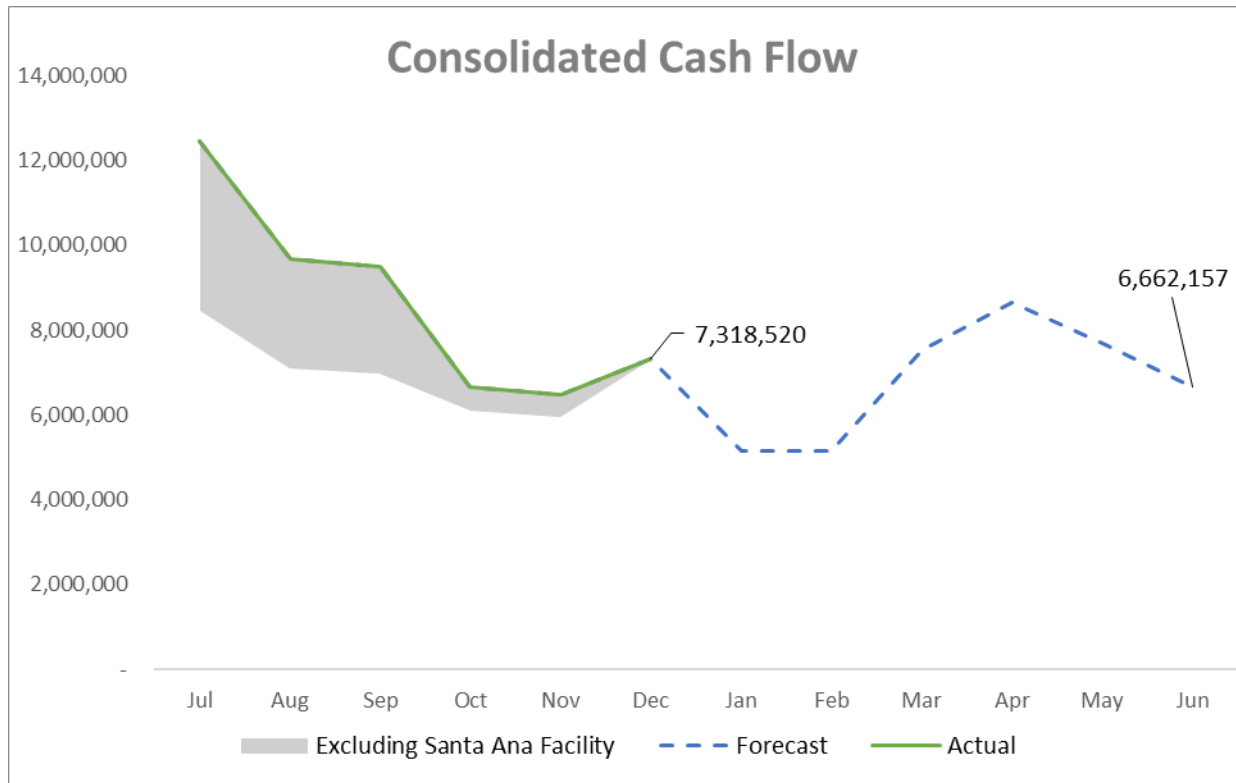
MPS management believes there may be prior year STRS and PERS eligibility inaccuracies which, when corrected, would result in additional expense for the organization. Further analysis is needed in order to determine the order of magnitude of this potential liability. Limited staffing resources at MERF have delayed this research. Any known errors related to current year eligibility or rate variances have been corrected.

Emergency Check Request Tracking

Site	July	August	September	October	November	December	Trend
MERF	10	10	7	2	1	3	
MSA-1	8	2	8	1	1	1	
MSA-2	17	8	12	2	1	0	
MSA-3	2	3	9	5	3	12	
MSA-4	0	1	16	0	0	0	
MSA-5	0	1	5	0	0	0	
MSA-6	0	1	0	0	0	0	
MSA-7	6	2	2	1	0	1	
MSA-8	2	2	21	1	0	0	
MSA-SA	13	9	10	5	2	1	
MSA-SD	11	13	1	1	3	3	
Total	69	52	91	18	11	21	

Emergency check requests have increased 91% since November. ECRs were more than 20 (21 total), and an additional charge was incurred. Communications with principals regarding the cost of ECRs have been effective in reducing the number of requests. December spike in ECRs was a result of the holidays and the rush to send payments before office closures.

CASH FLOW SUMMARY



The ending cash balance at 12/31 was \$7,318,520, where \$282,690.04 was restricted Prop 1D money for MSA-Santa Ana. Projected ending cash balance at 6/30 is \$6,662,157.

Cash Flow Notes

- MSA-SC loss is continuing to be analyzed by finance team, auditors and legal.
- MSA-SA will need operating loans to cover cash needs until February. These have already been approved by the board.
- MERF has received CMO fees through June (excluding MSA-SA) to maintain a positive cash balance.
- MSA-SA, MSA-SD and MSA-1 are expected to need intercompany borrowing to keep capital plan construction on track.

November Forecast vs. Proposed Budget (December Forecast) Variance Analysis

LCFF Entitlement \$10,983

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
(6,291)	9,375	49,664	(9,518)	(2,929)	(6,834)	(11,156)	(1,556)	(11,382)	1,610

CALPADS was certified, and the unduplicated count, free and reduced lunch, and English learners were updated for each site. The unduplicated count drives a portion of LCFF funding and the following were adjusted to match actuals:

Site	Forecast	Actual	Variance
MSA-1	502	480	(22)
MSA-2	408	427	19
MSA-3	331	382	51
MSA-4	148	138	(10)
MSA-5	174	165	(9)
MSA-6	150	140	(10)
MSA-7	236	224	(12)
MSA-8	468	462	(6)
MSA-SA	532	526	(6)
MSA-SD	99	105	6
Total	3,048	3,049	(1)

Federal Revenue \$929

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
885	-	44	-	-	-	-	-	-	-

MSA-1 and MSA-3 received prior year Federal revenue that was not accrued.

State Revenue \$3,865

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
-	-	-	-	(5,145)	-	-	-	1,280	-

MSA-5 removed State child nutrition revenue as it a part of LAUSD food services.

MSA-SA had prior year state revenue that was not accrued.

Other Local Revenue 24,306

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
-	7,299	-	207	7,554	-	0	225	9,020	-

MSA-2, 4, 5 and 8 Option 3 SpEd Grants were updated to match entitlements, resulting in an overall increase of \$15K

MSA-SA received a reimbursement from Anaheim for incorrectly deducting FY14-15 district oversight fees.

Donations/Fundraising \$9,107

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
-	-	-	-	-	-	-	-	5,279	3,827

MSA-SA and MSA-SD fundraising increased to match actuals

Compensation and Benefits \$4,055

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
48,676	19,689	(7)	(84,234)	(0)	0	18,684.0	(3,634)	7,184	(2,304)

MSA-1 has savings due to employee taking leave and position not being fully refilled. A placeholder office position was removed from the budget as it was filled by a previous new hire.

MSA-2 filled two placeholders for special education aide positions that were hired at a lower rate than budgeted

MSA-4 had one employee on a service break that returned to the school, this was not originally forecasted. Another employee left, and was removed from the budget, however, that position has since been replaced.

MSA-7 has a teacher who went on maternity leave and the payroll was reduced. However, there was a corresponding increase for substitute expense

MSA-8 paid out additional stipends that were not budgeted

MSA-SA had a Spanish teacher who left, and the position has been prorated until it is filled. H&W benefits were adjusted for 9 employees. 4 support staff employees left and were

replaced at a lower rate. 4 employees are receiving PERS that were not previously forecasted and the budget has been updated to reflect these benefits.

MSA-SD paid out an additional stipend and there was a H&W benefit adjustment for one employee.

Books and Supplies \$78,145

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
-	14,982	(0)	-	27,793	-	-	-	36,749	(1,379)

MSA-2, 5, and SA had capital expenditures in non-capitalized equipment, resulting in budget shift to capital expense.

MSA-SD increased other food based on current spending.

Services and Operating \$31,160

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
(72,331)	(27,779)	(58,628)	52,367	53,226	57,842	18,381.9	13,151	(22,363)	17,293

CMO Fees were updated based on the MERF budget changes and calculated based on P-1 (uncertified) ADA. This resulted in an overall savings of 100K across the sites.

MSA-1 had an increase of 9K in equipment leases based on actual lease costs.

MSA-2 had an increase of \$3K in equipment leases base on actual costs

MSA-4 had an increase of 6K to payroll fees based on actual expenses.

MSA-5 had an increase of 4K to payroll fees based on actual expenses.

MSA-7 increased substitute expenditures \$18K to cover the teacher on maternity leave.

MSA-SA had an increase of \$25K to repairs and mantainence for their old site, which was deducted from their security deposit

Depreciation \$12,427

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
-	-	-	-	-	-	-	-	(10,347)	-

Depreciation was updated per the fixed asset schedule for MSA-SA.

Magnolia Science Academy - 1

	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY						
Revenue						
LCFF Entitlement	1,984,936	5,251,881	5,311,771	5,305,480	(6,291)	53,599
Federal Revenue	185,427	695,788	1,201,999	1,202,884	885	507,096
Other State Revenues	492,590	898,245	1,158,352	1,158,352	-	260,107
Local Revenues	80,754	60,107	84,550	84,550	-	24,443
Fundraising and Grants	23,463	56,000	69,360	69,360	-	13,360
Total Revenue	2,767,171	6,962,021	7,826,032	7,820,626	(5,406)	858,605
Expenses						
Compensation and Benefits (excl adjustment)	1,791,082	3,362,064	3,809,470	3,562,432	247,038	(200,367)
Books and Supplies	233,692	539,025	647,387	647,387	-	(108,362)
Services and Other Operating Expenditures	1,201,856	2,727,983	2,856,771	2,929,102	(72,331)	(201,119)
Depreciation	90,882	181,768	146,166	146,166	-	35,602
Total Expenses	3,317,512	6,810,840	7,459,794	7,285,087	174,707	(474,247)
Operating Income Before One-Time Adjustment	(550,341)	151,181	366,237	535,539	169,301	384,358
One-Time Compensation Adjustment				(198,362)		
Operating Income (including adjustment)				337,177		
Fund Balance						
Beginning Balance (Unaudited)	3,197,834	3,197,834	3,197,834	3,197,834		
Audit Adjustment	(37,421)	-	(37,421)	(37,421)		
Beginning Balance (Audited)	3,160,413	3,197,834	3,160,413	3,160,413		
Operating Income (including Depreciation)	(550,341)	151,181	366,237	337,177		
Ending Fund Balance	2,610,072	3,349,015	3,526,650	3,497,590		
Capital Outlay	27,331	100,000	540,000	540,000		
Total ADA		518.2	522.1	522.1		

Summary of Results

Forecasting a net income of **\$535,539** before one-time adjustments and **\$337,177** including adjustments; this is an increase of **\$185,996** from the board approved budget and a decrease of **\$29,061** from the November Forecast. Enrollment increased by 4 for a total of 541 students, but there was a 3% reduction in FRL to 88% and a reduction of 3% in unduplicated count to 89%.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

LCFF Entitlement \$53,599

A reduction in FRL and Unduplicated which was offset by an increase in enrollment, resulted in increased LCFF entitlement by **\$53,599** from approved budget.

Federal Revenue \$507,096

MSA-1 was awarded the Charter School Facilities Incentive Grant (CSFIG), which is a 3-year federal grant program to assist in facility needs. MSA-1 will receive **\$500K** each year for three years to toward the new construction costs for the facility at MSA-1. NSLP Revenue increased by **\$6k** due to the increase in enrollment, with a corresponding increase in food expenses.

Adjusted CDE preliminary entitlement for Title I and Title III which resulted in decrease of \$4.5k from approved budget. Prior year 15-16 National School Lunch Program under accrued \$2k and received FY 15-16 Title III not accrued. Removed FY 16-17 Title III - Immigrant of \$1.1k from the budget since none of the schools will be participating this year. Added AP reimbursements of \$5.1k not previously budgeted.

State Revenue \$260,107

Added a one-time fund for College Readiness Grant of \$75k and one-time Mandate Block Funding of \$115k that were not previously budgeted. State Lottery revenue increased by \$14k due to increase in enrollment. Increase of \$57k for SB740 from approved budget for this year to reimburse for rent per CSFA.

Other Local Revenue \$24,443

Summer Program revenue was \$21K higher than budgeted. Increased other local revenue by \$10k due to refunds not previously budgeted. Decreased COP Option 3 Step Grant by \$7k to match preliminary entitlement.

Donations/Fundraising \$13,360

Fundraising and Donations increased by \$13k based on prior year actuals.

Compensation and Benefits (-\$398,729)

Certificated payroll increased \$176K due to one-time adjustment for July payroll, with a corresponding increase in STRS expense for \$22K. Teachers and administrators are earning salaries higher pay than budgeted, and an IT/Tutor, PT office manager and an additional TA were added to the budget. This resulted in a \$111K increase in salaries and a \$39K increase in benefits. Health benefits were estimated at 40 employees receiving H&W at an average cost of \$8,100. Revised budget is based on a per employee cost, with 42 employees receiving benefits at an average cost of \$9,241 per employee. This resulted in \$50K increase. MSA-1 is not a part of School Employer's Fund (SEF) like other MPS sites, and state unemployment rate is 6.20% of first \$7k per calendar year. Budget was based on 0.05% SEF rate (which is the rate applicable to all other MPS schools), which resulted in an increase of \$30K. Savings of \$55k due to one teacher leaving in December but added a substitute; also prorated the Dean of Culture's pay since she is going on maternity leave in February. Increased budget by \$6k due to SpEd Aide but was offset by removal of an office manager position.

Books and Supplies (-\$108,362)

Textbook and other reference materials purchase not previously budgeted, which resulted in an increase of \$52K. Instructional materials and supplies increased by \$25K and Office Supplies increased by \$7.8k based on prior year actuals. Student food increased by \$19K due to enrollment increase. Other Food (food for events, PD, etc.) increased by \$5K based on prior year actuals.

Services and Operating (-\$201,119)

Direct and Indirect CMO Fees increased by \$44k due to updated calculation of CMO Fees based on ADA and updated home office budget. Insurance increased by \$4k per updated premium from CharterSafe. Rent increased \$36k due to increase in rent for bungalows not previously budgeted. Operations & Housekeeping increased by \$21k, Utilities increased by \$6k, Repairs and Maintenance increased by \$10k, Accounting Fees increased by \$5k, School Programs increased by \$15k, Consultants increased by \$16k, Field Trip Expenses increased by \$12k, Legal Fees increased by \$20k, Marketing and Student Recruiting increased by \$5k, Professional Development increased by \$31k, Special Education contract instructors decreased by \$25k and Substitutes increased by \$24k based on prior year actuals. Also, increased prior year expenses – not accrued by \$18k to match actuals previously not budgeted. Increased Bad Debt Expense by \$2k for prior year 15-16 State nutrition over accrued. Increased Equipment Leases by \$5k per review of actuals and discussion with principal.

Depreciation (-\$35,602)

Depreciation increased to match updated fixed asset schedule and calculated depreciation for the year.

Magnolia Science Academy - 2

	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY						
Revenue						
LCFF Entitlement	1,665,533	4,518,778	4,285,683	4,295,058	9,375	(223,720)
Federal Revenue	124,243	344,735	522,541	522,541	-	177,806
Other State Revenues	181,250	355,213	544,067	544,067	-	188,854
Local Revenues	52,465	93,069	69,981	77,280	7,299	(15,789)
Fundraising and Grants	10,335	25,000	27,722	27,722	-	2,722
Total Revenue	2,033,826	5,336,795	5,449,995	5,466,669	16,674	129,874
Expenses						
Compensation and Benefits (excl adjustment)	1,536,023	2,987,228	3,122,411	2,938,373	184,038	48,855
Books and Supplies	221,407	259,858	466,086	451,104	14,982	(191,246)
Services and Other Operating Expenditures	767,269	1,903,069	1,821,025	1,848,804	(27,779)	54,265
Depreciation	16,998	34,000	53,602	53,602	-	(19,602)
Total Expenses	2,541,697	5,184,155	5,463,126	5,291,884	171,242	(107,728)
Operating Income Before One-Time Adjustment	(507,871)	152,640	(13,131)	174,785	187,916	22,145
One-Time Compensation Adjustment				(164,349)		
Operating Income (including adjustment)				10,436		
Fund Balance						
Beginning Balance (Unaudited)	1,210,746	1,210,746	1,210,746	1,210,746		
Audit Adjustment	(69,796)	-	(69,796)	(69,796)		
Beginning Balance (Audited)	1,140,950	1,210,746	1,140,950	1,140,950		
Operating Income (including Depreciation)	(507,871)	152,640	(13,131)	10,436		
Ending Fund Balance	633,080	1,363,386	1,127,820	1,151,386		
Capital Outlay	14,982	20,000	-	14,982		
Total ADA		470.0	442.0	442.0		

Summary of Results

MSA-2 is currently forecasting a net income of **\$174,785** before one-time adjustments and \$10,436 including adjustments; this is a reduction of \$142,204 from the board approved budget and an increase of \$23,567 from the November forecast. Enrollment has been reduced by -29 to 458, from 487 originally budgeted. There was a 9% increase in FRL to 93% and an increase of 7% in unduplicated count to 93%. This positively impacts LCFF, Nutrition and certain other revenues.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

LCFF/State Aid (-\$233,720)

LCFF revenue reduced (\$233k), due to reduction of -28 ADA, offset by an increase in FRL and unduplicated count.

Federal Revenue \$177,806

Addition of National School Lunch Program (NSLP) for MSA-2 this year increased forecast by \$165k. This was not in the board approved budget because participation in this program was not known at that time. Title I in the current forecast has increased by \$11.7k per the CDE preliminary entitlement published in July. Special Ed rates also changed slightly from what was

originally budgeted. Removed Title III of \$727 from budget since none of the schools will be participating this year.

State Revenue \$188,854

Largest increases in State Revenue come from addition of two one-time funds not previously budgeted: One-Time mandated funding \$100k and College Readiness Grant \$75k. Estimated Lottery rates also have increased since the board approved budget, resulting in estimated increase of \$7.3k. Special Ed AB602 funding rates have reduced from the board approved budget and with reduced ADA result in decreased revenue of \$9k.

Other Local Revenue (-\$15,789)

Summer Program revenue was \$16K higher than budgeted, while uniforms and field trip revenue have been removed from the board approved budget, a reduction of \$46k. The addition of the Nutrition program also brought increased estimated local food service revenue of \$5k. Increased COP Option 3 Step Grant to \$9k to match preliminary entitlement.

Donations/Fundraising \$2,722

Fundraising increased by \$2.7K based on prior year actuals and budget meeting with the principal.

Compensation and Benefits (-\$115,494)

Certificated payroll increased \$141K due to the one-time adjustment of July Payroll, with a corresponding increase in STRS for \$18K. Health benefits increased \$20K because the budget estimated 37 employees receiving H&W at a cost of \$8,100, but it is now based on per employee cost. 34 people are receiving H&W benefits, with an average cost of \$9,379 per employee. There was a \$60K reduction because of two employee terminations. A teacher was replaced at a higher rate which was offset by 2 SpEd Aides who were hired less than budgeted, savings of \$20k.

Books and Supplies (-\$191,246)

Largest increase in Books and Supplies is the addition of food supplies expense not previously budgeted - \$193k. Also, while textbooks increased by \$45k due to purchases that were originally intended to occur in FY15-16 and were carried over to the current year, many line items were reduced by \$32k during budget review with the principal. Classroom Furniture, Equipment and Supplies went over budget by \$2k for Amazon purchases. Moved \$15k to capital expenditures for security cameras.

Services and Operating \$54,265

Direct and Indirect CMO Fees decreased \$54K due to updated calculation of CMO Fees based on ADA and updated home office budget. Travel and conference fees decreased by \$26k upon review of prior year actuals. Removed rent of \$180k. Increased Operations & Housekeeping by \$130k. Audit fees increased \$6.6K based on PY actuals and legal increased by \$10k based on anticipated additional needs related to renewal. Consultants and professional development increased \$46K to cover the costs funded by the Educator Effectiveness and College Readiness, not previously budgeted. Special Education contract instructors increased \$25K based on PY

actuals. Substitutes, Communications and several other line items also decreased by \$50k due to budget review with principal and examination of final prior year expenses. Increased PY expenses – not accrued by \$27k to match actuals received by 21st Century, Lifetouch Publishing and cleaning services. Increased Equipment Leases by \$3k based on trends.

Depreciation (-\$19,602)

Depreciation increased to match updated fixed asset schedule and calculated depreciation for the year.

Magnolia Science Academy -3

	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining
SUMMARY							
Revenue							
LCFF Entitlement	1,630,048	4,245,387	4,303,143	4,352,807	49,664	107,420	2,722,759
Federal Revenue	139,364	574,033	493,701	493,745	44	(80,288)	354,381
Other State Revenues	276,823	694,406	879,335	879,335	-	184,929	602,512
Local Revenues	36,369	24,785	40,114	40,114	-	15,329	3,745
Fundraising and Grants	13,965	19,018	19,018	19,018	-	-	5,053
Total Revenue	2,096,570	5,557,629	5,735,311	5,785,019	49,708	227,390	3,688,449
Expenses							
Compensation and Benefits (excl adjustment)	1,658,719	2,812,109	3,370,534	3,184,511	186,023	(372,402)	1,711,822
Books and Supplies	138,052	454,542	401,887	401,887	(0)	52,654	263,836
Services and Other Operating Expenditures	808,852	1,935,913	2,029,286	2,087,914	(58,628)	(152,001)	1,279,062
Depreciation	6,000	12,000	19,096	19,096	-	(7,096)	13,096
Total Expenses	2,611,623	5,214,564	5,820,804	5,693,409	127,395	(478,845)	3,267,816
Operating Income Before One-Time Adjustment	(515,053)	343,065	(85,492)	91,611	177,103	(251,455)	420,634
One-Time Compensation Adjustment				(186,030)			
Operating Income (including adjustment)				(94,419)			
Fund Balance							
Beginning Balance (Unaudited)	976,777	976,777	976,777	976,777			
Audit Adjustment	(1,355)	-	(1,355)	(1,355)			
Beginning Balance (Audited)	975,422	976,777	975,422	975,422			
Operating Income (including Depreciation)	(515,053)	343,065	(85,492)	(94,419)			
Ending Fund Balance	460,369	1,319,842	889,930	881,003			
Capital Outlay	-	70,000	70,000	70,000			
Total ADA		434.3	443.9	443.9			

Summary of Results

MSA-3 is currently forecasting a net income of **\$91,611** before one-time adjustments and a loss of **(\$94,419)** including adjustments; this is a reduction of **\$437,485** from the board approved budget and a reduction of **\$8,927** from the November forecast. Enrollment has increased by +10 to 460, from 450 originally budgeted. There was a 4% increase in FRL to 83% and an increase of 3% in unduplicated count to 83%. This increase positively impacts LCFF, Nutrition and certain other revenues.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

LCFF Entitlement \$107,420

LCFF revenue increased \$107k, due to increase of 9.6 ADA, FRL rate and unduplicated count.

Federal Revenue (-\$80,288)

National School Lunch Program (NSLP) decreased based on prior year actual participation and on reduced FRL \$89K. This is offset in part by reduced food expenses. Title I in the current forecast has increased by \$6k per the CDE preliminary entitlement published in July. Special Ed

rate also changed slightly from what was originally budgeted. Removed FY16-17 Title III of \$242 from budget since none of the schools will be participating this year. Added AP reimbursements of \$4k not previously budgeted.

State Revenue \$184,929

Largest increases in State Revenue come from addition of two one-time funds not previously budgeted: One-Time mandated funding \$96k and College Readiness Grant \$75k. Estimated Lottery rates also have increased since the board approved budget, along with increased ADA results in estimated increase of \$13k. State Nutrition revenue decreased by \$7k due to decreased FRL and participation based on prior year final numbers. Received \$7k for PY15-16 Assesment Reimbursements and Lottery under accrued.

Other Local Revenue \$15,329

Summer Program revenue was \$17.7K higher than budgeted. Reduced COP Option 3 Grant by \$2k.

Compensation and Benefits (-\$558,432)

Certificated payroll increased \$164K due to the one-time adjustment of July Payroll, with a corresponding increase in STRS for \$21K. There was an additional \$228K due to the addition of two SpEd Aides, an office manager, and three additional deans. The additional salary changes resulted in a \$40K increase to STRS/PERS benefits. Health benefits increased \$51K because the budget estimated 44 employees receiving H&W at a cost of \$8,100, but it is now based on per employee cost. 40 people are receiving H&W benefits, with an average cost of \$8,707 per employee. There was an additional \$43K increase as two teachers were replaced and two part time employees are now full time.

Books and Supplies \$52,654

Change primarily due to reduced food expenses due to anticipated reduced participation per prior year actuals \$65k. Classroom furniture and other food increased per budget review with principal \$12k.

Services and Operating (-\$152,001)

Direct and Indirect CMO Fees increased \$39K due to updated calculation of CMO Fees based on ADA and updated home office budget. Rent decreased by \$44k per info received from MPS Facilities team. Audit fees increased \$5K based on PY actuals and legal increased by \$30k based on anticipated needs related to renewal. Consultants and professional development increased \$90K to cover the costs funded by the Educator Effectiveness and College Readiness, not previously budgeted. Field Trip expenses increased \$5k and Substitute expenses increased \$20k. Marketing decreased by \$15k due to review of anticipated needs in this area and review of prior year actual spending. Special Education contract instructors increased \$7K based on PY actuals. Prior year un-accrued expenses totaled \$13k, increasing forecasted expenses.

Depreciation (-\$7,096)

Depreciation increased to match updated fixed asset schedule and calculated depreciation for the year.

Magnolia Science Academy - 4

	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY						
Revenue						
LCFF Entitlement	657,969	1,772,032	1,827,963	1,818,445	(9,518)	46,413
Federal Revenue	77,221	252,308	247,687	247,687	-	(4,621)
Other State Revenues	103,615	141,453	267,852	267,852	-	126,399
Local Revenues	22,200	20,867	22,223	22,430	207	1,563
Fundraising and Grants	9,816	10,000	12,374	12,374	-	2,374
Total Revenue	870,821	2,196,660	2,378,099	2,368,788	(9,311)	172,128
Expenses						
Compensation and Benefits (excl adjustment)	578,372	1,172,519	1,211,281	1,212,821	(1,539)	(40,302)
Books and Supplies	56,006	158,736	132,807	132,807	-	25,930
Services and Other Operating Expenditures	257,515	667,206	753,697	701,330	52,367	(34,124)
Depreciation	4,608	9,221	15,656	15,656	-	(6,435)
Total Expenses	896,501	2,007,682	2,113,441	2,062,614	50,828	(54,931)
Operating Income Before One-Time Adjustment	(25,680)	188,978	264,658	306,175	41,517	117,197
One-Time Compensation Adjustment				(82,695)		
Operating Income (including adjustment)				223,480		
Fund Balance						
Beginning Balance (Unaudited)	763,641	567,722	763,641	763,641		
Audit Adjustment	(101,149)	-	(101,149)	(101,149)		
Beginning Balance (Audited)	662,491	567,722	662,491	662,491		
Operating Income (including Depreciation)	(25,680)	188,978	264,658	223,480		
Ending Fund Balance	636,811	756,700	927,150	885,971		
Capital Outlay	-	-	-	-		
Total ADA		180.5	186.2	186.2		

Summary of Results

Forecasting a net income of **\$306,175** before one-time adjustments and **\$223,480** including adjustments; this is an increase of **\$34,502** from the board approved budget and a decrease of **\$41,178** from the November forecast. Enrollment increased by 6 for a total of 193 students, but there was a 1% decrease in FRL to 73% and a decrease of 2% in unduplicated count to 72%.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

LCFF Entitlement \$46,413

Total enrollment increased by 6 students but reduction in FRL and unduplicated increased LCFF entitlement by **\$46,413** from approved budget.

Federal Revenue (-\$4,621)

NSLP Revenue decreased by **\$3k** due to the decrease in FRL%, with a corresponding decrease in food expenses. Adjusted CDE preliminary entitlement for Title I and Title III which resulted in decrease of **\$1.5k** from approved budget. Removed Title III of **\$81** from budget since none of the schools will be participating this year. Added AP reimbursements of **\$1k** not previously budgeted.

State Revenue \$126,399

One-Time Funds at \$214/ADA were not previously budgeted, resulting in an increase of \$40K. State Lottery increased \$6k due to the increase in enrollment. Added a one-time fund for College Readiness Grant of \$75k. Special Education rate decreased from \$569 per ADA to \$563 resulting in a decrease of \$4k from approved budget. Increased by \$10k for prior year lottery and federal nutrition under accrued.

Other Local Revenue \$1,563

Summer Program Revenue increased \$6K as actual revenue was higher than budgeted. Reduced COP Option 3 Step Grant to \$5k to match preliminary entitlement.

Donations/Fundraising \$2,374

Fundraising increased by \$2.3k to match actuals.

Compensation and Benefits (-\$122,997)

Certificated payroll increased \$74K due to the one-time adjustment of July Payroll. Three teachers left, which resulted in a savings of \$80K. This offset the \$50K increase with the addition of the office technician and two part time SpEd Aides. Health benefits increased \$10K because the budget estimated 14 employees receiving H&W at a cost of \$8,100, but it is now based on per employee cost. 12 people are receiving H&W benefits, with an average cost of \$8,667 per employee. One employee had a service break in September but was removed from the budget. He then returned so added him back into the budget for December financials. Hired a teacher to replace one that got terminated back in August who was removed from the budget. Both these employees increased the budget by \$84k. One employee had a service break but was on the term'd list back in sept so removed him from budget. Added him in again for December financials. Hired another teacher to replace someone who got term'd back in August.

Books and Supplies \$25,930

Office Supplies increased by \$4k, Non Instructional Student Materials & Supplies decreased \$26k, Classroom Furniture decreased \$3k, Computers decreased \$20k and Other Food (food for events, PD, etc.) increased \$4k. Student Food increased \$15k due to prior year actuals.

Services and Operating (-\$34,124)

Direct and Indirect CMO Fees increased \$5K due to updated calculation of CMO Fees based on ADA and updated home office budget. Insurance decreased by \$3k due to updated premium by CharterSafe. Accounting fees increased \$4k, Equipment Leases increased \$2k, Consultants increased by \$8k, Other Professional Services increased by \$9k, Legal Fees increased by \$10k, Payroll Fees increased by \$6k, Marketing and Student Recruiting increased by \$13k, Transportation-Students increased by \$2k, Postage and Delivery decreased by \$2k based on PY actuals. Rent decreased by \$46k based on actual contract. Increased Professional Development by \$25k due to College Readiness.

Depreciation (-\$6,435)

Depreciation increased to match updated fixed asset schedule and calculated depreciation for the year.

Magnolia Science Academy -5

	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY						
Revenue						
LCFF Entitlement	585,337	1,539,136	1,663,461	1,660,532	(2,929)	121,396
Federal Revenue	45,062	176,079	164,096	164,096	-	(11,983)
Other State Revenues	68,507	150,386	182,562	177,416	(5,145)	27,030
Local Revenues	22,784	11,120	171,259	178,813	7,554	167,693
Fundraising and Grants	339	500	500	500	-	-
Total Revenue	722,029	1,877,220	2,181,878	2,181,357	(520)	304,137
Expenses						
Compensation and Benefits (excl adjustment)	532,439	1,064,348	1,218,812	1,152,508	66,305	(88,159)
Books and Supplies	64,745	185,900	199,400	171,607	27,793	14,293
Services and Other Operating Expenditures	183,837	594,065	708,583	655,357	53,226	(61,292)
Depreciation	8,598	17,201	4,774	4,774	-	12,427
Total Expenses	789,618	1,861,515	2,131,570	1,984,245	147,324	(122,731)
Operating Income Before One-Time Adjustment	(67,589)	15,706	50,308	197,112	146,804	181,406
One-Time Compensation Adjustment				(66,305)		
Operating Income (including adjustment)				130,807		
Fund Balance						
Beginning Balance (Unaudited)	1,144,335	951,134	1,144,335	1,144,335		
Audit Adjustment	(66,819)	-	(66,819)	(66,819)		
Beginning Balance (Audited)	1,077,516	951,134	1,077,516	1,077,516		
Operating Income (including Depreciation)	(67,589)	15,706	50,308	130,807		
Ending Fund Balance	1,009,927	966,840	1,127,824	1,208,323		
Capital Outlay	27,793	-	-	27,793		
Total ADA		168.9	177.7	177.7		

Summary of Results

Forecasting a net income of **\$197,112** before one-time adjustments and **\$130,807** including adjustments; this is an increase of **\$115,101** from the board approved budget and an increase of **\$80,499** from the November forecast. Enrollment increased by 12 for a total of 187 students and there was a 4% increase in FRL to 85% and 2% increase in unduplicated count to 88%.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

LCFF Entitlement \$121,396

Total enrollment increased by 12 students, as well as FRL and unduplicated which increased LCFF entitlement by 121k.

Federal Revenue (-\$11,983)

Special Education rate decreased from \$202 per ADA to \$193 resulting in a decrease of \$5k from approved budget. Adjusted CDE preliminary entitlement for Title I and Title III which resulted in an increase of \$44k from approved budget. Also included PY Title I payable of \$51k. Removed Title III of \$485 from budget since none of the schools will be participating this year.

State Revenue \$27,030

One-Time Funds at \$214/ADA were not previously budgeted, resulting in an increase of \$30K. State Lottery increased \$7k due to the increase in enrollment. Special Education rate decreased from \$569 per ADA to \$563 resulting in a decrease of \$14k from approved budget. NSLP increased by \$5k due to increase in enrollment. Other State Apportionments – Prior Year increased by \$4k due to PY property tax and star reimbursement not accrued. Increased by \$334 for FY15-16 Assessment Reimbursements. Removed Fed NSLP of \$5k.

Other Local Revenue \$167,693

Increased COP Option 3 Grant by \$160,000 from approved budget. Increased the budget by \$8k for Microsoft Settlement.

Compensation and Benefits (-\$154,464)

Certificated payroll increased \$64K due to the one-time adjustment of July Payroll. One additional teacher was hired and teacher and administrators are earning a higher salary than budgeted, resulting in a \$73K increase. The July payroll and additional teacher resulted in a \$15K increase in STRS benefits.

Books and Supplies \$14,293

Approved Textbooks decreased by \$25k, Educational Software increased by \$5k, Instructional Materials and Supplies decreased by \$8k, Non Instructional Student Materials and Supplies decreased by \$3k, Noncapitalized Equipment decreased by \$5k, Computers increased by \$9k, Non Classroom related Furniture, Equipment and Supplies increased by \$13k, Student Food increased by \$20k and Other Food (food for events, PD, etc.) increased by \$3k due to prior year actuals. Moved \$28k to Capital Expenditure for laptops.

Services and Operating (-\$61,292)

Direct and Indirect CMO Fees increased \$5K due to updated calculation of CMO Fees based on ADA and updated home office budget. Insurance decreased by \$8k due to updated premium by CharterSafe. Repairs and Maintenance increased \$15k, Accounting fees increased \$3k, Other Professional Services decreased by \$23k, Field Trip Expenses increased by \$1k, Legal Fees increased by \$10k, Marketing and Student Recruiting increased by \$50k, Special Education Contract Instructors increased by \$25k, and Substitutes increased by \$5k based on PY actuals. Increased Prior Year Expense – Not accrued to \$31k for LAUSD food services, Hess Associates, Legal Fees and CharterSafe WC expenses not previously accrued. Decreased Rent by \$24k per Facility Use Agreement. Reallocated \$4k from Field Trip expenses to Non-classroom furniture. Overstated Other Professional Services so reduced the budget by \$20k. Payroll Fees increased by \$4k based on trends

Depreciation \$12,427

Depreciation decreased to match updated fixed asset schedule and calculated depreciation for the year.

Magnolia Science Academy – 6

	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY						
Revenue						
LCFF Entitlement	576,102	1,575,467	1,525,104	1,518,270	(6,834)	(57,197)
Federal Revenue	69,168	137,828	161,359	161,359	-	23,531
Other State Revenues	92,502	214,078	253,252	253,252	-	39,175
Local Revenues	6,392	14,120	10,512	10,512	-	(3,608)
Fundraising and Grants	4,511	10,000	11,100	11,100	-	1,100
Total Revenue	748,676	1,951,493	1,961,328	1,954,494	(6,834)	3,001
Expenses						
Compensation and Benefits (excl adjustment)	503,076	965,253	1,082,926	1,035,074	47,852	(69,821)
Books and Supplies	72,130	110,183	154,776	154,776	-	(44,593)
Services and Other Operating Expenditures	220,291	575,774	613,291	555,450	57,842	20,324
Depreciation	3,184	6,368	28,726	28,726	-	(22,358)
Total Expenses	798,680	1,657,578	1,879,719	1,774,026	105,694	(116,447)
Operating Income Before One-Time Adjustment	(50,005)	293,915	81,608	180,468	98,860	(113,447)
One-Time Compensation Adjustment				(47,852)		
Operating Income (including adjustment)				132,616		
Fund Balance						
Beginning Balance (Unaudited)	1,006,776	938,327	1,006,776	1,006,776		
Audit Adjustment	(61,339)	-	(49,511)	(61,339)		
Beginning Balance (Audited)	945,437	938,327	957,265	945,437		
Operating Income (including Depreciation)	(50,005)	293,915	81,608	132,616		
Ending Fund Balance	895,432	1,232,242	1,038,873	1,078,053		
Capital Outlay	-	20,000	-	-		
Total ADA		173.7	167.9	167.9		

Summary of Results

Forecasting a net income of **\$180,468** before one-time adjustments and \$132,616 including adjustments; this is a decrease of \$161,299, from the Board Approved Budget and a decrease of \$51,008 from the November Forecast. Enrollment decreased by 6 at 174, and there was a 7% reduction in FRL to 78% as well as a 7% reduction in unduplicated count to 80%.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

LCFF Entitlement (-\$57,197)

Total enrollment decreased by 6 students along with a reduction in FRL and unduplicated count which decreased LCFF entitlement by \$57k.

Federal Revenue \$23,531

Special Education rate decreased from \$202 per ADA to \$193 resulting in a decrease of \$3k from approved budget. Adjusted CDE preliminary entitlement for Title I and Title III which resulted in an increase of \$8k from approved budget. NSLP Revenue increased by \$18k due to prior year actuals.

State Revenue \$39,175

One-Time Funds at \$214/ADA were not previously budgeted, resulting in an increase of \$36K. School Facilities Apportionment increased \$5k. State Lottery increased \$4k, due to the rate of \$189/ADA vs. the budgeted rate of \$162/ADA. Special Education rate decreased from \$569 per ADA to \$563 resulting in a decrease of \$6k from approved budget.

Other Local Revenue (-\$3,608)

Reduced COP Option 3 Step Grant by \$3.6k to match preliminary entitlement.

Donations/Fundraising \$1,100

Donations increased by \$1k to match actuals.

Compensation and Benefits (-\$117,673)

Certificated payroll increased \$47K due to the one-time adjustment of July payroll, with a corresponding \$6K increase in STRS. Seven teachers left and were replaced by employees at a higher rate, resulting in an increase of \$37k. Administrators and classified employees are earning a higher salary than budgeted leading to an increase of \$10K. Lastly, a TA was hired that was not initially budgeted, resulting in a \$15K increase.

Books and Supplies (-\$44,593)

Approved Textbooks increased \$40k, Books and Other Reference Materials decreased \$2k, Educational Software increased \$6k, Instructional Materials and Supplies increased \$4k based on prior year actuals. Student Food decreased \$17k due to decrease in enrollment and lower FRL%.

Services and Operating \$20,324

Direct and Indirect CMO Fees increased \$4K due to updated calculation of CMO Fees based on ADA and updated home office budget. Travel and Conferences decreased by \$3k, Travel and Lodging increased by \$3k, Consultants increased by \$6k, Marketing and Student Recruitment increased by \$8k, Professional Development increased by \$4k, and Substitutes decreased by \$5k based on PY actuals. Increased Insurance budget by \$1k due to updated premium by CharterSafe. Removed \$40k of added cushion/padding from Miscellaneous Operating Expenses from the budget. Prior year expenses increased by \$4k for expenses previously not accrued. Increased budget by \$826 for CCSA membership renewal.

Depreciation (-\$22,358)

Depreciation increased to match updated fixed asset schedule and calculated depreciation for the year.

Magnolia Science Academy - 7

	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY						
Revenue						
LCFF Entitlement	973,035	2,671,595	2,610,709	2,599,553	(11,156)	(72,042)
Federal Revenue	90,979	346,072	421,493	421,493	-	75,421
Other State Revenues	275,896	578,580	622,567	622,567	-	43,988
Local Revenues	50,191	54,198	71,193	71,193	0	16,996
Fundraising and Grants	5,148	50,000	25,000	25,000	-	(25,000)
Total Revenue	1,395,248	3,700,444	3,750,962	3,739,806	(11,156)	39,362
Expenses						
Compensation and Benefits (excl adjustment)	806,061	1,710,715	1,742,388	1,633,722	108,666	76,993
Books and Supplies	151,490	333,447	306,250	306,250	-	27,197
Services and Other Operating Expenditures	700,873	1,557,568	1,645,244	1,626,862	18,382	(69,294)
Depreciation	22,513	45,027	36,918	36,918	-	8,109
Total Expenses	1,680,938	3,646,756	3,730,800	3,603,752	127,048	43,004
Operating Income Before One-Time Adjustment	(285,690)	53,688	20,162	136,054	115,892	82,366
One-Time Compensation Adjustment				(89,982)		
Operating Income (including adjustment)				46,072		
Fund Balance						
Beginning Balance (Unaudited)	939,109	922,760	939,109	939,109		
Audit Adjustment	8,244	-	8,244	8,244		
Beginning Balance (Audited)	947,353	922,760	947,353	947,353		
Operating Income (including Depreciation)	(285,690)	53,688	20,162	46,072		
Ending Fund Balance	661,664	976,448	967,515	993,425		
Capital Outlay						
	-	60,000	198,325	198,325		
Total ADA		291.4	284.7	284.7		

Summary of Results

Forecasting a net income of **\$136,054** before one-time adjustments and \$46,072 including adjustments; this is a decrease of \$7,616 from the board approved budget and an increase of \$25,910 from the November forecast. Enrollment decreased by 7 to 295, and there was a 4% reduction in the unduplicated to 76%.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

LCFF Revenue (-\$72,042)

Enrollment and unduplicated count decrease led to a decrease in LCFF.

Federal Revenue \$75,421

NSLP Revenue decreased by \$64K per PY actuals, with a corresponding decrease in food expense. MSA-7 was awarded the Charter School Facilities Incentive Grant (CSFIG), which is a 3-year federal grant program to assist in facility needs. MSA-7 will received \$138K each year for three years to cover construction costs for modulars at MSA-7. Title II decreased by \$131 based on preliminary apportionment and removed Title III of \$313 from the budget.

State Revenue \$43,988

Special Education Revenue decreased by \$11K per PY actuals. NSLP decreased 5K, with a corresponding decrease in food expense. Increase of \$60K for one-time funds that were not previously budgeted. Preliminary entitlement released at 214.55 per PY ADA.

Other Local Revenue \$16,996

Summer Program revenue was \$15K higher than budgeted. Received credit for prior year expenses of \$9k. Special Education Option 3 Grant reduced by \$7K from the approved budget based on preliminary entitlements.

Donations/Fundraising (-\$25,000)

Fundraising reduction of \$25K based on prior year actuals

Compensation and Benefits (-\$12,989)

Certificated compensation increased by \$94K, largely due to the one-time adjustment for July payroll in the amount of \$89K. Contracted actual salaries were \$5K higher than budget due to additional stipends that were not budgeted. Classified payroll reduced \$40K as two positions were budgeted that were no longer needed, which had a corresponding reduction in benefits of \$10K. Classified salaries were further reduced \$18K as hourly employees were updated based on hours worked. Added two art teachers and 1 teachers assistant replaced at a higher hourly rate which increased the budget by \$3K. Certificated salaries were reduced \$14K from the November forecast as one teach went on maternity leave, which resulted in a corresponding increase in substitute expenses.

Books and Supplies \$27,197

Textbook and other reference materials purchase not previously budgeted, which resulted in an increase of \$29K. Student food decreased by \$63K based on PY Actuals and corresponding revenue decrease. Other Food (food for events, PD, etc.) increased by \$5K based on prior year actuals. Other materials and supplies decreased \$2K based on actual school needs.

Services and Operating (-\$69,294)

Direct and Indirect CMO Fees increased \$27K due to updated calculation of CMO Fees based on ADA and updated home office budget. Audit fees increased \$4.5K based on PY actuals. Consultants increased by \$4K to cover the cost of an art program consultant that was not previously budgeted. PY expenses not accrued reduced by \$9K due writing off PY expenses. Special Education contract instructors increased \$28K based on PY actuals. Substitutes increased \$18K to cover the teacher on maternity leave, with a corresponding decrease in salaries.

Depreciation \$8,109

Depreciation decreased to match updated fixed asset schedule and calculated depreciation for the year.

Magnolia Science Academy - 8

	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY						
Revenue						
LCFF Entitlement	1,691,123	4,438,632	4,442,047	4,440,491	(1,556)	1,859
Federal Revenue	212,012	296,081	297,469	297,469	-	1,388
Other State Revenues	239,761	508,978	620,258	620,258	-	111,280
Local Revenues	42,971	90,229	70,186	70,411	225	(19,818)
Fundraising and Grants	3,614	20,000	20,000	20,000	-	-
Total Revenue	2,189,480	5,353,920	5,449,960	5,448,629	(1,331)	94,709
Expenses						
Compensation and Benefits (excl adjustment)	1,359,482	2,842,777	2,819,272	2,701,941	117,331	140,836
Books and Supplies	104,431	297,700	420,157	420,157	-	(122,457)
Services and Other Operating Expenditures	845,115	2,081,816	2,155,991	2,142,840	13,151	(61,024)
Depreciation	34,078	68,156	84,873	84,873	-	(16,717)
Total Expenses	2,343,106	5,290,449	5,480,294	5,349,811	130,483	(59,362)
Operating Income Before One-Time Adjustment	(153,625)	63,471	(30,334)	98,817	129,152	35,347
One-Time Compensation Adjustment				(120,965)		
Operating Income (including adjustment)				(22,148)		
Fund Balance						
Beginning Balance (Unaudited)	3,061,348	3,019,921	3,061,348	3,061,348		
Audit Adjustment	(90,501)	-	(90,501)	(90,501)		
Beginning Balance (Audited)	2,970,847	3,019,921	2,970,847	2,970,847		
Operating Income (including Depreciation)	(153,625)	63,471	(30,334)	(22,148)		
Ending Fund Balance	2,817,222	3,083,391	2,940,513	2,948,699		
Capital Outlay						
	77,808	84,000	84,000	84,000		
Total ADA		477.7	477.7	477.7		

Summary of Results

Forecasting a net income of **\$98,817** before one-time adjustments and a loss of (\$22,148) including adjustments; this is a decrease of \$85,618 from the board approved budget and an increase of \$8,187 from the November forecast. Enrollment remains the same at 495, but there was a 1% reduction in the unduplicated to 93%.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

LCFF Revenue \$1,859

Rate adjustment led to increase in LCFF.

Federal Revenue \$1,388

Special Education rate decreased from \$202 per ADA to \$193 resulting in a decrease of \$741 from approved budget. Adjusted CDE preliminary entitlement for Title I and Title III which resulted in an increase of \$2k from approved budget. Removed Title III of \$151 from the budget.

State Revenue \$111,280

One-Time Funds at \$214.55 per PY ADA were not previously budgeted, resulting in an increase of \$96K. State Lottery increased \$13K, due to the rate of \$189/ADA vs. the budgeted rate of \$162/ADA.

Other Local Revenue (-\$19,818)

Uniform revenue reduced \$30K as uniforms will no longer be sold through the school. Corresponding decrease in uniform expense. Summer Program Revenue increased (\$17K) as actual revenue was higher than budgeted. SpEd Option 3 Grant decreased 6K as it is now based on the entitlement.

Compensation and Benefits \$19,871

Certificated payroll increased \$120K due to one-time adjustment for July payroll. This was offset by \$137K due to lower stipends than budgeted as well as two positions removed from the staff list, with a corresponding benefits change of \$20K. A classified employee was reclassified as a certificated employee, with a net change of zero to overall payroll budget, but a shift of \$56K between the budget categories. Classified payroll increased \$20K due to part-time janitor hired that was not budgeted. Health & Welfare Benefits decreased by \$3K due to PPO adjustments.

Books and Supplies (-\$122,457)

Educational software increased \$5K for Accelerated Reader and Discover Education. \$8K in Uniform Expense removed as MPS will no longer be selling uniforms for revenue. Non-capitalized equipment increased \$15K due to speakers needing replacement in classrooms. Student food increased \$100K due to updated agreement with LAUSD. Agreement has CEP Free at 69.1% and Full 30.9%. MSA-8 actual numbers based on the forms collected is 90% Free and Reduced. Regional Director and Principal are working to get the LAUSD agreement updated.

Services and Operating (-\$61,024)

Direct and Indirect CMO Fees increased \$44K due to updated calculation of CMO Fees based on ADA and updated home office budget. Audit fees increased \$6K based on PY actuals. Professional Development increased \$6K to include Edge Coaching contract for principal. Prior year expenses (not accrued) increased \$6K from due to Sch4 Expenses from LACOE, Hess & Associates, and employee reimbursements.

Depreciation (\$16,717)

Depreciation increased to match updated fixed asset schedule and calculated depreciation for the year.

Magnolia Science Academy – Santa Ana

	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY						
Revenue						
LCFF Entitlement	808,470	4,595,312	5,477,274	5,465,892	(11,382)	870,580
Federal Revenue	88,965	394,527	783,158	783,158	-	388,631
Other State Revenues	94,689	345,918	555,702	556,982	1,280	211,064
Local Revenues	15,739	16,505	17,164	26,185	9,020	9,680
Fundraising and Grants	27,854	22,000	22,575	27,854	5,279	5,854
Total Revenue	1,035,717	5,374,262	6,855,873	6,860,071	4,198	1,485,809
Expenses						
Compensation and Benefits (excl adjustment)	1,640,642	3,059,757	3,775,567	3,723,254	52,313	(663,497)
Books and Supplies	425,583	691,730	866,125	829,376	36,749	(137,646)
Services and Other Operating Expenditures	762,482	1,775,769	2,065,550	2,087,914	(22,363)	(312,145)
Depreciation	198,617	397,234	363,466	373,813	(10,347)	23,420
Total Expenses	3,027,325	5,924,489	7,070,710	7,014,357	56,352	(1,089,868)
Operating Income Before One-Time Adjustment	(1,991,608)	(550,228)	(214,837)	(154,287)	60,550	395,941
One-Time Compensation Adjustment				(45,129)		
Operating Income (including adjustment)				(199,416)		
Fund Balance						
Beginning Balance (Unaudited)	8,291,101	8,212,887	8,291,101	8,291,101		
Audit Adjustment	7,820	-	7,820	7,820		
Beginning Balance (Audited)	8,298,921	8,212,887	8,298,921	8,298,921		
Operating Income (including Depreciation)	(1,991,608)	(550,228)	(214,837)	(199,416)		
Ending Fund Balance	6,307,313	7,662,659	8,084,084	8,099,505		
Capital Outlay	37,249	13,389,061	77,875	115,124		
Total ADA		511.5	606.0	606.0		

Summary of Results

Forecasting a net loss of **(\$154,287)** before one-time adjustments and **(\$199,416)** including adjustments; this is an increase of \$350,812 from the board approved budget and an increase of \$15,421 from the November forecast. Enrollment increase of 98 from the approved budget to 628 students. Unduplicated increased 4% to 84%.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

LCFF Revenue \$870,580

Enrollment increase led to an increase in LCFF.

Federal Revenue \$388,631

NSLP Revenue increased \$43K due to enrollment. Implementation Grant previously expected to be spent in 15-16, however, actual balance of \$261K. Remaining revenue will be recognized in 16-17 as all remaining funds were spent as of September 30, 2016. Increase of \$85K due to Title I preliminary apportionment released at \$219,592 (originally budgeted/estimated at \$134K).

Other State Revenue \$211,064

Special Education, NSLP, Mandate Cost Reimbursements, and State Lottery increased \$130K due to enrollment. \$75K added for College Readiness Grant, which will be used to cover college counselor salary. Increase of \$6K for PY revenue not accrued.

Other Local Revenue \$9,680

Anaheim was incorrectly deducting district oversight fees from in lieu property taxes, even though MSA-SA is authorized by the state. Anaheim reimbursed MSA-SA for these incorrect deductions FY14-15 and FY15-16. FY14-15 was not accrued and booked to other local.

Donations/Fundraising \$5,854

Fundraising has exceeded the budget and increased to match actuals.

Compensation and Benefits (-\$708,626)

Certificated payroll increased \$392,473 due to 5 additional teachers hired with the increased enrollment as well as one additional dean. Classified payroll increased 238K as an additional office manager was hired as well as additional support staff. There was a corresponding benefits increase with increased staff of \$100K. Currently, hourly employees are still trending low, and this may reduce further in upcoming forecasts. A Spanish left, and the placeholder position was prorated, reducing the budget by \$21K.

Books and Supplies (-\$137,646)

Textbooks increased \$4.8K based on actual McGraw-Hill Purchase order, which was covered by PCSGP grant. Custodial supplies increased \$20K, which includes one-time purchases for the new site. Art & Music supplies increased \$10K to include instrument purchases for the music program. Office supplies increased \$12.8K based on PY and CY expenditures. Non-Capitalized equipment and classroom furniture increased 32K for one-time purchases for new building. Computers increased \$16K to meet the 1:1 student ratio. MSA-SA may purchase MSA-SC chromebooks at fair market value if they are still viable. Student food increased \$63K due to enrollment and other food increased \$3K for parent meetings.

Services and Operating (-\$312,145)

Direct and Indirect CMO Fees increased \$80K due to updated calculation of CMO Fees based on ADA and updated home office budget. Insurance decreased \$11K based on updated CharterSafe allocation. Utilities increased \$90K based on actual invoices for new school site. Rent increased \$37K for July & August Rent as well as additional charges for remaining in the building. Repairs and maintenance increased \$25K due to repairs needed at the old site, which was deducted from the security deposit. After school program increased \$5K and district oversight fee increased \$8K due to increased LCFF. Fines & Penalties increased \$29K for the estimated property tax for the new school site. The school site was not exempt for the year as it was not placed in service until September. Technology services increased \$44K due to one-time tech purchases for new site and increased CoolSIS expense for higher student enrollment.

Depreciation \$23,420

Depreciation decreased to match updated fixed asset schedule and calculated depreciation for the year. Estimated depreciation on new school building, and may change.

Note regarding expenses:

MSA-SA incurred expenses related to opening the new school, some of which are still being analyzed in terms of proper funding source (Prop 1D vs. operating budget) and accounting treatment. This includes approximately \$135k in furniture and equipment expenses. This could have an impact on the bottom line, depending on whether they will ultimately be expensed or capitalized.

Magnolia Science Academy – San Diego

	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY						
Revenue						
LCFF Entitlement	1,311,974	3,365,610	3,065,431	3,067,041	1,610	(298,569)
Federal Revenue	14,237	133,928	139,972	139,972	-	6,044
Other State Revenues	102,450	301,331	386,040	386,040	-	84,709
Local Revenues	72,465	55,036	88,597	88,597	-	33,561
Fundraising and Grants	23,827	20,000	20,000	23,827	3,827	3,827
Total Revenue	1,524,953	3,875,905	3,700,040	3,705,478	5,437	(170,428)
Expenses						
Compensation and Benefits (excl adjustment)	1,101,627	2,155,725	2,256,594	2,158,964	97,630	(3,239)
Books and Supplies	80,218	163,559	179,076	180,455	(1,379)	(16,896)
Services and Other Operating Expenditures	503,485	1,325,125	1,199,279	1,181,986	17,293	143,139
Depreciation	22,310	44,619	39,460	39,460	-	5,159
Total Expenses	1,707,640	3,689,029	3,674,409	3,560,866	113,544	128,163
Operating Income Before One-Time Adjustment	(182,686)	186,876	25,631	144,612	118,981	(42,264)
One-Time Compensation Adjustment				(99,934)		
Operating Income (including adjustment)				44,678		
Fund Balance						
Beginning Balance (Unaudited)	1,173,620	1,053,661	1,173,620	1,173,620		
Audit Adjustment	960	-	960	960		
Beginning Balance (Audited)	1,174,581	1,053,661	1,174,581	1,174,581		
Operating Income (including Depreciation)	(182,686)	186,876	25,631	44,678		
Ending Fund Balance	991,894	1,240,537	1,200,211	1,219,259		
Capital Outlay						
Total ADA		453.6	413.0	413.0		

Summary of Results

Forecasting a net income of **\$144,612** before one-time adjustments and **\$44,678** including adjustments; this is a reduction of **\$142,198** from the board approved budget and an increase of **\$19,047** from the November forecast. Enrollment decreased by 42 from the approved budget to 428 students. Unduplicated increased 2% to 25%.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

LCFF Revenue (-\$298,569)

Enrollment decrease led to a decrease in LCFF

Federal Revenue \$6,044

Special Education rate adjustment resulted in increase of **\$3,939** from approved budget. Adjusted CDE preliminary entitlement for Title I and Title III which resulted in an increase of **\$2.1k** from approved budget.

Other State Revenue \$84,709

Special Education revenue reduced \$13K with decreased enrollment. One-time funding increased \$89K at 214.55/PY ADA based on preliminary entitlement. State revenue increased by \$5K from the previous forecast due to PY state revenue not accrued.

Other Local Revenue \$33,561

Summer Program Revenue increased \$10K based on actual revenue. Other local revenue increased \$23K from school sales and \$10K from the Microsoft Refund.

Fundraising Revenue \$3,827

Increased based on actuals.

Compensation and Benefits (-\$103,173)

Certificated payroll increased \$100K due to one-time July payroll adjustment, however, full-time Special Ed Teachers were removed and replaced with support staff, which led to a savings of \$30K. Classified Payroll increased with the addition of a school psychologist, with a corresponding decrease of \$15K in Special Ed contract instructors. H&W benefits increased \$22K as benefits are now being tracked on a per employee basis rather than an average cost. Accounts for employees opting in or moving to the family plan.

Books and Supplies (-\$16,896)

Textbooks increased \$8K based on CY actuals. Custodial supplies decreased \$3K based on PY actuals. Uniform expenses increased \$13K based on CY actuals, but will not be sold based on new MPS policy. Non-capitalized equipment reduced by \$2K. Other food increased \$1K based on actual expenditures.

Services and Operating \$143,139

Direct CMO Fee reduced \$33K due to lower enrollment and maxed at 11% LCFF. Shared staff fee decreased \$20K as a result of staff leaving in January, reducing overall fee to sites. Rent reduced \$25K based on actual lease agreement and repairs & maintenance reduced \$20K based on CY spending. Consultants decreased \$40K as school is no longer hiring a contracted counselor. Prior year expenses not accrued increased \$8K due to district oversight, SubReady, Ricoh, Mission Janitorial, Hess & Associates, and teacher reimbursements. SpEd contractors decreased \$15K based on PY actuals and less amount paid out for psych services now that school psychologist is on staff. Substitutes reduced \$6K based on PY actuals.

Depreciation \$5,159

Depreciation decreased to match updated fixed asset schedule and calculated depreciation for the year.

MERF

	Actual YTD	Approved Budget September 8th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)
SUMMARY						
Revenue						
Local Revenues	3,008,303	6,242,850	6,511,359	6,410,367	(100,992)	167,517
Fundraising and Grants	86,850	150,000	150,000	150,000	-	-
Total Revenue	3,095,153	6,392,850	6,661,359	6,560,367	(100,992)	167,517
Expenses						
Compensation and Benefits (excl adjustment)	1,937,146	3,467,487	3,713,429	3,567,998	145,432	(100,511)
Books and Supplies	40,827	75,821	94,820	84,820	10,000	(8,999)
Services and Other Operating Expenditures	1,273,893	2,537,455	2,825,323	2,616,824	208,500	(79,369)
Depreciation	3,834	7,666	1,440	1,440	-	6,226
Total Expenses	3,255,700	6,088,429	6,635,013	6,271,082	363,931	(182,653)
Operating Income Before One-Time Adjustment	(160,547)	304,421	26,346	289,286	262,939	(15,136)
One-Time Compensation Adjustment				-		
Operating Income (including adjustment)				289,286		
Fund Balance						
Beginning Balance (Unaudited)	(285,175)	(285,175)	(285,175)	(285,175)		
Audit Adjustment	284,225	284,225	311,971	284,225		
Beginning Balance (Audited)	(950)	(950)	26,796	(950)		
Operating Income	(160,547)	304,421	26,346	289,286		
Ending Fund Balance	(161,497)	303,471	53,142	288,335		
Capital Outlay	-	-	-	-		

Summary of Results

Forecasting a net income of \$289,286, a reduction of \$15,136 from the board approved budget and an increase of \$262,939 from the November forecast.

Cumulative Changes from Board Approved Budget to Proposed Revised Budget

Note: the following changes were presented in the November presentation and are included again here for your reference

Other Local Revenue \$167,517

Other Local revenue increased \$25K due to refunds and return of security deposit that was not on the Balance Sheet. CMO Fee (Indirect): Increase of \$109K based on increased expenses, which are discussed further below. CMO Fee (Shared Staff): Increased \$34K based on actual contracted salaries and H&W benefits, which were higher than the approved budget.

Compensation and Benefits (-\$100,511)

Increased \$22K due to accrued PTO not budgeted, which is paid at the end of each fiscal year for unused sick time (estimated at 6 unused days per employee at a rate of \$125/per day, but actuals could differ). Accrued vacation previously not booked to the balance sheet, but accrued liability is \$62K as of September, which has been added to the forecast on a per employee basis. Bonuses for two employees were not budgeted, with a corresponding increase of \$20K to the proposed budget. Increased \$71K due to two employees who were expected to leave

prior to July 2016, but actually left in August/September, and their payroll and vacation payouts were not budgeted. Severance for two employees was not budgeted, increase of \$60K. STRS and PERS is now offered to all home office employees, with a corresponding increase of \$70K. Health & Welfare increased \$38K as it is based on a per employee basis with more employees opting-in as well as enrolling in the family plan. Due to these increased expenses from the approved budget, MERF did not fill vacant positions and have delayed the hiring of a payroll associate and purchasing associate, which led to a savings of \$242K. [See figure 1.1]

Savings - Approved vs. Proposed	
Salaries - Unfilled Positions	201,000.00
Benefits - Unfilled Positions	40,884.00
Total Savings	241,884.00
Additional Expenses - Approved vs. Proposed	
PTO Payouts (unused sick time)	(21,750.00)
Accrued Vacation	(61,887.45)
Bonuses/Stipends	(19,799.07)
Health Reimbursements	(6,900.00)
STRS	(46,595)
PERS	(23,362)
H&W Benefits	(31,006)
Salaries for non-budgeted employees	(70,613.52)
Severance - OD & SM	(60,481.34)
Total Additions	(342,394.66)
Net Change	(100,510.66)

Figure 1.1: Savings and Additional Expenses – Compensation & Benefits

Books and Supplies (-\$8,999)

Educational software decreased 7K based on needs of the Academic Department. Office supplies increased \$6K based on PY actuals. Non-capital expenditures in the amount of \$1K were removed from the budget. Other food increased \$11K based on PY and CY actuals.

Services and Operating (-\$79,369)

Travel and conferences decreased \$66K due to less travel expected up north and a decrease in departmental travel budgets. Operations and housekeeping increased \$13K due to the removal of Santa Clara junk. Audit fees increased \$19K based on VTD PY actuals and contract. School programs increased \$4K for additional community outreach. Consultants decreased \$12K based on a reduction of community outreach and based on actual contracts. Legal fees increased \$85K based on PY actuals as well as expected increase in legal fees with renewals and OIG. Licenses and other fees increased \$4K for use tax, which is paid by MERF. Marketing and

student recruiting reduced \$37K in order to cut expenses from the MERF budget. Prior year expenses (not accrued) increased \$17K from as a result of prior year expenses that were not accrued for in the amount of \$41K, including CoolSIS, Cannon, reimbursements, CalNET, EDD and First Student. Professional development decreased \$51K based on projected department needs as well as STEAM expo. Tuition Reimbursement increased \$38K based on actual participation. Staff recruiting increased \$21K for Department of Justice, fingerprinting and recruiting events. This was budgeted under 5822, but was moved to a new object code. Technology services and communications each increased by \$19K based on updated IT budget.

Depreciation \$6,226

Depreciation decreased to match updated fixed asset schedule and calculated depreciation for the year.

Budget Cuts from the November Forecast

In the January meeting, the board approved a 3% increase in expenses from the approved budget. The finance team worked to identify potential areas for budget cuts in the November forecast to meet this request. In addition to not filling the vacant positions for COO, Controller, and Senior Financial Analyst, the following adjustments were made to the budget:

Cuts from November Forecast	
4330 - Office Supplies	(5,000.00)
4420 - Computers	(5,000.00)
5220 - Travel & Lodging	(22,000.00)
5822 - Consultants	(56,359.25)
5851 - Marketing & Student Recruiting	(40,000.00)
5863 - Professional Development	(35,000.00)
5864 - Tuition Reimbursement	(15,000.00)
Total Cuts	(178,359.25)

There was also a \$40K decrease in prior year expenses (not accrued) due a write off as well as an audit adjustment.

MERF did cut \$364K in expenses from the November Forecast, however, these cuts result in potential risks to MERF. MSA-4 and 5 are up for renewal next year, and MERF will not have the funds to hire outside consultant help. MERF has less employees on staff, and should more requests come from FCMAT or the OIG, they will have limited manpower to fulfill these requests. Legal fees could also further impact the budget.

Capital Expenditures – Actuals YTD

Capital expenditures are currently hitting MERF as an expense, but will need to be allocated to school sites as capital costs and later depreciated. The actual classified salary and contracted expenses incurred through December 2016 are overstated by \$113K, and will be reclassified to capital expenditure once the Facility Team provides appropriate allocations at year end.

CMO Fee Analysis

CMO Fee (Indirect Costs)

The CMO fees are calculated by redistributing total home office expenses to school sites based on a tier factor driven by Average Daily Attendance (ADA). The home office allocation expense takes into account that MSA-SD is capped at 11% LCFF, as well as the capping of those schools that have reached a minimum threshold of reserves in order to mitigate financial burden. The expenses to be allocated are calculated as follows:

$$\text{Home Office Expense Allocation} = \text{Allowable Expenses} - \text{Fundraising \& Other Revenue} - \text{Direct CMO Fee} + 5\% \text{ Reserve}$$

Shared Staff Fee

Four home office employees fill in the gaps at school sites and are charged a separate fee to account for these costs:

Employee	Title	% Salary Allocated	Funded by Revenue	Sites Responsible
Suat Acar	Regional Director	86%	Unrestricted	LAUSD Sites
Erdinc Acar	Regional Director	50%	Unrestricted	MSA-SA & MSA-SD
Kelly Hourigan	COO	15%	Special Ed.	All Sites
Victoria Marzouk	Director of Special Programs	100%	Special Ed.	All Sites

CMO Fees: As a % of Revenue

	% LCFF	% Total Revenue*
CMO Fee	17.60%	13.54%
CMO + Shared Staff Fee	18.50%	14.23%

*Total revenue excludes facility grants awarded to MSA-1 and MSA-7

ADA Analysis

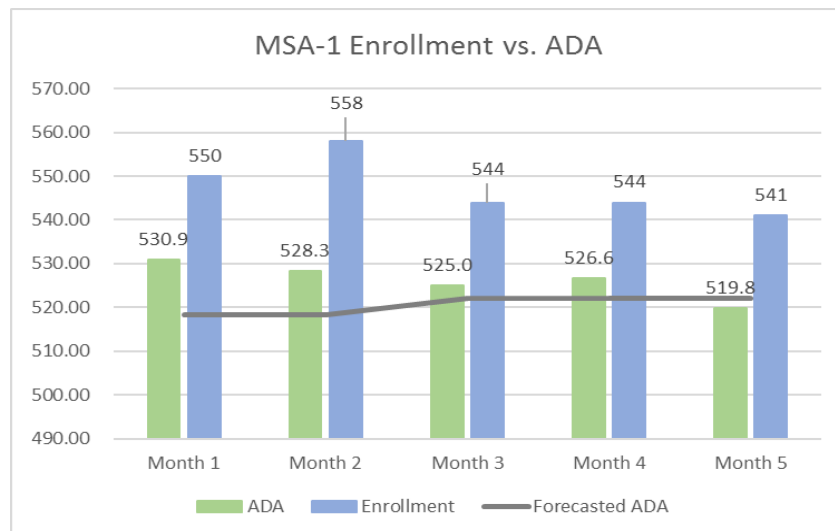
ADA drives revenue and decreases in enrollment or attendance can negatively affect the forecast. Below is a summary of sites and how their current ADA compares to the forecast. Since ADA is variable, with decreases usually seen during the holiday months, the forecast is only updated with material changes and when the P-1 is certified.

Summary

There will likely be a revenue increase on most sites as cumulative P-1 (uncertified) ADA is trending higher than the forecast.

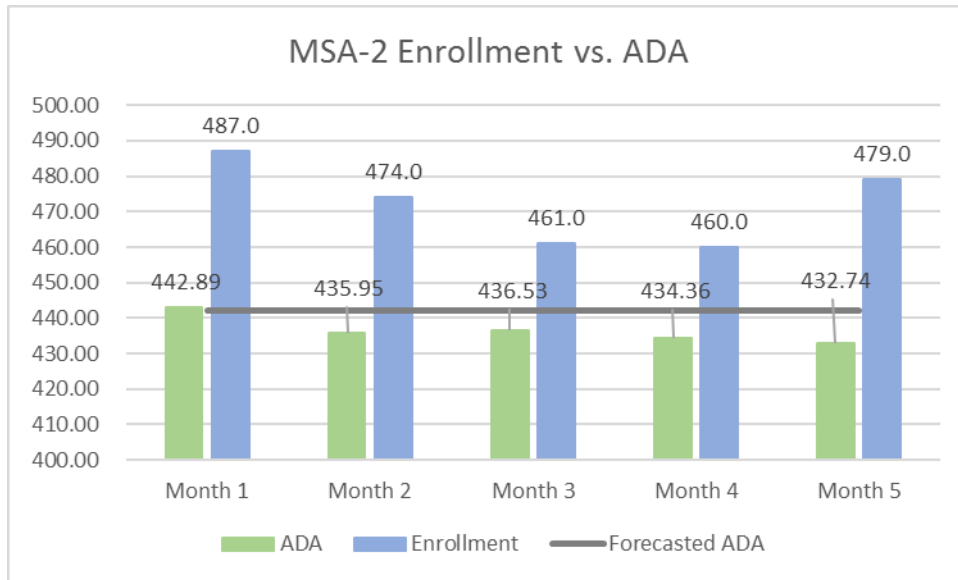
Site	Forecasted		
	ADA	P1	Variance
MSA-1	522.07	524.39	2.33
MSA-2	441.97	437.57	(4.40)
MSA-3	443.90	446.89	2.99
MSA-4	186.25	187.61	1.37
MSA-5	177.65	177.66	0.01
MSA-6	167.91	172.58	4.67
MSA-7	284.68	288.61	3.94
MSA-8	477.68	488.49	10.82
MSA-SA	606.02	612.65	6.63
MSA-SD	413.02	412.58	(0.44)
Total	3,721.13	3,749.03	27.90

MSA-1



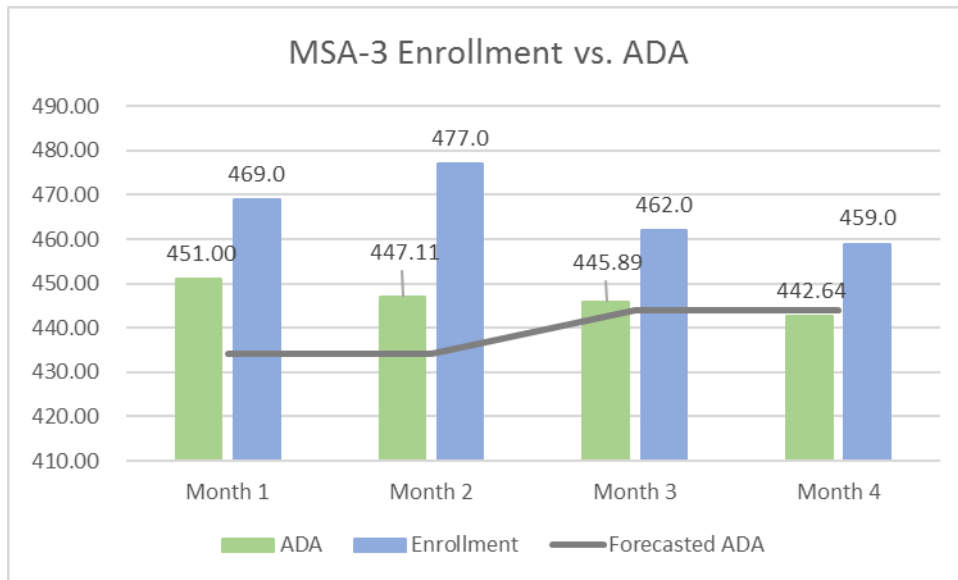
MSA-1 has an actual cumulative ADA of 526.03, a 3.97 increase from the current forecast.

MSA-2



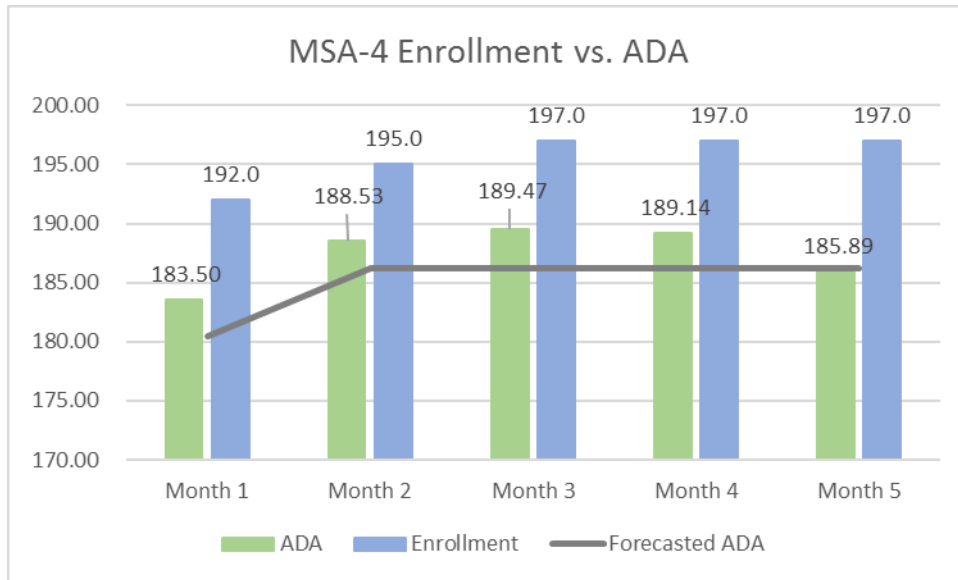
MSA-2 has an actual cumulative ADA of 436.54, a 5.43 decrease from the current forecast

MSA-3



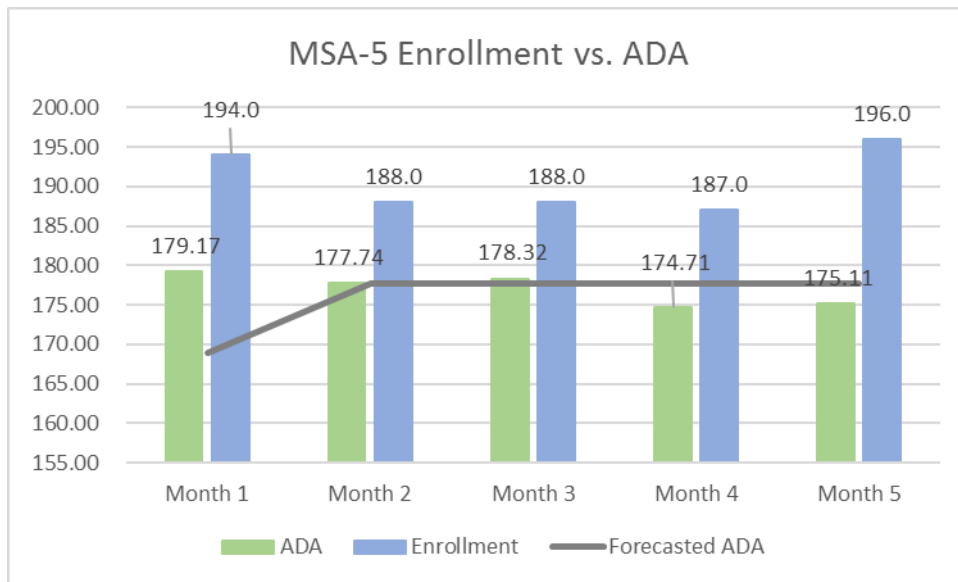
MSA-3 has an actual cumulative ADA of 446.89, a 2.99 increase from the current forecast. Month 5 was not yet available.

MSA-4



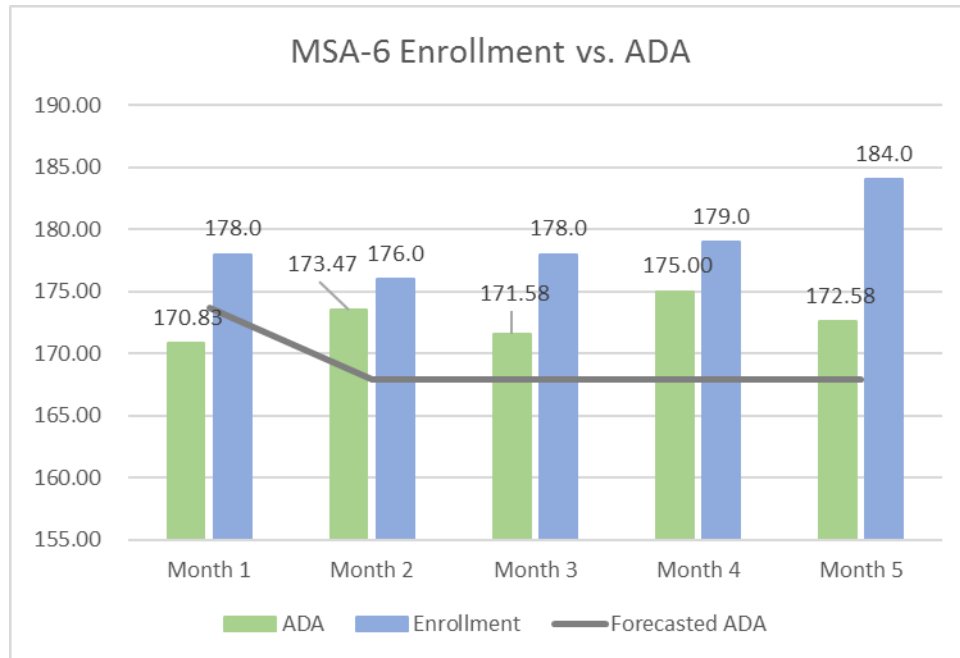
MSA-4 has an actual cumulative ADA of 187.25, a 1.00 increase from the current forecast

MSA-5



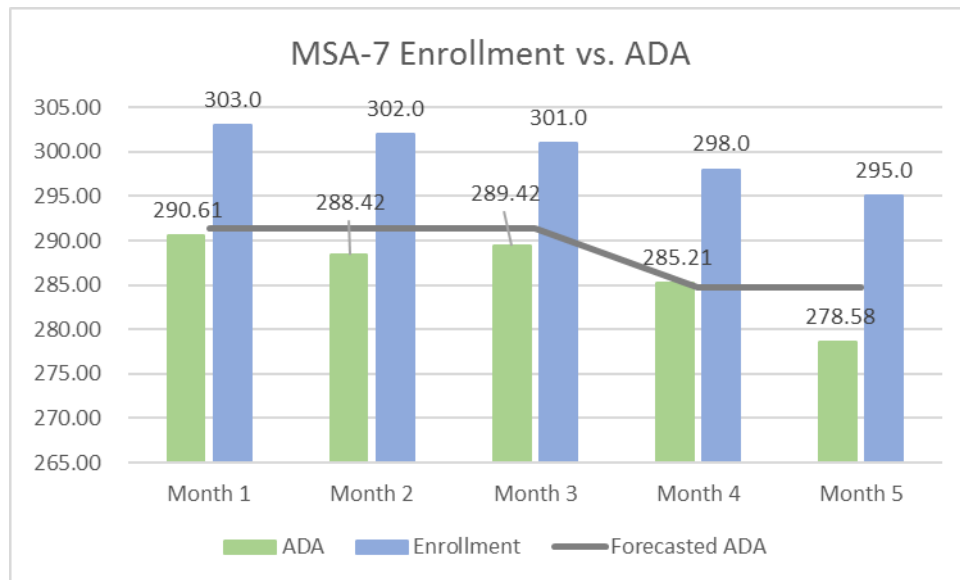
MSA-5 has an actual cumulative ADA of 177.11, a .54 decrease from the current forecast.

MSA-6



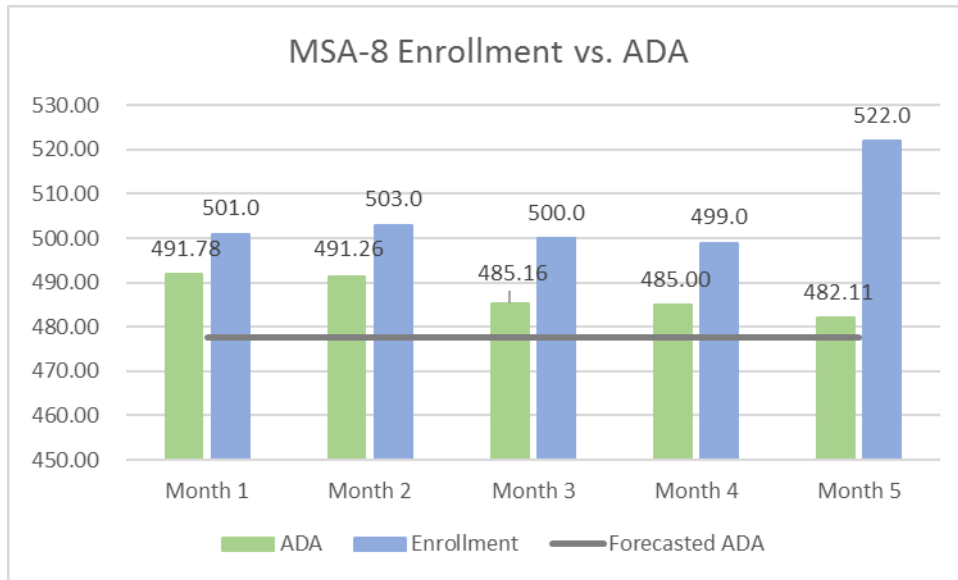
MSA-6 has an actual cumulative ADA of 172.58, a 4.67 increase from the current forecast.

MSA-7



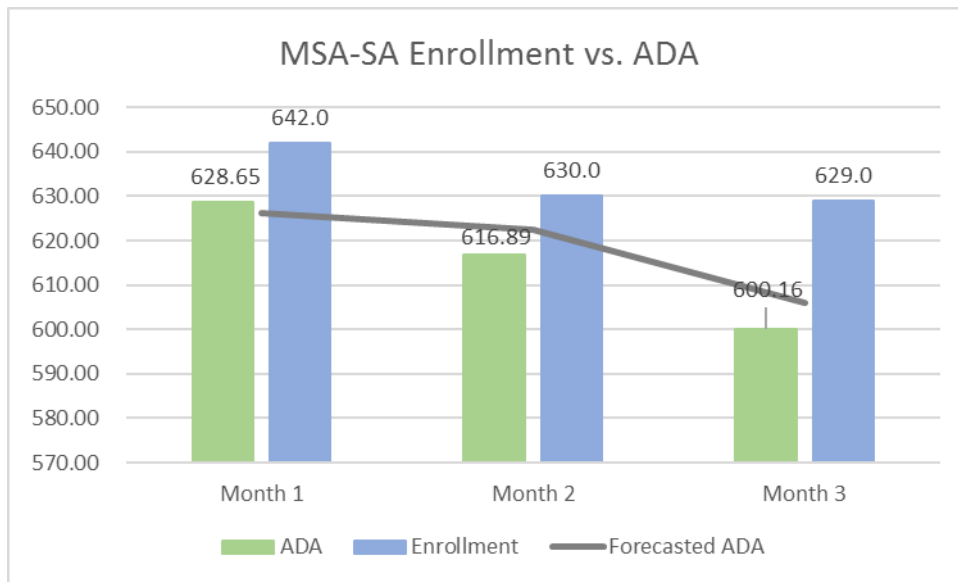
MSA-7 has an actual cumulative ADA of 284.68, a 1.80 increase from the current forecast.

MSA-8



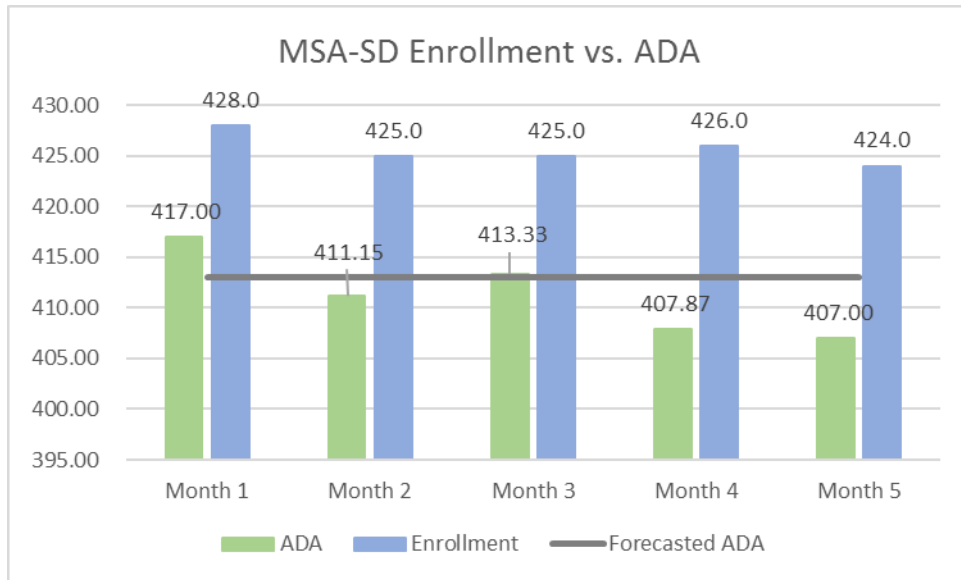
MSA-8 has an actual cumulative ADA of 487.12, a 9.45 increase from the current forecast.

MSA-SA



MSA-SA has an actual cumulative ADA of 615.47, a 9.45 increase from the current forecast. Month 4 and 5 were not available.

MSA-SD



MSA-SD has an actual cumulative ADA of 411.88, a 1.14 decrease from the current forecast.

Exhibits

MSA-1 Cash Flow Forecast

Ending cash balance as of 12/31 was 1,172,877, and forecasted ending cash balance at 6/30 is \$1,258,316



MSA-1 Cash Flow

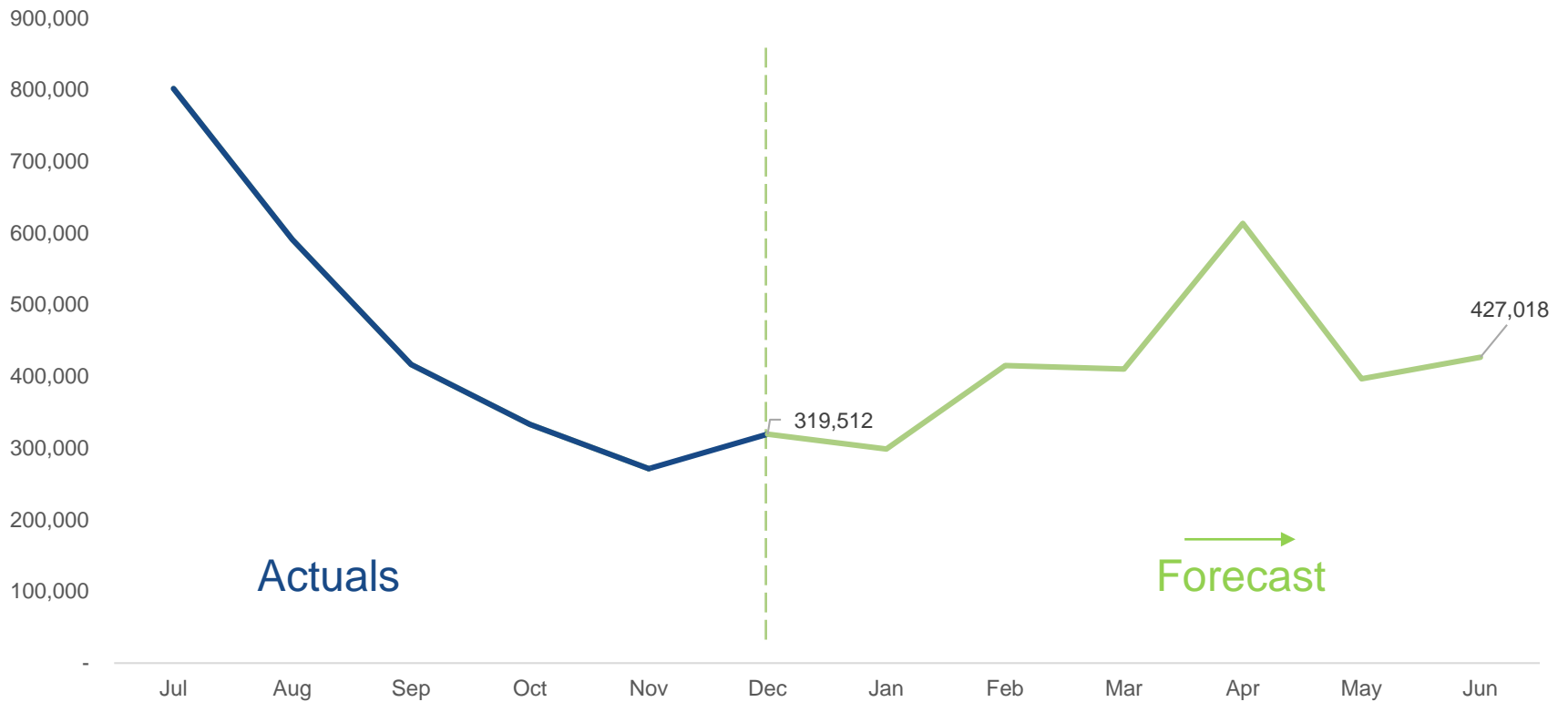


MSA-2 Cash Flow Forecast

Ending cash balance as of 12/31 was \$319,512, and forecasted ending cash balance at 6/30 is \$427,018



MSA-2 Cash Flow

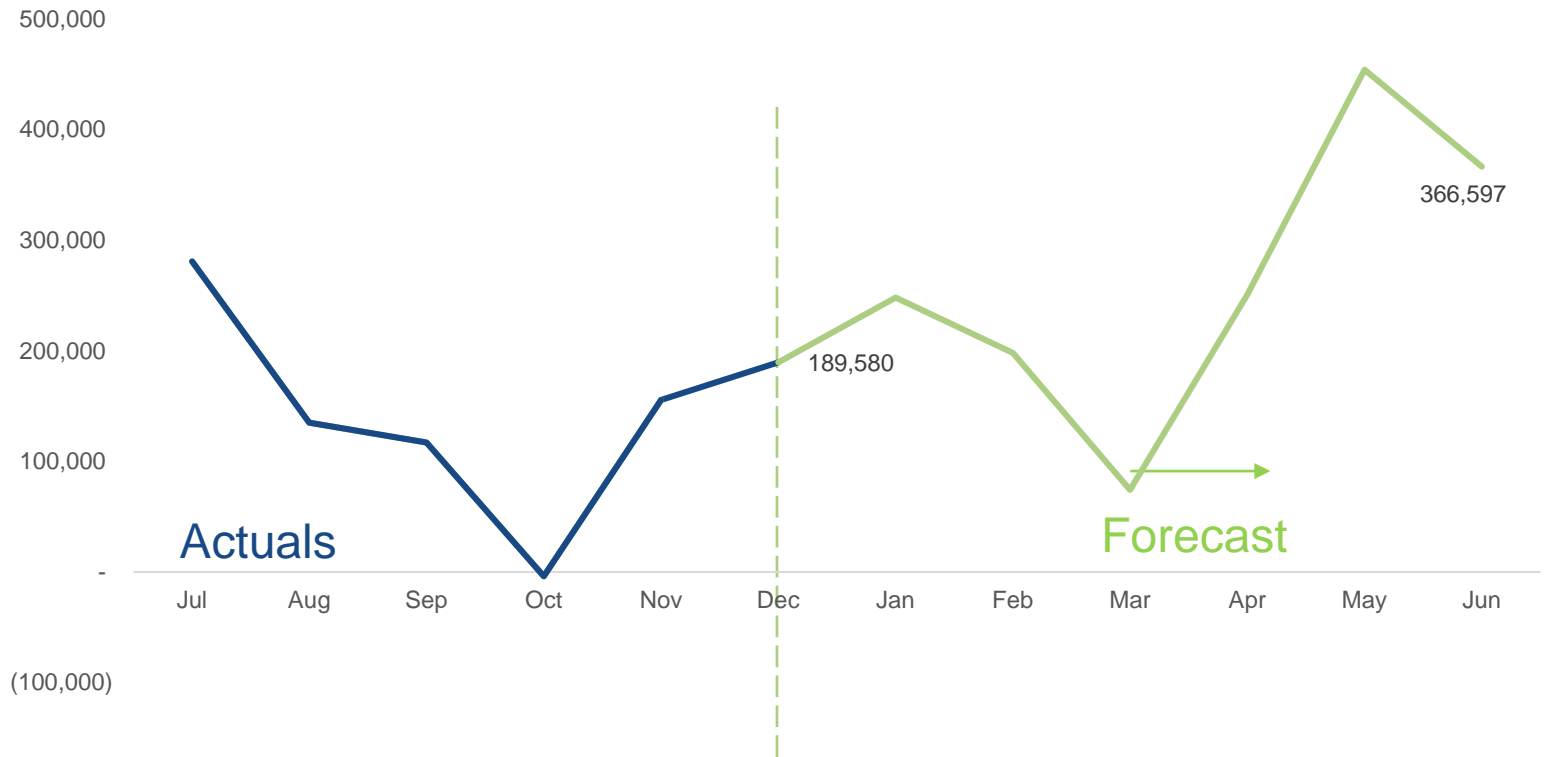


MSA-3 Cash Flow Forecast

Ending cash balance as of 12/31 was \$189,580 and forecasted ending cash balance at 6/30 is \$366,597

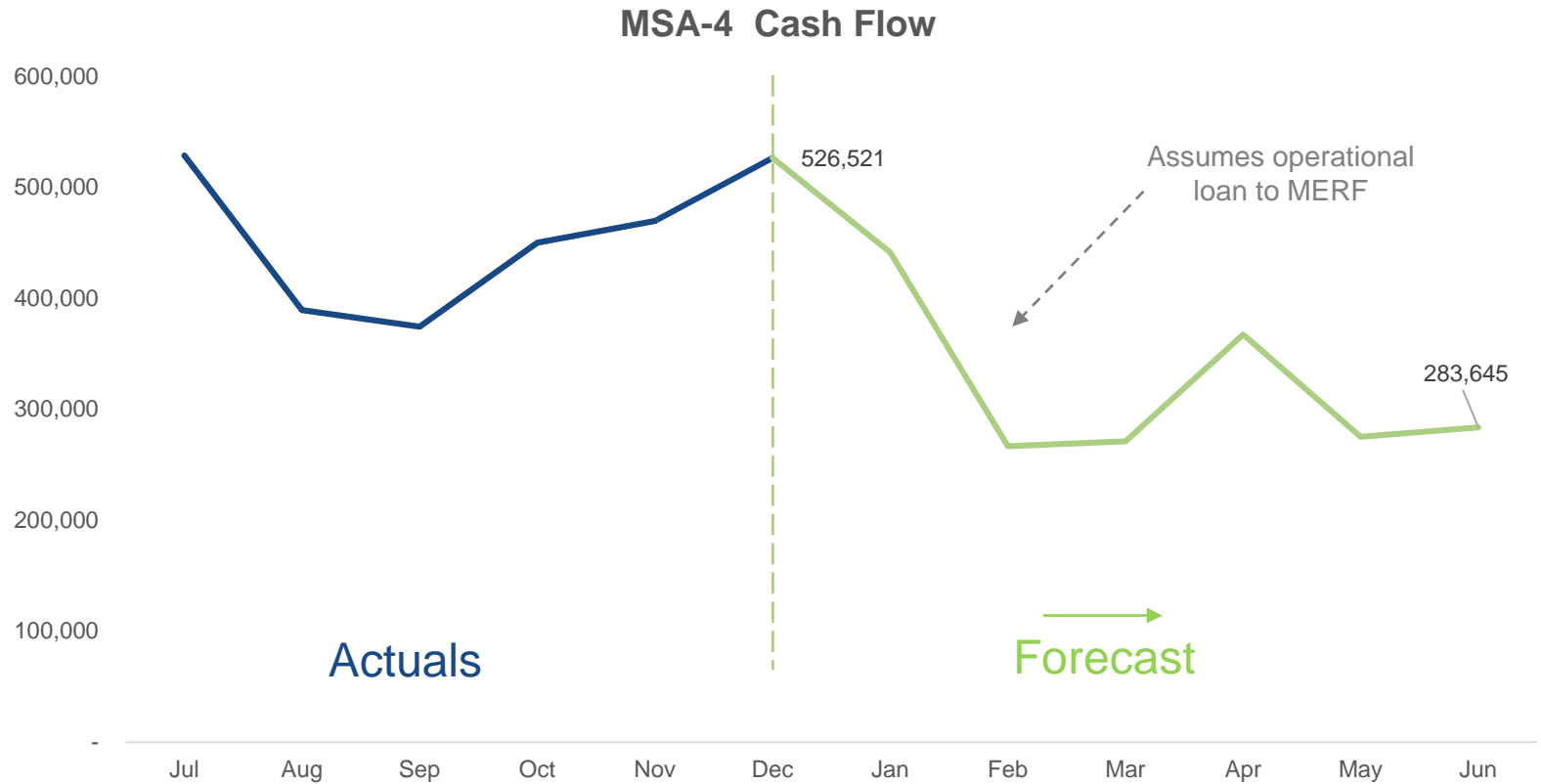


MSA-3 Cash Flow



MSA-4 Cash Flow Forecast

Ending cash balance as of 12/31 was \$526,521, and forecasted ending cash balance as of 6/30 is \$283,645

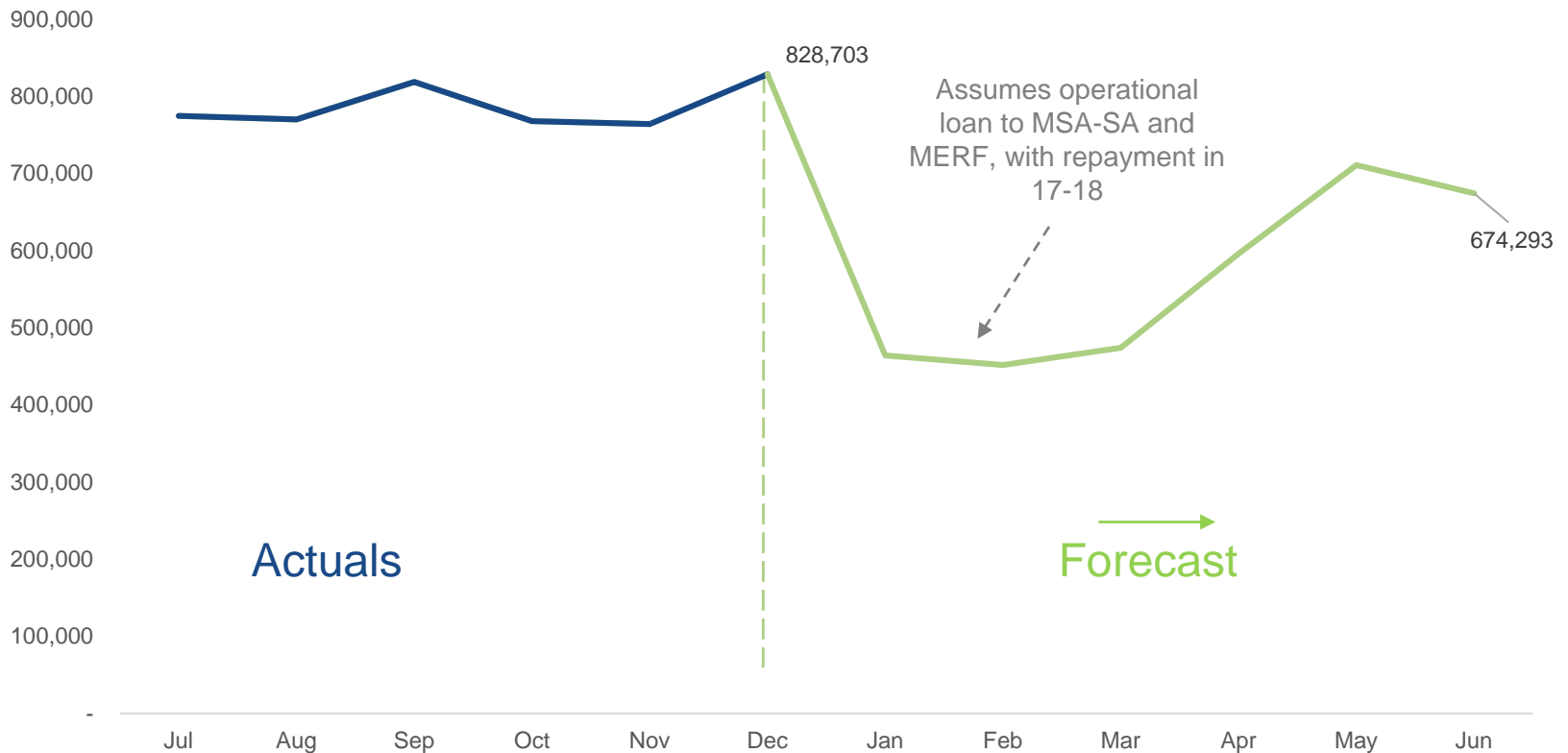


MSA-5 Cash Flow Forecast

Ending cash balance as of 12/31 was \$828,703 and forecasted ending cash balance as of 6/30 is \$674,293

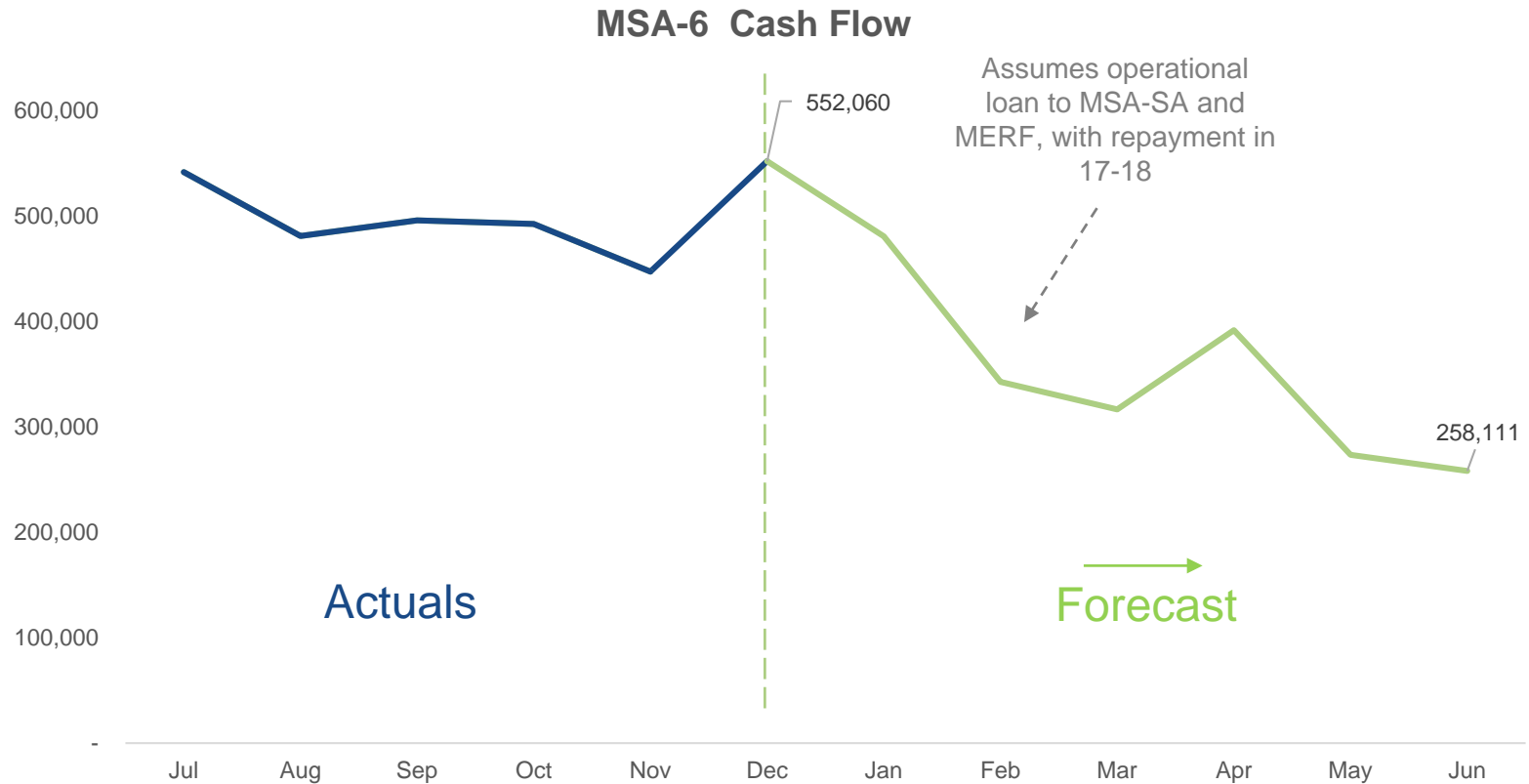


MSA-5 Cash Flow



MSA-6 Cash Flow Forecast

Ending cash balance as of 12/31 was \$552,060 and forecasted ending cash balance as of 6/30 is \$258,111

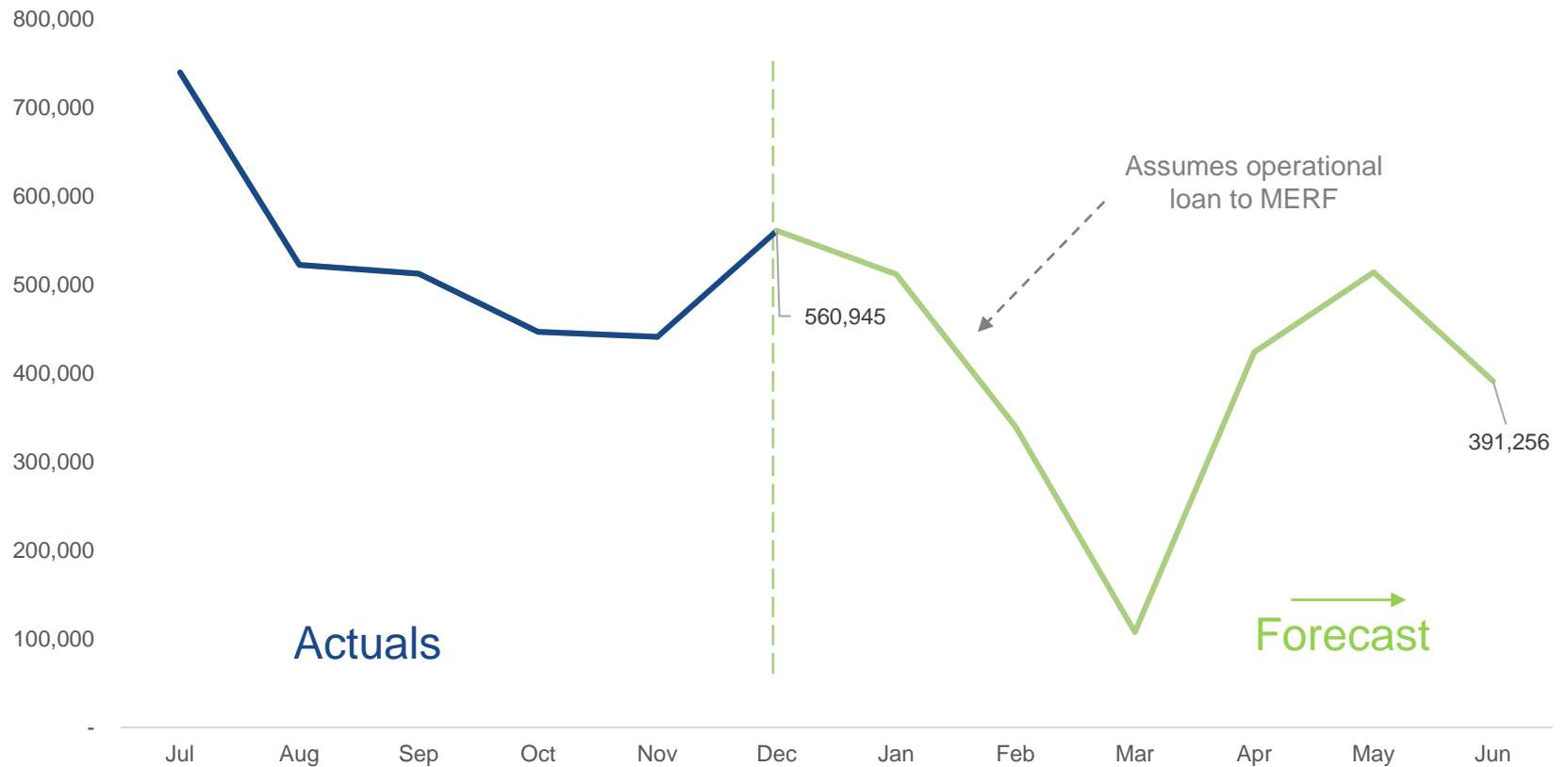


MSA-7 Cash Flow Forecast

Ending cash balance as of 12/31 was \$560,945 and forecasted ending cash balance as of 6/30 is \$391,256

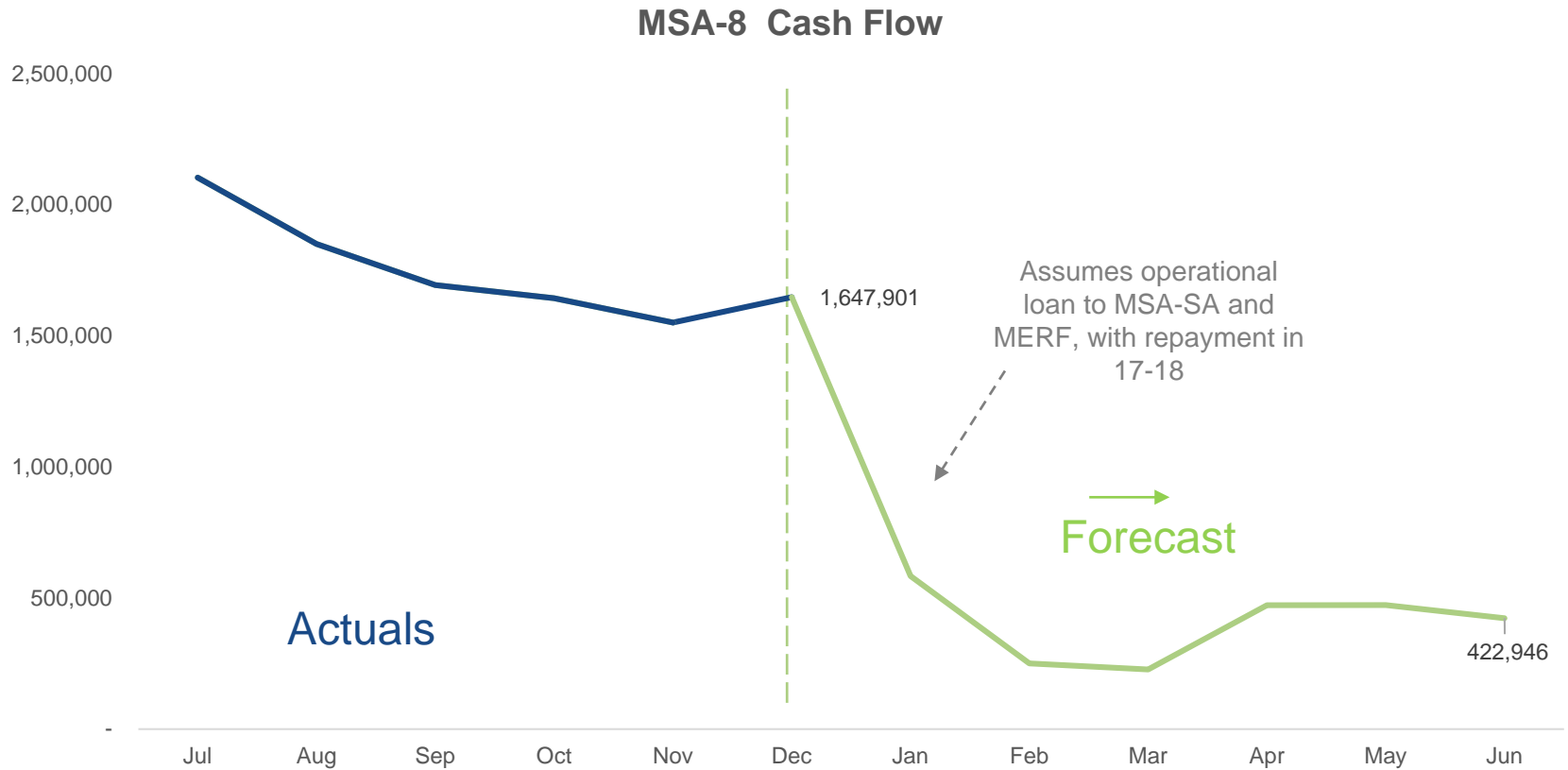


MSA-7 Cash Flow



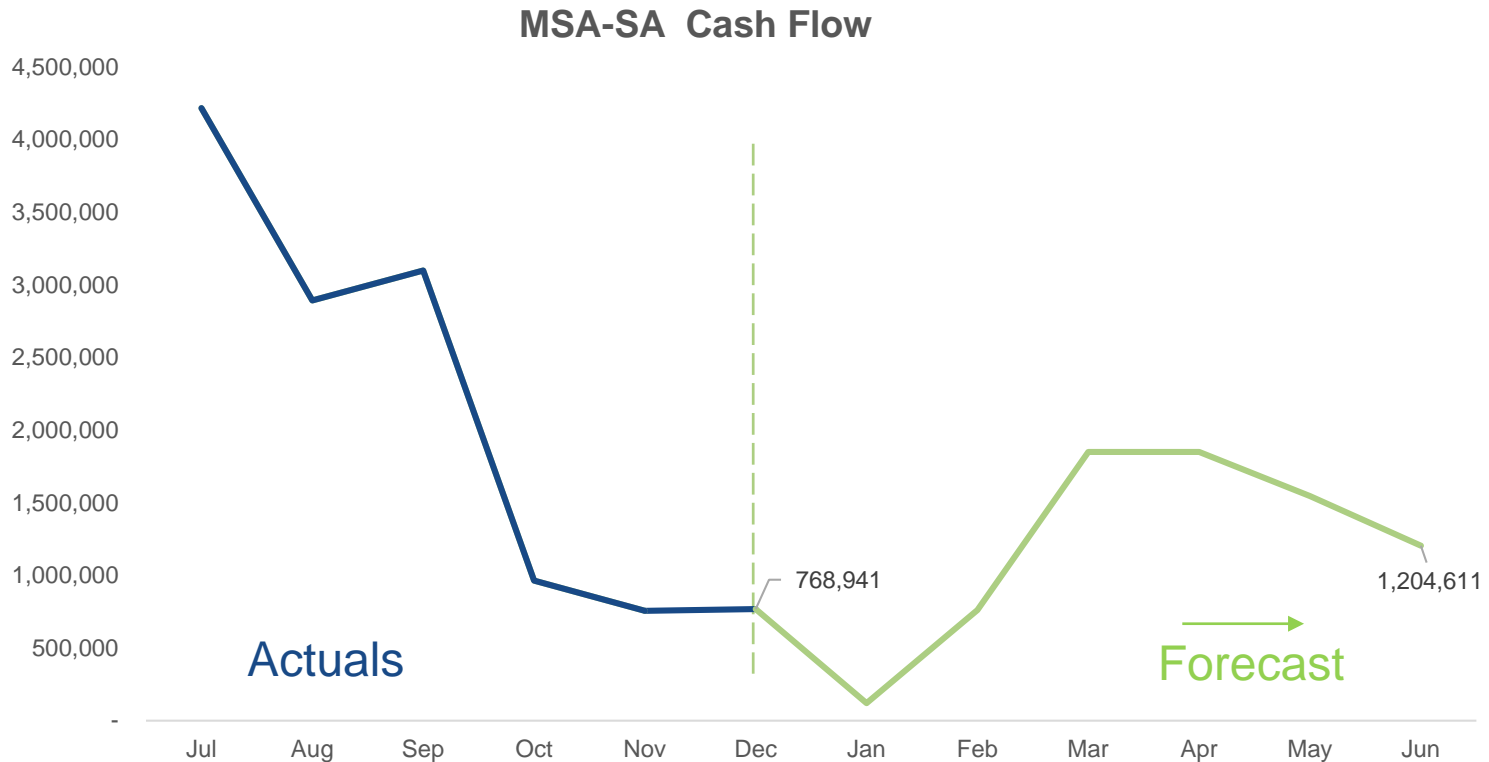
MSA-8 Cash Flow Forecast

Ending cash balance as of 12/31 was \$1,647,901, and forecasted ending cash balance as of 6/30 is \$422,946



MSA-SA Cash Flow Forecast

Ending cash balance as of 12/31 was \$768,941, and forecasted ending cash balance as of 6/30 is \$1,204,611



Operating cash balance at 12/31 is \$486,251 and Prop 1D cash balance is \$282,690

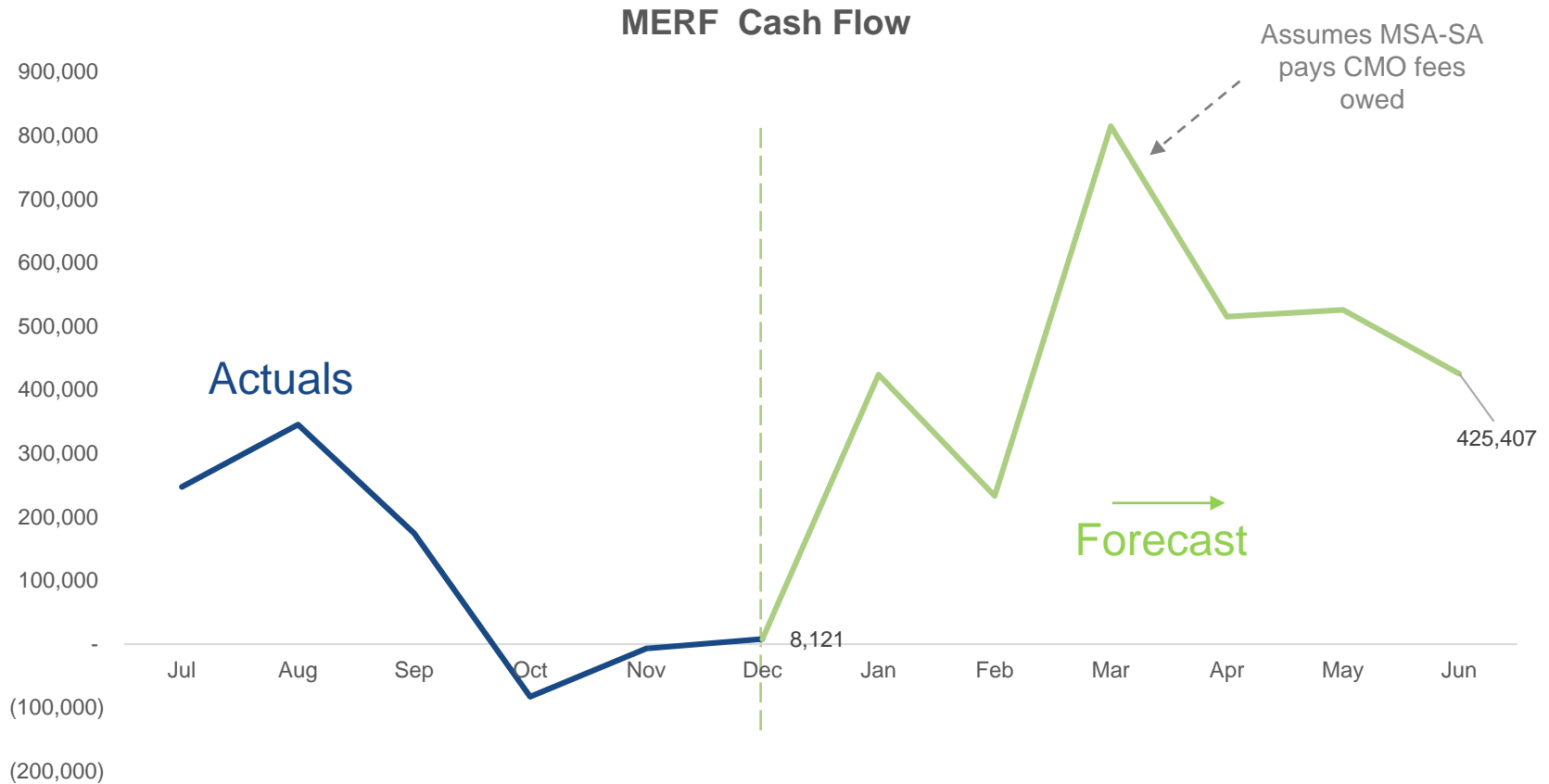
MSA-SD Cash Flow Forecast

Ending cash balance as of 12/31 was \$743,359 and forecasted ending cash balance as of 6/30 is \$949,958



MERF Cash Flow Forecast

Ending cash balance as of 12/31 was \$8,121 and forecasted ending cash balance as of 6/30 is \$425,407



Assumes operating loans from school sites totaling \$900K to remain cash positive

Balance Sheet

Total Assets as of 12/31 was \$37M



	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SC	MSA-SD	MERF	Total
12/31/2016													
Assets													
Cash Balances	\$ 1,172,877	\$ 319,512	\$ 189,580	\$ 526,521	\$ 828,703	\$ 552,060	\$ 560,945	\$ 1,647,901	\$ 768,941	\$ -	\$ 743,359	\$ 8,121	\$ 7,318,520
Accounts Receivable	384	291	762	136	16,646	(396)	(3,731)	(5,531)	16,374	201,615	(139)	98,615	\$ 325,026
Prepays Deposits	39,035	-	-	-	-	-	4,000	-	19,690	56,590	25,000	16,000	\$ 160,315
Fixed Assets, Net	3,621,938	167,016	75,544	59,536	(1,688)	63,216	16,288	106,617	17,055,134	135,351	319,022	15,329	\$ 21,633,304
Intercompany Receivable	680,505	291,621	368,670	203,595	236,540	400,000	365,689	1,126,145	12,640	33,781	165,282	3,794,320	\$ 7,678,786
Total Assets	\$ 5,514,739	\$ 778,440	\$ 634,555	\$ 789,788	\$ 1,080,202	\$ 1,014,880	\$ 943,191	\$ 2,875,131	\$17,872,779	\$427,337	\$1,252,524	\$ 3,932,385	\$ 37,115,951
Liabilities & Equity													
AP & Accrued Expenses	\$ 126,841	\$ 141,745	\$ 72,157	\$ 27,068	\$ 88,346	\$ 46,057	\$ 157,789	\$ 133,023	\$ 169,195	\$400,926	\$ 107,127	\$ 227,801	\$ 1,698,076
Deferred Revenue	-	-	-	-	-	-	-	-	61,355	-	-	-	\$ 61,355
Intercompany Balances Payable	5,157	6,090	102,029	125,908	9,721	73,390	123,738	2,694	2,636,845	747,883	1,698	3,843,633	\$ 7,678,786
Loans and other payables	2,800,000	12,508	-	-	-	-	-	-	8,735,320	35,646	151,806	22,448	\$ 11,757,728
Temporarily Restricted	120,195	93,549	102,835	72,231	53,216	64,308	73,273	99,897	5,842,987	85,451	187,098	-	\$ 6,795,041
Beginning Net Assets - Audited	3,040,218	1,047,401	872,587	590,260	1,024,300	881,130	874,080	2,870,950	2,455,934	(817,028)	987,482	(950)	\$ 13,826,363
Net Income (Loss) to Date	(577,672)	(522,853)	(515,053)	(25,680)	(95,382)	(50,005)	(285,690)	(231,433)	(2,028,857)	(25,540)	(182,686)	(160,547)	\$ (4,701,398)
Total Liabilities & Equity	\$ 5,514,739	\$ 778,440	\$ 634,555	\$ 789,788	\$ 1,080,202	\$ 1,014,880	\$ 943,191	\$ 2,875,131	\$17,872,779	\$427,337	\$1,252,524	\$ 3,932,385	\$ 37,115,951

Intercompany borrowing at \$7.68M as of 12/31

Intercompany Balances

Total intercompany receivable/payable is \$7.68M at 12/31



Intercompany Borrowing (excluding CMO Fees)

	Due To											
	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SC	MSA-SD	MERF
MSA-1		-	-	1,837.66	-	-	-	-	2,254.67	-	-	1,064.66
MSA-2	-		-	1,490.34	2,179.78	-	-	-	-	-	2,419.98	-
MSA-3	-	-		-	-	-	-	-	503.88	-	2,411.47	99,113.52
MSA-4	-	-	-		-	-	-	-	2,061.37	-	-	-
MSA-5	-	-	-	-		-	-	-	-	2,857.26	5,233.30	1,630.42
MSA-6	-	-	-	-	-		-	-	-	669.38	-	817.80
MSA-7	-	-	-	-	-	-		-	-	790.99	-	122,947.42
MSA-8	-	-	-	-	-	-	-		-	2,002.49	-	691.70
MSA-SA	-	-	-	-	-	-	-	-		14,120.98	-	2,076,628.35
MSA-SC	-	-	-	-	-	-	-	-	-		-	747,883.01
MSA-SD	-	-	-	-	-	-	-	-	-	-		1,697.54
MERF	390,802.55	128,922.04	-	200,266.75	100,000.00	400,000.00	-	772,758.59	7,819.75	13,340.25	959.83	

Prepaid CMO Fee and (Payables)

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
289,703	162,699	368,670	(123,847)	134,360	(71,903)	365,689	353,386	(546,096)	154,257

Intercompany Balances

FY16-17 intercompany borrowing totals \$3M



Intercompany Borrowing (excluding CMO Fees)

	Due To											MERF
	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SC	MSA-SD	
MSA-1	-	-	-	-	-	-	-	-	-	-	-	1,065
MSA-2	-	-	-	-	-	-	-	-	-	-	-	-
MSA-3	-	-	-	-	-	-	-	-	-	-	-	1,355
MSA-4	-	-	-	-	-	-	-	-	2,061	-	-	-
MSA-5	-	-	-	-	-	-	-	-	-	-	-	1,630
MSA-6	-	-	-	-	-	-	-	-	-	-	-	818
MSA-7	-	-	-	-	-	-	-	-	-	-	-	2,947
MSA-8	-	-	-	-	-	-	-	-	-	-	-	692
MSA-SA	-	-	-	-	-	-	-	-	-	-	-	1,380,000
MSA-SC	-	-	-	-	-	-	-	-	-	-	-	18,127
MSA-SD	-	-	-	-	-	-	-	-	-	-	-	-
MERF	57,894	2,510	-	-	-	100,000	-	160,000	7,820	13,340	960	-

Prepaid CMO Fee and (Payables)

MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD
405,080	405,080	69,448	30,381	30,390	30,390	253,175	405,080	(486,096)	154,257

Balance Sheet - Cumulative

YTD Change from 6/30/16



	12/31/2016	6/30/2016	YTD Change
Assets			
Cash Balances	\$ 7,318,520	\$14,371,421	\$ (7,052,901)
Accounts Receivable	325,026	4,447,242	(4,122,216)
Prepays Deposits	160,315	144,150	16,165
Fixed Assets, Net	21,633,304	16,692,757	4,940,547
Intercompany Receivable	7,678,786	4,831,068	2,847,718
Total Assets	\$ 37,115,951	\$40,486,638	\$ (3,370,687)
Liabilities & Equity			
AP & Accrued Expenses	\$ 1,698,076	\$ 3,178,148	\$ (1,480,072)
Deferred Revenue	61,355	61,355	-
Intercompany Balances Payable	7,678,786	4,831,068	2,847,718
Loans and other payables	11,757,728	11,794,663	(36,935)
Temporarily Restricted	6,795,041	6,795,758	(717)
Beginning Net Assets - Audited	13,826,363	5,845,609	7,980,755
Net Income (Loss) to Date	(4,701,398)	7,980,037	(12,681,435)
Total Liabilities & Equity	\$ 37,115,951	\$40,486,638	\$ (3,370,687)

MAGNOLIA PUBLIC SCHOOLS - MSA-1Budget vs. Actuals
As of December 2016 Close

13th Month

198362

	Budget vs. Actual		Budget					Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)			
SUMMARY									
Revenue									
LCFF Entitlement	1,984,936	5,251,881	5,311,771	5,305,480	(6,291)	53,599	3,320,544	37%	
Federal Revenue	185,427	695,788	1,201,999	1,202,884	885	507,096	1,017,457	15%	
Other State Revenues	492,590	898,245	1,158,352	1,158,352	-	260,107	665,762	43%	
Local Revenues	80,754	60,107	84,550	84,550	-	24,443	3,796	96%	
Fundraising and Grants	23,463	56,000	69,360	69,360	-	13,360	45,896	34%	
Total Revenue	2,767,171	6,962,021	7,826,032	7,820,626	(5,406)	858,605	5,053,454	35%	
Expenses									
Compensation and Benefits (excl adjustment)	1,791,082	3,362,064	3,809,470	3,562,432	247,038	(200,367)	1,969,712	50%	
Books and Supplies	233,692	539,025	647,387	647,387	-	(108,362)	413,695	36%	
Services and Other Operating Expenditures	1,201,856	2,727,983	2,856,771	2,929,102	(72,331)	(201,119)	1,727,246	41%	
Depreciation	90,882	181,768	146,166	146,166	-	35,602	55,284	62%	
Total Expenses	3,317,512	6,810,840	7,459,794	7,285,087	174,707	(474,247)	4,165,937	46%	
Operating Income Before One-Time Adjustment	(550,341)	151,181	366,237	535,539	169,301	384,358	887,517	-103%	
One-Time Compensation Adjustment				(198,362)					
Operating Income (including adjustment)				337,177					
Fund Balance									
Beginning Balance (Unaudited)	3,197,834	3,197,834	3,197,834	3,197,834				100%	
Audit Adjustment	(37,421)	-	(37,421)	(37,421)				100%	
Beginning Balance (Audited)	3,160,413	3,197,834	3,160,413	3,160,413				100%	
Operating Income (including Depreciation)	(550,341)	151,181	366,237	337,177				-163%	
Ending Fund Balance	2,610,072	3,349,015	3,526,650	3,497,590				75%	
Capital Outlay	27,331	100,000	540,000	540,000				0	
Total ADA		518.2	522.1	522.1				0%	

MAGNOLIA PUBLIC SCHOOLS - MSA-1Budget vs. Actuals
As of December 2016 Close

13th Month

198362

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
REVENUE									
LCFF Entitlement									
8011	Charter Schools LCFF - State Aid	1,300,584	3,526,381	3,555,868	3,549,577	(6,291)	23,196	2,248,993	37%
8012	Education Protection Account Entitlement	182,830	741,455	746,978	746,978	-	5,523	564,148	24%
8019	State Aid - Prior Years	504	-	504	504	-	504	-	100%
8096	Charter Schools in Lieu of Property Taxes	501,018	984,045	1,008,421	1,008,421	-	24,376	507,402	50%
SUBTOTAL - LCFF Entitlement		1,984,936	5,251,881	5,311,771	5,305,480	(6,291)	53,599	3,320,544	37%
8100 Federal Revenue									
8181	Special Education - Entitlement	50,021	104,677	103,560	103,560	-	(1,117)	53,539	48%
8220	Child Nutrition Programs	23,697	264,295	270,521	270,521	-	6,226	246,824	9%
8291	Title I	106,522	207,826	208,420	208,420	-	594	101,898	51%
8292	Title II	-	8,236	8,236	8,236	-	0	8,236	0%
8293	Title III	-	46,254	39,962	39,962	-	(6,292)	39,962	0%
8296	Other Federal Revenue	2,632	64,500	564,500	564,500	-	500,000	561,868	0%
8297	PY Federal - Not Accrued	2,554	-	1,669	2,554	885	2,554	-	100%
8299	All Other Federal Revenue	-	-	5,130	5,130	-	5,130	5,130	0%
SUBTOTAL - Federal Income		185,427	695,788	1,201,999	1,202,884	885	507,096	1,017,457	15%
8300 Other State Revenues									
8319	Other State Apportionments - Prior Years	295	-	295	295	-	295	-	100%
8381	Special Education - Entitlement (State)	146,062	294,859	292,124	292,124	-	(2,735)	146,062	50%
8520	Child Nutrition - State	2,063	22,591	23,543	23,543	0	952	21,481	9%
8545	School Facilities Apportionments	194,535	332,166	389,070	389,070	-	56,904	194,535	50%
8550	Mandated Cost Reimbursements	14,635	14,680	129,649	129,649	-	114,969	115,014	11%
8560	State Lottery Revenue	-	83,949	98,670	98,670	-	14,721	98,670	0%
8590	All Other State Revenue	37,500	-	75,000	75,000	-	75,000	37,500	50%
8596	ASES	97,500	150,000	150,000	150,000	-	-	52,500	65%
SUBTOTAL - Other State Income		492,590	898,245	1,158,352	1,158,352	0	260,107	665,762	43%

MAGNOLIA PUBLIC SCHOOLS - MSA-1Budget vs. Actuals
As of December 2016 Close

13th Month

198362

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
8600	Other Local Revenue								
8634	Food Service Sales	3,542	7,000	7,000	7,000	-	-	3,458	51%
8682	Summer Program	34,822	13,600	34,822	34,822	-	21,222	-	100%
8690	Other Local Revenue	29,311	19,000	29,649	29,649	-	10,649	338	99%
8714	COP Option 3 Grants	13,080	20,507	13,080	13,080	-	(7,427)	(0)	100%
	SUBTOTAL - Local Revenues	80,754	60,107	84,550	84,550	-	24,443	3,796	96%
8800	Donations/Fundraising								
8801	Donations - Parents	19	2,750	2,750	2,750	-	-	2,731	1%
8802	Donations - Private	4,948	53,250	58,664	47,903	(10,761)	(5,347)	42,955	10%
8803	Fundraising	18,496	-	7,946	18,706	10,761	18,706	210	99%
	SUBTOTAL - Fundraising and Grants	23,463	56,000	69,360	69,360	-	13,360	45,896	34%
TOTAL REVENUE		2,767,171	6,962,021	7,826,032	7,820,626	(5,406)	858,605	5,053,454	35%
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1100	Teachers Salaries	1,002,515	1,889,346	2,091,799	2,073,041	18,758	(183,694)	1,070,525	48%
1300	Certificated Supervisor & Administrator Salaries	200,629	387,835	435,835	413,814	22,021	(25,978)	213,185	48%
	SUBTOTAL - Certificated Employees	1,203,144	2,277,182	2,527,634	2,486,855	40,779	(209,673)	1,283,711	48%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	72,022	173,174	212,822	200,822	12,000	(27,648)	128,800	36%
2900	Classified Other Salaries	93,695	187,025	200,520	218,892	(18,372)	(31,867)	125,197	43%
	SUBTOTAL - Classified Employees	165,717	360,199	413,342	419,713	(6,372)	(59,514)	253,996	39%

MAGNOLIA PUBLIC SCHOOLS - MSA-1

13th Month

198362

Budget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
Employee Benefits Summary									
3100	STRS	151,353	275,673	315,460	310,425	5,036	(34,752)	159,072	49%
3200	PERS	19,481	21,860	45,625	45,968	(343)	(24,108)	26,487	42%
3300	OASDI-Medicare-Alternative	32,528	67,519	69,187	69,147	40	(1,628)	36,619	47%
3400	Health & Welfare Benefits	200,739	324,000	373,638	364,858	8,780	(40,858)	164,119	55%
3500	Unemployment Insurance	1,745	1,345	31,468	31,100	368	(29,755)	29,355	6%
3600	Workers Comp Insurance	16,375	34,286	33,115	32,728	387	1,558	16,353	50%
SUBTOTAL - Employee Benefits		422,220	724,683	868,494	854,225	14,269	(129,542)	432,005	49%
4000 Books & Supplies									
4100	Approved Textbooks & Core Curricula Materials	91,854	40,000	91,854	91,854	-	(51,854)	-	100%
4200	Books & Other Reference Materials	4,750	10,000	10,000	10,000	-	-	5,250	47%
4315	Custodial Supplies	6,502	20,000	20,000	20,000	-	-	13,498	33%
4320	Educational Software	15,573	20,000	20,000	20,000	-	-	4,427	78%
4325	Instructional Materials & Supplies	14,984	25,000	49,415	49,415	-	(24,415)	34,432	30%
4326	Art & Music Supplies	1,702	5,000	5,000	5,000	-	-	3,298	34%
4330	Office Supplies	9,510	9,200	17,000	17,000	-	(7,800)	7,490	56%
4345	Non Instructional Student Materials & Supplies	2,308	20,000	20,000	20,000	-	-	17,692	12%
4346	Teacher Supplies	3,311	5,000	5,000	5,000	-	-	1,689	66%
4350	Uniforms	-	1,500	1,500	1,500	-	-	1,500	0%
4400	Noncapitalized Equipment	-	30,000	30,000	30,000	-	-	30,000	0%
4420	Computers (individual items less than \$5k)	31,362	33,500	33,500	33,500	-	-	2,138	94%
4430	Non Classroom Related Furniture, Equipment & Sup	2,184	20,000	20,000	20,000	-	-	17,816	11%
4700	Food	44,061	296,825	316,118	316,118	-	(19,293)	272,056	14%
4720	Other Food	5,591	3,000	8,000	8,000	-	(5,000)	2,409	70%
SUBTOTAL - Books and Supplies		233,692	539,025	647,387	647,387	-	(108,362)	413,695	36%

MAGNOLIA PUBLIC SCHOOLS - MSA-1

Budget vs. Actuals

As of December 2016 Close

13th Month

198362

		Budget vs. Actual							
		Actual				Budget			
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses								
5101	Shared Management Fee - CMO	486,096	972,192	949,506	1,013,267	(63,761)	(41,075)	527,171	48%
5102	Direct CMO Fee (Shared Staff)	-	38,472	41,484	41,388	95	(2,916)	41,388	0%
5210	Conference Fees	303	20,000	20,000	20,000	-	-	19,697	2%
5215	Travel - Mileage, Parking, Tolls	1,026	2,000	2,000	2,000	-	-	974	51%
5220	Travel and Lodging	-	2,000	2,000	2,000	-	-	2,000	0%
5300	Dues & Memberships	3,766	7,854	7,854	7,854	-	-	4,088	48%
5450	Insurance - Other	22,669	27,941	32,069	32,069	-	(4,128)	9,400	71%
5500	Operations & Housekeeping	18,815	29,400	50,000	50,000	-	(20,600)	31,185	38%
5510	Utilities - Gas and Electric	28,766	54,000	60,000	60,000	-	(6,000)	31,234	48%
5605	Equipment Leases	10,308	15,000	11,000	20,000	(9,000)	(5,000)	9,692	52%
5610	Rent	223,505	442,888	478,664	478,664	-	(35,776)	255,158	47%
5615	Repairs and Maintenance - Building	19,653	40,000	50,000	50,000	-	(10,000)	30,347	39%
5617	Repairs and Maintenance - Other Equipment	637	2,000	2,000	2,000	-	-	1,363	32%

MAGNOLIA PUBLIC SCHOOLS - MSA-1Budget vs. Actuals
As of December 2016 Close

13th Month

198362

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
5803	Accounting Fees	-	5,000	10,000	10,000	-	(5,000)	10,000	0%
5809	Banking Fees	372	1,500	1,500	1,500	-	-	1,128	25%
5813	School Programs - After School Program	76,410	150,000	150,000	150,000	-	-	73,590	51%
5814	School Programs - Academic Competitions	2,562	5,000	5,000	5,000	-	-	2,438	51%
5819	School Programs - Other	7,857	13,000	28,000	28,000	-	(15,000)	20,143	28%
5820	Consultants - Non Instructional - Custom 1	2,833	15,000	15,000	15,000	-	-	12,168	19%
5822	Consultants - Non Instructional - Custom 3	2,661	77,565	94,000	94,000	-	(16,435)	91,339	3%
5824	District Oversight Fees	24,349	52,519	53,118	53,055	63	(536)	28,706	46%
5830	Field Trips Expenses	7,183	21,765	33,765	33,765	-	(12,000)	26,582	21%
5843	Interest - Loans Less than 1 Year	97,370	192,000	192,000	192,000	-	-	94,630	51%
5845	Legal Fees	2,325	20,000	40,000	40,000	-	(20,000)	37,675	6%
5851	Marketing and Student Recruiting	5,247	15,000	20,000	20,000	-	(5,000)	14,753	26%
5857	Payroll Fees	9,585	26,400	26,400	26,400	-	-	16,815	36%
5861	Prior Yr Exp (not accrued)	18,219	-	18,491	18,219	272	(18,219)	-	100%
5863	Professional Development	23,869	119,100	150,100	150,100	-	(31,000)	126,231	16%
5869	Special Education Contract Instructors	20,032	100,000	75,000	75,000	-	25,000	54,968	27%
5872	Special Education Encroachment	39,217	79,907	79,137	79,137	-	770	39,920	50%
5884	Substitutes	8,280	54,280	30,000	30,000	-	24,280	21,720	28%
5887	Technology Services	21,136	46,200	46,200	46,200	-	-	25,064	46%
5898	Bad Debt Expense	2,484	-	2,484	2,484	-	(2,484)	-	100%
5899	Miscellaneous Operating Expenses	0	-	-	-	-	-	(0)	
5900	Communications	11,307	70,000	70,000	70,000	-	-	58,693	16%
5915	Postage and Delivery	3,017	10,000	10,000	10,000	-	-	6,983	30%
SUBTOTAL - Services & Other Operating Exp.		1,201,856	2,727,983	2,856,771	2,929,102	(72,331)	(201,119)	1,727,246	41%

MAGNOLIA PUBLIC SCHOOLS - MSA-1

Budget vs. Actuals

As of December 2016 Close

13th Month

198362

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
6000	Capital Outlay								
6100	Sites & Improvement of Sites	-	60,000	-	-	-	60,000	-	
6200	Buildings & Improvement of Buildings	-	-	500,000	500,000	-	(500,000)	500,000	0%
6400	Equipment	27,331	40,000	40,000	40,000	-	-	12,669	68%
	SUBTOTAL - Capital Outlay	27,331	100,000	540,000	540,000	-	(440,000)	512,669	5%
TOTAL EXPENSES		3,253,961	6,729,072	7,853,628	7,877,283	(23,655)	(1,148,211)	4,623,321	41%
6900	Total Depreciation (includes Prior Years)	90,882	181,768	146,166	146,166	-	35,602	55,284	62%
TOTAL EXPENSES including Depreciation		3,317,512	6,810,840	7,459,794	7,483,449	(23,655)	(672,609)	4,165,937	44%

MAGNOLIA PUBLIC SCHOOLS - MSA-2

13th month

164349

Budget vs. Actuals
As of December 2016 Close

	Budget vs. Actual			Budget				Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)			
SUMMARY									
Revenue									
LCFF Entitlement	1,665,533	4,518,778	4,285,683	4,295,058	9,375	(223,720)	2,629,525	39%	
Federal Revenue	124,243	344,735	522,541	522,541	-	177,806	398,299	24%	
Other State Revenues	181,250	355,213	544,067	544,067	-	188,854	362,817	33%	
Local Revenues	52,465	93,069	69,981	77,280	7,299	(15,789)	24,816	68%	
Fundraising and Grants	10,335	25,000	27,722	27,722	-	2,722	17,387	37%	
Total Revenue	2,033,826	5,336,795	5,449,995	5,466,669	16,674	129,874	3,432,843	37%	
Expenses									
Compensation and Benefits (excl adjustment)	1,536,023	2,987,228	3,122,411	2,938,373	184,038	48,855	1,566,699	52%	
Books and Supplies	221,407	259,858	466,086	451,104	14,982	(191,246)	229,697	49%	
Services and Other Operating Expenditures	767,269	1,903,069	1,821,025	1,848,804	(27,779)	54,265	1,081,535	42%	
Depreciation	16,998	34,000	53,602	53,602	-	(19,602)	36,604	32%	
Total Expenses	2,541,697	5,184,155	5,463,126	5,291,884	171,242	(107,728)	2,914,536	48%	
Operating Income Before One-Time Adjustment	(507,871)	152,640	(13,131)	174,785	187,916	22,145	518,307	-291%	
One-Time Compensation Adjustment				(164,349)					
Operating Income (including adjustment)				10,436					
Fund Balance									
Beginning Balance (Unaudited)	1,210,746	1,210,746	1,210,746	1,210,746				100%	
Audit Adjustment	(69,796)	-	(69,796)	(69,796)				100%	
Beginning Balance (Audited)	1,140,950	1,210,746	1,140,950	1,140,950				100%	
Operating Income (including Depreciation)	(507,871)	152,640	(13,131)	10,436				-4866%	
Ending Fund Balance	633,080	1,363,386	1,127,820	1,151,386				55%	
Capital Outlay	14,982	20,000	-	14,982				1	
Total ADA		470.0	442.0	442.0				0%	

MAGNOLIA PUBLIC SCHOOLS - MSA-2

13th month

164349

Budget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
REVENUE									
LCFF Entitlement									
8011	Charter Schools LCFF - State Aid	1,063,890	2,968,874	2,813,240	2,822,615	9,375	(146,259)	1,758,725	38%
8012	Education Protection Account Entitlement	158,113	657,483	618,331	618,331	-	(39,152)	460,218	26%
8019	State Aid - Prior Years	402	-	402	402	-	402	-	100%
8096	Charter Schools in Lieu of Property Taxes	443,128	892,421	853,709	853,709	-	(38,712)	410,581	52%
SUBTOTAL - LCFF Entitlement		1,665,533	4,518,778	4,285,683	4,295,058	9,375	(223,720)	2,629,525	39%
8100 Federal Revenue									
8181	Special Education - Entitlement	44,242	94,931	93,918	93,918	-	(1,013)	49,676	47%
8220	Child Nutrition Programs	-	-	165,224	165,224	-	165,224	165,224	0%
8291	Title I	80,001	143,672	155,425	155,425	-	11,753	75,424	51%
8292	Title II	-	2,088	2,088	2,088	-	-	2,088	0%
8293	Title III	-	1,197	-	-	-	(1,197)	-	
8296	Other Federal Revenue	-	102,847	102,847	102,847	-	-	102,847	0%
8299	All Other Federal Revenue	-	-	3,040	3,040	-	3,040	3,040	0%
SUBTOTAL - Federal Income		124,243	344,735	522,541	522,541	-	177,806	398,299	24%
8300 Other State Revenues									
8319	Other State Apportionments - Prior Years	3,353	-	-	-	-	-	(3,353)	
8381	Special Education - Entitlement (State)	129,185	267,404	258,371	258,371	-	(9,033)	129,185	50%
8520	Child Nutrition - State	-	-	15,114	15,114	-	15,114	15,114	0%
8550	Mandated Cost Reimbursements	11,211	11,676	112,050	112,050	-	100,374	100,839	10%
8560	State Lottery Revenue	-	76,133	83,532	83,532	-	7,399	83,532	0%
8590	All Other State Revenue	37,500	-	75,000	75,000	-	75,000	37,500	50%
SUBTOTAL - Other State Income		181,250	355,213	544,067	544,067	-	188,854	362,817	33%

MAGNOLIA PUBLIC SCHOOLS - MSA-2

13th month

164349

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
8600	Other Local Revenue								
8634	Food Service Sales	238	-	5,000	5,000	-	5,000	4,762	5%
8636	Uniforms	-	30,900	-	-	-	(30,900)	-	
8682	Summer Program	30,210	13,600	30,210	30,210	-	16,610	-	100%
8690	Other Local Revenue	827	20,881	20,881	20,881	-	-	20,054	4%
8693	Field Trips	-	15,450	-	-	-	(15,450)	-	
8714	COP Option 3 Grants	21,189	12,238	13,890	21,189	7,299	8,951	-	100%
	SUBTOTAL - Local Revenues	52,465	93,069	69,981	77,280	7,299	(15,789)	24,816	68%
8800	Donations/Fundraising								
8801	Donations - Parents	85	550	550	550	-	-	465	15%
8802	Donations - Private	192	24,450	18,440	15,440	(3,000)	(9,010)	15,249	1%
8803	Fundraising	10,059	-	8,732	11,732	3,000	11,732	1,673	86%
	SUBTOTAL - Fundraising and Grants	10,335	25,000	27,722	27,722	-	2,722	17,387	37%
TOTAL REVENUE		2,033,826	5,336,795	5,449,995	5,466,669	16,674	129,874	3,432,843	37%

MAGNOLIA PUBLIC SCHOOLS - MSA-2

13th month

164349

Budget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1100	Teachers Salaries	802,662	1,636,384	1,629,672	1,633,872	(4,200)	2,512	831,210	49%
1300	Certificated Supervisor & Administrator Salaries	164,768	311,892	358,258	358,258	-	(46,366)	193,490	46%
SUBTOTAL - Certificated Employees		967,431	1,948,276	1,987,930	1,992,130	(4,200)	(43,854)	1,024,699	49%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	91,735	187,500	200,732	200,732	-	(13,232)	108,996	46%
2900	Classified Other Salaries	102,390	191,105	231,195	216,515	14,680	(25,410)	114,125	47%
SUBTOTAL - Classified Employees		194,125	378,605	431,926	417,246	14,680	(38,642)	223,121	47%
Employee Benefits Summary									
3100	STRS	120,860	242,200	245,870	246,398	(528)	(4,199)	125,538	49%
3200	PERS	22,527	28,074	46,503	44,465	2,039	(16,391)	21,938	51%
3300	OASDI-Medicare-Alternative	31,197	58,961	63,535	62,480	1,055	(3,519)	31,283	50%
3400	Health & Welfare Benefits	185,512	299,700	315,195	308,674	6,521	(8,974)	123,162	60%
3500	Unemployment Insurance	74	1,163	4,204	4,199	5	(3,036)	4,125	2%
3600	Workers Comp Insurance	14,298	30,249	27,248	27,130	118	3,119	12,832	53%
SUBTOTAL - Employee Benefits		374,467	660,347	702,555	693,346	9,209	(32,998)	318,879	54%

MAGNOLIA PUBLIC SCHOOLS - MSA-2

13th month

164349

Budget vs. Actuals

As of December 2016 Close

		Budget vs.		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual							
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
4000	Books & Supplies								
4100	Approved Textbooks & Core Curricula Materials	50,215	25,000	69,000	69,000	-	(44,000)	18,785	73%
4200	Books & Other Reference Materials	5,812	10,000	6,000	6,000	-	4,000	188	97%
4315	Custodial Supplies	100	6,000	6,000	6,000	-	-	5,900	2%
4320	Educational Software	14,075	30,000	17,900	17,900	-	12,100	3,825	79%
4325	Instructional Materials & Supplies	10,769	25,558	10,000	11,000	(1,000)	14,558	231	98%
4326	Art & Music Supplies	-	1,500	-	-	-	1,500	-	-
4330	Office Supplies	11,926	27,200	30,000	29,000	1,000	(1,800)	17,074	41%
4340	Professional Development Supplies	440	2,300	2,300	2,300	-	-	1,860	19%
4345	Non Instructional Student Materials & Supplies	8,144	9,058	9,500	9,500	-	(442)	1,356	86%
4346	Teacher Supplies	288	250	737	737	-	(487)	449	39%
4350	Uniforms	-	500	-	-	-	500	-	-
4400	Noncapitalized Equipment	15,848	30,000	30,830	15,848	14,982	14,152	-	100%
4410	Classroom Furniture, Equipment & Supplies	10,079	15,000	10,079	10,079	-	4,921	-	100%
4420	Computers (individual items less than \$5k)	2,037	-	2,100	2,100	-	(2,100)	63	97%
4430	Non Classroom Related Furniture, Equipment & Sup	5,657	10,000	5,918	5,918	-	4,083	261	96%
4700	Food	80,298	64,492	257,723	257,723	-	(193,230)	177,424	31%
4720	Other Food	5,718	3,000	8,000	8,000	-	(5,000)	2,282	71%
	SUBTOTAL - Books and Supplies	221,407	259,858	466,086	451,104	14,982	(191,246)	229,697	49%

MAGNOLIA PUBLIC SCHOOLS - MSA-2

13th month

164349

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
5000	Services & Other Operating Expenses								
5101	Shared Management Fee - CMO	486,096	972,192	893,653	918,273	(24,620)	53,918	432,177	53%
5102	Direct CMO Fee (Shared Staff)	-	34,890	35,119	34,536	583	354	34,536	0%
5210	Conference Fees	310	20,000	5,000	5,000	-	15,000	4,690	6%
5215	Travel - Mileage, Parking, Tolls	1,319	5,000	2,500	2,500	-	2,500	1,181	53%
5220	Travel and Lodging	-	5,000	3,000	3,000	-	2,000	3,000	0%
5225	Travel - Meals & Entertainment	-	6,000	-	-	-	6,000	-	
5300	Dues & Memberships	3,461	6,000	6,000	6,000	-	-	2,539	58%
5450	Insurance - Other	16,820	24,209	22,975	22,975	-	1,234	6,155	73%
5500	Operations & Housekeeping	7,071	-	130,000	130,000	-	(130,000)	122,929	5%
5605	Equipment Leases	7,204	12,000	7,052	10,000	(2,948)	2,000	2,796	72%
5610	Rent	-	179,794	-	-	-	179,794	-	
5615	Repairs and Maintenance - Building	4,214	5,000	5,000	5,000	-	-	787	84%
5617	Repairs and Maintenance - Other Equipment	-	2,000	-	-	-	2,000	-	
5803	Accounting Fees	-	8,345	15,000	15,000	-	(6,655)	15,000	0%
5809	Banking Fees	372	1,000	1,000	1,000	-	-	628	37%
5813	School Programs - After School Program	640	3,605	3,605	3,605	-	-	2,965	18%
5814	School Programs - Academic Competitions	250	1,000	1,000	1,000	-	-	750	25%
5815	Consultants - Instructional	-	5,000	-	-	-	5,000	-	
5819	School Programs - Other	3,566	13,000	13,000	13,000	-	-	9,434	27%
5820	Consultants - Non Instructional - Custom 1	14,639	23,000	23,000	23,000	-	-	8,361	64%
5822	Consultants - Non Instructional - Custom 3	2,651	67,234	89,000	89,000	-	(21,766)	86,349	3%
5824	District Oversight Fees	20,382	45,188	42,857	42,951	(94)	2,237	22,568	47%

MAGNOLIA PUBLIC SCHOOLS - MSA-2

13th month

164349

Budget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
5830	Field Trips Expenses	5,676	25,000	20,000	20,000	-	5,000	14,324	28%
5843	Interest - Loans Less than 1 Year	51	-	58	58	-	(58)	7	88%
5845	Legal Fees	9,525	30,000	40,000	40,000	-	(10,000)	30,475	24%
5851	Marketing and Student Recruiting	20,259	24,000	24,000	24,000	-	-	3,741	84%
5857	Payroll Fees	7,962	21,327	21,327	21,327	-	-	13,366	37%
5861	Prior Yr Exp (not accrued)	27,403	-	26,703	27,403	(700)	(27,403)	-	100%
5863	Professional Development	14,384	77,100	101,000	101,000	-	(23,900)	86,616	14%
5869	Special Education Contract Instructors	23,535	80,000	105,000	105,000	-	(25,000)	81,465	22%
5872	Special Education Encroachment	34,685	72,467	70,458	70,458	-	2,009	35,772	49%
5884	Substitutes	11,249	45,000	35,000	35,000	-	10,000	23,751	32%
5887	Technology Services	35,153	53,316	53,316	53,316	-	-	18,163	66%
5899	Miscellaneous Operating Expenses	(0)	-	-	-	-	-	0	
5900	Communications	4,806	30,000	20,000	20,000	-	10,000	15,194	24%
5915	Postage and Delivery	3,585	5,402	5,402	5,402	-	-	1,817	66%
SUBTOTAL - Services & Other Operating Exp.		767,269	1,903,069	1,821,025	1,848,804	(27,779)	54,265	1,081,535	42%
6000	Capital Outlay								
6100	Sites & Improvement of Sites	-	20,000	-	-	-	20,000	-	
6400	Equipment	14,982	-	-	14,982	(14,982)	(14,982)	-	100%
SUBTOTAL - Capital Outlay		14,982	20,000	-	14,982	(14,982)	5,018	-	100%
TOTAL EXPENSES		2,539,681	5,170,155	5,409,523	5,417,612	(8,089)	(247,457)	2,877,932	47%
6900	Total Depreciation (includes Prior Years)	16,998	34,000	53,602	53,602	-	(19,602)	36,604	32%
TOTAL EXPENSES including Depreciation		2,541,697	5,184,155	5,463,126	5,456,233	6,893	(272,077)	2,914,536	47%

MAGNOLIA PUBLIC SCHOOLS - MSA-3

13th Month

186030

Budget vs. Actuals
As of December 2016 Close

	Budget vs. Actual		Budget					Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)			
SUMMARY									
Revenue									
LCFF Entitlement	1,630,048	4,245,387	4,303,143	4,352,807	49,664	107,420	2,722,759	37%	
Federal Revenue	139,364	574,033	493,701	493,745	44	(80,288)	354,381	28%	
Other State Revenues	276,823	694,406	879,335	879,335	-	184,929	602,512	31%	
Local Revenues	36,369	24,785	40,114	40,114	-	15,329	3,745	91%	
Fundraising and Grants	13,965	19,018	19,018	19,018	-	-	5,053	73%	
Total Revenue	2,096,570	5,557,629	5,735,311	5,785,019	49,708	227,390	3,688,449	36%	
Expenses									
Compensation and Benefits (excl adjustment)	1,658,719	2,812,109	3,370,534	3,184,511	186,023	(372,402)	1,711,822	52%	
Books and Supplies	138,052	454,542	401,887	401,887	(0)	52,654	263,836	34%	
Services and Other Operating Expenditures	808,852	1,935,913	2,029,286	2,087,914	(58,628)	(152,001)	1,279,062	39%	
Depreciation	6,000	12,000	19,096	19,096	-	(7,096)	13,096	31%	
Total Expenses	2,611,623	5,214,564	5,820,804	5,693,409	127,395	(478,845)	3,267,816	46%	
Operating Income Before One-Time Adjustment	(515,053)	343,065	(85,492)	91,611	177,103	(251,455)	420,634	-562%	
One-Time Compensation Adjustment				(186,030)					
Operating Income (including adjustment)				(94,419)					
Fund Balance									
Beginning Balance (Unaudited)	976,777	976,777	976,777	976,777				100%	
Audit Adjustment	(1,355)	-	(1,355)	(1,355)				100%	
Beginning Balance (Audited)	975,422	976,777	975,422	975,422				100%	
Operating Income (including Depreciation)	(515,053)	343,065	(85,492)	(94,419)				545%	
Ending Fund Balance	460,369	1,319,842	889,930	881,003				52%	
Capital Outlay	-	70,000	70,000	70,000				-	
Total ADA		434.3	443.9	443.9				0%	

MAGNOLIA PUBLIC SCHOOLS - MSA-3Budget vs. Actuals
As of December 2016 Close

13th Month

186030

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
REVENUE									
LCFF Entitlement									
8011	Charter Schools LCFF - State Aid	1,055,771	2,817,402	2,841,941	2,891,605	49,664	74,203	1,835,834	37%
8012	Education Protection Account Entitlement	150,153	603,366	603,366	603,366	-	-	453,213	25%
8019	State Aid - Prior Years	399	-	399	399	-	399	-	100%
8096	Charter Schools in Lieu of Property Taxes	423,725	824,619	857,437	857,437	-	32,818	433,712	49%
SUBTOTAL - LCFF Entitlement		1,630,048	4,245,387	4,303,143	4,352,807	49,664	107,420	2,722,759	37%
8100 Federal Revenue									
8181	Special Education - Entitlement	42,305	87,719	86,783	86,783	-	(937)	44,478	49%
8220	Child Nutrition Programs	8,295	299,549	210,236	210,236	0	(89,313)	201,941	4%
8291	Title I	86,350	149,718	155,755	155,755	-	6,037	69,405	55%
8292	Title II	-	6,110	6,110	6,110	-	-	6,110	0%
8293	Title III	-	437	-	-	-	(437)	-	
8296	Other Federal Revenue	2,156	30,500	30,500	30,500	-	-	28,344	7%
8297	PY Federal - Not Accrued	258	-	214	258	44	258	-	100%
8299	All Other Federal Revenue	-	-	4,104	4,104	-	4,104	4,104	0%
SUBTOTAL - Federal Income		139,364	574,033	493,701	493,745	44	(80,288)	354,381	28%
8300 Other State Revenues									
8319	Other State Apportionments - Prior Years	6,765	-	6,765	6,765	-	6,765	-	100%
8381	Special Education - Entitlement (State)	123,529	247,088	247,058	247,058	-	(30)	123,529	50%
8520	Child Nutrition - State	656	25,955	18,925	18,925	-	(7,030)	18,269	3%
8545	School Facilities Apportionments	-	190,316	190,316	190,316	-	-	190,316	0%
8550	Mandated Cost Reimbursements	10,873	10,698	107,374	107,374	-	96,676	96,501	10%
8560	State Lottery Revenue	-	70,349	83,897	83,897	-	13,548	83,897	0%
8590	All Other State Revenue	37,500	-	75,000	75,000	-	75,000	37,500	50%
8596	ASES	97,500	150,000	150,000	150,000	-	-	52,500	65%
SUBTOTAL - Other State Income		276,823	694,406	879,335	879,335	-	184,929	602,512	31%

MAGNOLIA PUBLIC SCHOOLS - MSA-3

13th Month

186030

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
8600	Other Local Revenue								
8634	Food Service Sales	-	500	500	500	-	-	500	0%
8682	Summer Program	27,931	10,200	27,931	27,931	-	17,731	-	100%
8690	Other Local Revenue	1,755	5,000	5,000	5,000	-	-	3,245	35%
8714	COP Option 3 Grants	6,683	9,085	6,683	6,683	-	(2,402)	0	100%
8999	Uncategorized Revenue	0	-	-	-	-	-	(0)	
	SUBTOTAL - Local Revenues	36,369	24,785	40,114	40,114	-	15,329	3,745	91%
8800	Donations/Fundraising								
8801	Donations - Parents	-	14,518	6,300	1,900	(4,400)	(12,618)	1,900	0%
8802	Donations - Private	1,435	4,500	4,500	4,500	-	-	3,065	32%
8803	Fundraising	12,530	-	8,218	12,618	4,400	12,618	87	99%
	SUBTOTAL - Fundraising and Grants	13,965	19,018	19,018	19,018	-	-	5,053	73%
TOTAL REVENUE		2,096,570	5,557,629	5,735,311	5,785,019	49,708	227,390	3,688,449	36%

MAGNOLIA PUBLIC SCHOOLS - MSA-3Budget vs. Actuals
As of December 2016 Close

13th Month

186030

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1100	Teachers Salaries	800,969	1,539,857	1,695,620	1,695,620	-	(155,763)	894,651	47%
1300	Certificated Supervisor & Administrator Salaries	234,725	250,512	454,829	454,829	-	(204,317)	220,104	52%
SUBTOTAL - Certificated Employees		1,035,694	1,790,369	2,150,449	2,150,449	-	(360,080)	1,114,755	48%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	130,249	107,832	214,146	214,146	-	(106,315)	83,898	61%
2900	Classified Other Salaries	105,313	262,278	229,912	229,912	-	32,366	124,599	46%
SUBTOTAL - Classified Employees		235,562	370,110	444,058	444,058	-	(73,948)	208,496	53%
Employee Benefits Summary									
3100	STRS	123,969	221,454	267,028	267,028	-	(45,573)	143,058	46%
3200	PERS	24,747	36,897	60,105	60,105	-	(23,208)	35,358	41%
3300	OASDI-Medicare-Alternative	36,017	60,337	67,720	67,727	(7)	(7,390)	31,710	53%
3400	Health & Welfare Benefits	187,789	303,750	347,668	347,668	(0)	(43,918)	159,879	54%
3500	Unemployment Insurance	66	1,106	4,291	4,291	(0)	(3,185)	4,225	2%
3600	Workers Comp Insurance	14,874	28,085	29,214	29,214	-	(1,129)	14,340	51%
SUBTOTAL - Employee Benefits		387,464	651,630	776,027	776,034	(7)	(124,404)	388,570	50%

MAGNOLIA PUBLIC SCHOOLS - MSA-3

13th Month

186030

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget					
		Approved Budget		Proposed Budget	Variance	Variance	Forecast Remaining	% of Forecast Spent	
		June 6th	November Forecast		(Previous vs. Proposed Budget)	(Budget vs. Proposed Budget)			
		Actual YTD							
4000	Books & Supplies								
4100	Approved Textbooks & Core Curricula Materials	18,497	10,000	20,000	20,000	-	(10,000)	1,503	92%
4200	Books & Other Reference Materials	654	15,000	5,000	5,000	-	10,000	4,346	13%
4315	Custodial Supplies	-	77	77	77	-	-	77	0%
4320	Educational Software	10,480	16,000	16,000	16,000	-	-	5,520	66%
4325	Instructional Materials & Supplies	14,098	25,000	25,000	25,000	-	-	10,902	56%
4330	Office Supplies	5,850	20,200	20,200	20,200	-	-	14,350	29%
4345	Non Instructional Student Materials & Supplies	8,861	10,000	10,000	10,000	-	-	1,139	89%
4350	Uniforms	1,212	5,000	5,000	5,000	-	-	3,788	24%
4410	Classroom Furniture, Equipment & Supplies	4,379	-	5,000	5,000	-	(5,000)	621	88%
4420	Computers (individual items less than \$5k)	2,512	11,500	11,500	11,500	-	-	8,988	22%
4430	Non Classroom Related Furniture, Equipment & S	7,628	10,000	10,000	10,000	-	-	2,372	76%
4700	Food	57,119	329,264	264,110	264,110	(0)	65,154	206,991	22%
4720	Other Food	6,761	2,500	10,000	10,000	-	(7,500)	3,239	68%
	SUBTOTAL - Books and Supplies	138,052	454,542	401,887	401,887	(0)	52,654	263,836	34%
5000	Services & Other Operating Expenses								
5100	Subagreements for Services	-	-	-	-	-	-	-	-
5101	Shared Management Fee - CMO	440,524	881,049	860,141	918,273	(58,132)	(37,225)	477,749	48%
5102	Direct CMO Fee (Shared Staff)	-	33,176	35,273	35,271	1	(2,096)	35,271	0%
5200	Travel & Conferences	(75)	-	-	-	-	-	75	-
5210	Conference Fees	3,295	10,000	10,000	10,000	-	-	6,705	33%
5215	Travel - Mileage, Parking, Tolls	20	10,000	10,000	10,000	-	-	9,980	0%
5220	Travel and Lodging	-	505	505	505	-	-	505	0%
5300	Dues & Memberships	3,880	10,000	10,000	10,000	-	-	6,120	39%
5450	Insurance - Other	15,180	22,516	22,813	22,813	-	(297)	7,633	67%
5500	Operations & Housekeeping	478	5,000	5,000	5,000	-	-	4,522	10%
5605	Equipment Leases	8,263	15,600	15,600	15,600	-	-	7,337	53%
5610	Rent	-	253,755	210,000	210,000	-	43,755	210,000	0%
5615	Repairs and Maintenance - Building	5,013	10,500	10,500	10,500	-	-	5,487	48%
5617	Repairs and Maintenance - Other Equipment	-	1,500	1,500	1,500	-	-	1,500	0%
5803	Accounting Fees	-	5,000	10,000	10,000	-	(5,000)	10,000	0%
5809	Banking Fees	404	500	500	500	-	-	96	81%
5813	School Programs - After School Program	75,000	150,000	150,000	150,000	-	-	75,000	50%
5814	School Programs - Academic Competitions	-	500	500	500	-	-	500	0%
5820	Consultants - Non Instructional - Custom 1	2,742	12,000	12,000	12,000	-	-	9,258	23%
5822	Consultants - Non Instructional - Custom 3	33,560	75,944	114,944	114,944	-	(39,000)	81,384	29%
5824	District Oversight Fees	19,990	42,454	43,031	43,528	(497)	(1,074)	23,538	46%
5830	Field Trips Expenses	14,747	20,000	25,000	25,000	-	(5,000)	10,253	59%
5833	Fines and Penalties	72	100	100	100	-	-	28	72%
5845	Legal Fees	2,325	20,000	50,000	50,000	-	(30,000)	47,675	5%
5851	Marketing and Student Recruiting	3,680	30,000	15,000	15,000	-	15,000	11,320	25%
5857	Payroll Fees	8,787	24,000	24,000	24,000	-	-	15,213	37%
5861	Prior Yr Exp (not accrued)	13,043	-	13,258	13,258	-	(13,258)	215	98%

MAGNOLIA PUBLIC SCHOOLS - MSA-3

13th Month

186030

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
5863	Professional Development	15,687	42,100	93,100	93,100	-	(51,000)	77,413	17%
5869	Special Education Contract Instructors	10,764	51,500	58,500	58,500	-	(7,000)	47,736	18%
5872	Special Education Encroachment	33,167	66,961	66,768	66,768	-	193	33,601	50%
5875	Staff Recruiting	18	54	54	54	-	-	36	34%
5884	Substitutes	52,835	55,000	75,000	75,000	-	(20,000)	22,165	70%
5887	Technology Services	34,860	49,700	49,700	49,700	-	-	14,840	70%
5899	Miscellaneous Operating Expenses	0	-	-	-	-	-	(0)	
5900	Communications	7,563	30,000	30,000	30,000	-	-	22,437	25%
5915	Postage and Delivery	3,029	6,500	6,500	6,500	-	-	3,471	47%
SUBTOTAL - Services & Other Operating Exp.		808,852	1,935,913	2,029,286	2,087,914	(58,628)	(152,001)	1,279,062	39%
6000	Capital Outlay								
6100	Sites & Improvement of Sites	-	20,000	20,000	20,000	-	-	20,000	0%
6410	Computers (capitalizable items)	-	50,000	50,000	50,000	-	-	50,000	0%
SUBTOTAL - Capital Outlay		-	70,000	70,000	70,000	-	-	70,000	0%
TOTAL EXPENSES		2,605,623	5,272,564	5,871,708	5,930,342	(58,635)	(657,779)	3,324,719	44%
6900	Total Depreciation (includes Prior Years)	6,000	12,000	19,096	19,096	-	(7,096)	13,096	31%
TOTAL EXPENSES including Depreciation		2,611,623	5,214,564	5,820,804	5,879,439	(58,635)	(664,875)	3,267,816	44%

MAGNOLIA PUBLIC SCHOOLS - MSA-4Budget vs. Actuals
As of December 2016 Close

13th Month

82695

	Budget vs. Actual		Budget					Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)			
SUMMARY									
Revenue									
LCFF Entitlement	657,969	1,772,032	1,827,963	1,818,445	(9,518)	46,413	1,160,476	36%	
Federal Revenue	77,221	252,308	247,687	247,687	-	(4,621)	170,466	31%	
Other State Revenues	103,615	141,453	267,852	267,852	-	126,399	164,237	39%	
Local Revenues	22,200	20,867	22,223	22,430	207	1,563	231	99%	
Fundraising and Grants	9,816	10,000	12,374	12,374	-	2,374	2,557	79%	
Total Revenue	870,821	2,196,660	2,378,099	2,368,788	(9,311)	172,128	1,497,968	37%	
Expenses									
Compensation and Benefits (excl adjustment)	578,372	1,172,519	1,211,281	1,212,821	(1,539)	(40,302)	717,144	48%	
Books and Supplies	56,006	158,736	132,807	132,807	-	25,930	76,800	42%	
Services and Other Operating Expenditures	257,515	667,206	753,697	701,330	52,367	(34,124)	443,815	37%	
Depreciation	4,608	9,221	15,656	15,656	-	(6,435)	11,048	29%	
Total Expenses	896,501	2,007,682	2,113,441	2,062,614	50,828	(54,931)	1,248,808	43%	
Operating Income Before One-Time Adjustment	(25,680)	188,978	264,658	306,175	41,517	117,197	249,160	-8%	
One-Time Compensation Adjustment				(82,695)					
Operating Income (including adjustment)				223,480					
Fund Balance									
Beginning Balance (Unaudited)	763,641	567,722	763,641	763,641				100%	
Audit Adjustment	(101,149)	-	(101,149)	(101,149)				100%	
Beginning Balance (Audited)	662,491	567,722	662,491	662,491				100%	
Operating Income (including Depreciation)	(25,680)	188,978	264,658	223,480				-11%	
Ending Fund Balance	636,811	756,700	927,150	885,971				72%	
Capital Outlay	-	-	-	-					
Total ADA		180.5	186.2	186.2				0%	

MAGNOLIA PUBLIC SCHOOLS - MSA-4Budget vs. Actuals
As of December 2016 Close

13th Month

82695

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
REVENUE									
LCFF Entitlement									
8011	Charter Schools LCFF - State Aid	423,190	1,168,273	1,198,751	1,189,233	(9,518)	20,960	766,043	36%
8012	Education Protection Account Entitlement	63,282	261,084	269,461	269,461	-	8,377	206,179	23%
8096	Charter Schools in Lieu of Property Taxes	171,497	342,675	359,751	359,751	-	17,076	188,254	48%
SUBTOTAL - LCFF Entitlement		657,969	1,772,032	1,827,963	1,818,445	(9,518)	46,413	1,160,476	36%
8100 Federal Revenue									
8181	Special Education - Entitlement	17,122	36,925	36,063	36,063	-	(862)	18,941	47%
8220	Child Nutrition Programs	2,004	25,038	21,841	21,841	(0)	(3,197)	19,836	9%
8291	Title I	45,122	59,536	58,233	58,233	-	(1,303)	13,111	77%
8292	Title II	-	2,380	2,380	2,380	-	-	2,380	0%
8293	Title III	-	323	-	-	-	(323)	-	
8296	Other Federal Revenue	12,978	128,106	128,106	128,106	-	-	115,128	10%
8299	All Other Federal Revenue	-	-	1,064	1,064	-	1,064	1,064	0%
SUBTOTAL - Federal Income		77,221	252,308	247,687	247,687	(0)	(4,621)	170,466	31%
8300 Other State Revenues									
Hidden									
8319	Other State Apportionments - Prior Years	10,440	-	10,440	10,440	-	10,440	-	100%
8381	Special Education - Entitlement (State)	49,997	104,034	99,993	99,993	-	(4,041)	49,997	50%
8520	Child Nutrition - State	133	2,522	2,031	2,031	(0)	(491)	1,898	7%
8550	Mandated Cost Reimbursements	5,545	5,663	45,188	45,188	-	39,525	39,643	12%
8560	State Lottery Revenue	-	29,234	35,200	35,200	-	5,967	35,200	0%
8590	All Other State Revenue	37,500	-	75,000	75,000	-	75,000	37,500	50%
SUBTOTAL - Other State Income		103,615	141,453	267,852	267,852	(0)	126,399	164,237	39%

MAGNOLIA PUBLIC SCHOOLS - MSA-4Budget vs. Actuals
As of December 2016 Close

13th Month

82695

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
8600	Other Local Revenue								
8634	Food Service Sales	554	167	497	554	57	387	-	100%
8682	Summer Program	16,360	10,200	16,360	16,360	-	6,160	-	100%
8699	All Other Local Revenue	269	500	500	500	-	-	231	54%
8714	COP Option 3 Grants	5,017	10,000	4,867	5,017	150	(4,983)	-	100%
8999	Uncategorized Revenue	-	-	-	-	-	-	-	-
SUBTOTAL - Local Revenues		22,200	20,867	22,223	22,430	207	1,563	231	99%
8800	Donations/Fundraising								
8802	Donations - Private	-	10,000	-	-	-	(10,000)	-	-
8803	Fundraising	9,816	-	12,374	12,374	-	12,374	2,557	79%
SUBTOTAL - Fundraising and Grants		9,816	10,000	12,374	12,374	-	2,374	2,557	79%
TOTAL REVENUE		870,821	2,196,660	2,378,099	2,368,788	(9,311)	172,128	1,497,968	37%

MAGNOLIA PUBLIC SCHOOLS - MSA-4Budget vs. Actuals
As of December 2016 Close

13th Month

82695

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1100	Teachers Salaries	297,835	566,257	610,860	675,264	(64,404)	(109,007)	377,429	44%
1300	Certificated Supervisor & Administrator Salaries	120,953	290,961	255,957	255,957	-	35,004	135,004	47%
SUBTOTAL - Certificated Employees		418,787	857,218	866,816	931,221	(64,404)	(74,002)	512,433	45%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	23,213	47,609	58,307	58,307	-	(10,698)	35,093	40%
2900	Classified Other Salaries	8,130	12,000	35,053	35,053	-	(23,053)	26,923	23%
SUBTOTAL - Classified Employees		31,343	59,609	93,360	93,360	-	(33,751)	62,017	34%
Employee Benefits Summary									
3100	STRS	50,138	107,838	107,882	115,984	(8,102)	(8,146)	65,846	43%
3200	PERS	2,399	5,328	5,200	5,200	-	129	2,800	46%
3300	OASDI-Medicare-Alternative	10,971	17,111	19,731	20,679	(948)	(3,568)	9,707	53%
3400	Health & Welfare Benefits	58,530	114,413	104,004	114,026	(10,023)	386	55,497	51%
3500	Unemployment Insurance	97	458	3,478	3,510	(32)	(3,051)	3,412	3%
3600	Workers Comp Insurance	6,105	10,544	10,812	11,537	(725)	(993)	5,432	53%
SUBTOTAL - Employee Benefits		128,241	255,692	251,105	270,935	(19,830)	(15,243)	142,694	47%

MAGNOLIA PUBLIC SCHOOLS - MSA-4Budget vs. Actuals
As of December 2016 Close

13th Month

82695

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies								
4100	Approved Textbooks & Core Curricula Materials	12,686	23,220	23,220	23,220	-	-	10,534	55%
4320	Educational Software	2,791	5,000	5,000	5,000	-	-	2,209	56%
4325	Instructional Materials & Supplies	1,224	15,000	15,000	15,000	-	-	13,776	8%
4330	Office Supplies	10,545	8,200	12,000	12,000	-	(3,800)	1,455	88%
4345	Non Instructional Student Materials & Supplies	769	35,000	9,000	9,000	-	26,000	8,232	9%
4400	Noncapitalized Equipment	869	1,000	1,000	1,000	-	-	131	87%
4410	Classroom Furniture, Equipment & Supplies	278	8,000	5,000	5,000	-	3,000	4,722	6%
4420	Computers (individual items less than \$5k)	8,900	29,500	10,000	10,000	-	19,500	1,100	89%
4700	Food	15,334	30,316	45,587	45,587	-	(15,270)	30,253	34%
4720	Other Food	2,611	3,500	7,000	7,000	-	(3,500)	4,389	37%
	SUBTOTAL - Books and Supplies	56,006	158,736	132,807	132,807	-	25,930	76,800	42%
5000	Services & Other Operating Expenses								
5101	Shared Management Fee - CMO	36,457	72,914	134,048	75,995	58,053	(3,081)	39,538	48%
5102	Direct CMO Fee (Shared Staff)	-	13,260	14,799	14,807	(8)	(1,547)	14,807	0%
5200	Travel & Conferences	426	4,000	4,000	4,000	-	-	3,574	11%
5210	Conference Fees	-	5,000	5,000	5,000	-	-	5,000	0%
5300	Dues & Memberships	3,060	3,400	3,400	3,400	-	-	340	90%
5450	Insurance - Other	8,066	14,446	11,056	11,056	-	3,390	2,990	73%
5500	Operations & Housekeeping	484	-	484	484	-	(484)	-	100%
5605	Equipment Leases	6,580	6,000	8,000	8,000	-	(2,000)	1,420	82%
5610	Rent	51,915	150,215	103,831	103,831	-	46,385	51,915	50%
5615	Repairs and Maintenance - Building	427	1,000	1,000	1,000	-	-	573	43%
5803	Accounting Fees	-	4,406	8,000	8,000	-	(3,594)	8,000	0%
5809	Banking Fees	389	515	515	515	-	-	126	75%
5814	School Programs - Academic Competitions	845	-	1,000	1,000	-	(1,000)	156	84%
5820	Consultants - Non Instructional - Custom 1	2,082	2,493	9,516	9,516	-	(7,023)	7,435	22%
5822	Consultants - Non Instructional - Custom 3	5,463	54,844	64,000	64,000	-	(9,156)	58,538	9%

MAGNOLIA PUBLIC SCHOOLS - MSA-4Budget vs. Actuals
As of December 2016 Close

13th Month

82695

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
5824	District Oversight Fees	8,118	17,720	18,280	18,184	95	(464)	10,066	45%
5830	Field Trips Expenses	665	20,000	20,000	20,000	-	-	19,335	3%
5833	Fines and Penalties	29	-	-	29	(29)	(29)	-	100%
5845	Legal Fees	2,500	5,000	15,000	15,000	-	(10,000)	12,500	17%
5851	Marketing and Student Recruiting	10,742	7,000	20,000	20,000	-	(13,000)	9,258	54%
5857	Payroll Fees	4,825	3,000	3,856	9,600	(5,744)	(6,600)	4,775	50%
5861	Prior Yr Exp (not accrued)	(2,091)	-	488	488	-	(488)	2,579	-428%
5863	Professional Development	294	29,000	54,000	54,000	-	(25,000)	53,706	1%
5869	Special Education Contract Instructors	15,598	50,000	50,000	50,000	-	-	34,402	31%
5872	Special Education Encroachment	13,424	28,192	28,192	28,192	-	-	14,768	48%
5884	Substitutes	11,460	25,200	25,200	25,200	-	-	13,740	45%
5887	Technology Services	33,166	57,000	57,000	57,000	-	-	23,834	58%
5893	Transportation - Student	30,405	65,000	67,000	67,000	-	(2,000)	36,595	45%
5898	Bad Debt Expense	32	-	32	32	-	(32)	-	100%
5900	Communications	10,896	24,000	24,000	24,000	-	-	13,104	45%
5915	Postage and Delivery	1,260	3,600	2,000	2,000	-	1,600	740	63%
	SUBTOTAL - Services & Other Operating Exp.	257,515	667,206	753,697	701,330	52,367	(34,124)	443,815	37%
	Hidden								
6000	Capital Outlay								
	SUBTOTAL - Capital Outlay	-	-	-	-	-	-	-	
	TOTAL EXPENSES	891,893	1,998,462	2,097,785	2,129,653	(31,867)	(131,191)	1,237,760	42%
6900	Total Depreciation (includes Prior Years)	4,608	9,221	15,656	15,656	-	(6,435)	11,048	29%
	TOTAL EXPENSES including Depreciation	896,501	2,007,682	2,113,441	2,145,309	(31,867)	(137,626)	1,248,808	42%

MAGNOLIA PUBLIC SCHOOLS - MSA-5Budget vs. Actuals
As of December 2016 Close

13th month

66305

	Budget vs. Actual		Budget					Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)			
SUMMARY									
Revenue									
LCFF Entitlement	585,337	1,539,136	1,663,461	1,660,532	(2,929)	121,396	1,075,195	35%	
Federal Revenue	45,062	176,079	164,096	164,096	-	(11,983)	119,034	27%	
Other State Revenues	68,507	150,386	182,562	177,416	(5,145)	27,030	108,909	39%	
Local Revenues	22,784	11,120	171,259	178,813	7,554	167,693	156,030	13%	
Fundraising and Grants	339	500	500	500	-	-	161	68%	
Total Revenue	722,029	1,877,220	2,181,878	2,181,357	(520)	304,137	1,459,328	33%	
Expenses									
Compensation and Benefits (excl adjustment)	532,439	1,064,348	1,218,812	1,152,508	66,305	(88,159)	686,374	46%	
Books and Supplies	64,745	185,900	199,400	171,607	27,793	14,293	106,862	38%	
Services and Other Operating Expenditures	183,837	594,065	708,583	655,357	53,226	(61,292)	471,520	28%	
Depreciation	8,598	17,201	4,774	4,774	-	12,427	(3,824)	180%	
Total Expenses	789,618	1,861,515	2,131,570	1,984,245	147,324	(122,731)	1,260,933	40%	
Operating Income Before One-Time Adjustment	(67,589)	15,706	50,308	197,112	146,804	181,406	198,396	-34%	
One-Time Compensation Adjustment				(66,305)					
Operating Income (including adjustment)				130,807					
Fund Balance									
Beginning Balance (Unaudited)	1,144,335	951,134	1,144,335	1,144,335				100%	
Audit Adjustment	(66,819)	-	(66,819)	(66,819)				100%	
Beginning Balance (Audited)	1,077,516	951,134	1,077,516	1,077,516				100%	
Operating Income (including Depreciation)	(67,589)	15,706	50,308	130,807				-52%	
Ending Fund Balance	1,009,927	966,840	1,127,824	1,208,323				84%	
Capital Outlay	27,793	-	-	27,793				1	
Total ADA		168.9	177.7	177.7				0%	

MAGNOLIA PUBLIC SCHOOLS - MSA-5Budget vs. Actuals
As of December 2016 Close

13th month

66305

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
REVENUE									
LCFF Entitlement									
8011	Charter Schools LCFF - State Aid	383,709	988,758	1,074,007	1,071,078	(2,929)	82,319	687,369	36%
8012	Education Protection Account Entitlement	48,887	238,000	246,306	246,306	-	8,305	197,419	20%
8096	Charter Schools in Lieu of Property Taxes	152,741	312,377	343,149	343,149	-	30,771	190,407	45%
SUBTOTAL - LCFF Entitlement		585,337	1,539,136	1,663,461	1,660,532	(2,929)	121,396	1,075,195	35%
8100 Federal Revenue									
8181	Special Education - Entitlement	15,250	33,660	28,542	28,542	-	(5,118)	13,292	53%
8291	Title I	9,612	37,421	81,991	81,991	-	44,570	72,379	12%
8292	Title II	-	2,193	2,193	2,193	-	-	2,193	0%
8293	Title III	-	779	-	-	-	(779)	-	-
8296	Other Federal Revenue	18,573	102,026	102,026	102,026	-	-	83,453	18%
8297	PY Federal - Not Accrued	1,627	-	(50,656)	(50,656)	-	(50,656)	(52,283)	-3%
SUBTOTAL - Federal Income		45,062	176,079	164,096	164,096	-	(11,983)	119,034	27%
8300 Other State Revenues									
8319	Other State Apportionments - Prior Years	4,395	-	4,395	4,395	-	4,395	-	100%
8381	Special Education - Entitlement (State)	44,529	94,836	80,611	80,611	-	(14,226)	36,082	55%
8520	Child Nutrition - State	-	-	5,145	-	(5,145)	-	-	-
8550	Mandated Cost Reimbursements	2,034	2,813	32,747	32,747	-	29,934	30,713	6%
8560	State Lottery Revenue	-	26,649	33,576	33,576	-	6,927	33,576	0%
8596	ASES	17,550	26,088	26,088	26,088	-	-	8,538	67%
SUBTOTAL - Other State Income		68,507	150,386	182,562	177,416	(5,145)	27,030	108,909	39%

MAGNOLIA PUBLIC SCHOOLS - MSA-5

Budget vs. Actuals

As of December 2016 Close

13th month

66305

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
8600	Other Local Revenue								
8636	Uniforms	-	1,030	1,030	1,030	-	-	1,030	0%
8690	Other Local Revenue	11,027	3,090	11,027	11,027	-	7,937	-	100%
8714	COP Option 3 Grants	11,757	7,000	159,202	166,756	7,554	159,756	155,000	7%
8999	Uncategorized Revenue	-	-	-	-	-	-	-	
	SUBTOTAL - Local Revenues	22,784	11,120	171,259	178,813	7,554	167,693	156,030	13%
8800	Donations/Fundraising								
8803	Fundraising	339	500	500	500	-	-	161	68%
	SUBTOTAL - Fundraising and Grants	339	500	500	500	-	-	161	68%
TOTAL REVENUE		722,029	1,877,220	2,181,878	2,181,357	(520)	304,137	1,459,328	33%

MAGNOLIA PUBLIC SCHOOLS - MSA-5Budget vs. Actuals
As of December 2016 Close

13th month

66305

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1100	Teachers Salaries	293,497	545,921	660,552	660,552	-	(114,631)	367,055	44%
1300	Certificated Supervisor & Administrator Salaries	84,409	159,738	180,746	180,746	-	(21,008)	96,338	47%
SUBTOTAL - Certificated Employees		377,906	705,659	841,298	841,298	-	(135,639)	463,392	45%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	22,302	49,725	51,242	51,242	-	(1,516)	28,940	44%
2900	Classified Other Salaries	9,008	53,750	54,450	54,450	-	(700)	45,442	17%
SUBTOTAL - Classified Employees		31,309	103,475	105,692	105,692	-	(2,216)	74,382	30%
Employee Benefits Summary									
3100	STRS	45,656	88,017	102,879	102,879	-	(14,862)	57,223	44%
3200	PERS	4,306	8,226	8,534	8,534	-	(308)	4,228	50%
3300	OASDI-Medicare-Alternative	8,311	18,648	20,062	20,062	-	(1,414)	11,751	41%
3400	Health & Welfare Benefits	61,590	130,613	126,213	126,213	-	4,400	64,622	49%
3500	Unemployment Insurance	118	405	3,471	3,471	(0)	(3,067)	3,354	3%
3600	Workers Comp Insurance	3,242	9,305	10,663	10,663	-	(1,358)	7,422	30%
SUBTOTAL - Employee Benefits		123,223	255,214	271,823	271,823	(0)	(16,609)	148,600	45%

MAGNOLIA PUBLIC SCHOOLS - MSA-5

13th month

66305

Budget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies								
4100	Approved Textbooks & Core Curricula Materials	21,233	45,000	20,000	22,000	(2,000)	23,000	767	97%
4200	Books & Other Reference Materials	619	7,500	7,500	5,500	2,000	2,000	4,881	11%
4315	Custodial Supplies	-	1,000	1,000	1,000	-	-	1,000	0%
4320	Educational Software	10,000	10,000	15,000	15,000	-	(5,000)	5,000	67%
4325	Instructional Materials & Supplies	4,301	23,000	8,646	8,646	-	14,355	4,344	50%
4330	Office Supplies	3,062	9,700	8,800	8,800	-	900	5,738	35%
4345	Non Instructional Student Materials & Supplies	287	7,500	5,000	5,000	-	2,500	4,713	6%
4350	Uniforms	709	200	2,000	2,000	-	(1,800)	1,291	35%
4400	Noncapitalized Equipment	20,455	10,000	20,455	20,455	-	(10,455)	-	100%
4420	Computers (individual items less than \$5k)	19,368	51,000	60,000	32,207	27,793	18,793	12,839	60%
4430	Non Classroom Related Furniture, Equipment & Sup	312	-	7,000	7,000	-	(7,000)	6,688	4%
4700	Food	(17,014)	20,000	40,000	40,000	-	(20,000)	57,014	-43%
4720	Other Food	1,412	1,000	4,000	4,000	-	(3,000)	2,588	35%
	SUBTOTAL - Books and Supplies	64,745	185,900	199,400	171,607	27,793	14,293	106,862	38%
5000	Services & Other Operating Expenses								
5101	Shared Management Fee - CMO	36,457	72,914	134,048	75,995	58,053	(3,081)	39,538	48%
5102	Direct CMO Fee (Shared Staff)	-	11,683	14,116	14,022	94	(2,339)	14,022	0%
5200	Travel & Conferences	537	5,000	5,000	5,000	-	-	4,463	11%
5210	Conference Fees	-	5,000	5,000	5,000	-	-	5,000	0%
5300	Dues & Memberships	2,441	5,000	5,000	5,000	-	-	2,559	49%
5450	Insurance - Other	2,708	14,300	6,237	6,237	-	8,063	3,529	43%
5605	Equipment Leases	2,391	6,600	6,600	6,600	-	-	4,209	36%
5610	Rent	-	135,000	110,971	110,971	-	24,029	110,971	0%
5615	Repairs and Maintenance - Building	8,005	-	15,000	15,000	-	(15,000)	6,995	53%
5617	Repairs and Maintenance - Other Equipment	-	3,000	3,000	3,000	-	-	3,000	0%
5803	Accounting Fees	-	1,952	5,000	5,000	-	(3,048)	5,000	0%
5809	Banking Fees	372	412	412	412	-	-	40	90%
5813	School Programs - After School Program	13,044	26,088	26,088	26,088	-	-	13,044	50%
5820	Consultants - Non Instructional - Custom 1	1,488	25,000	25,000	25,000	-	-	23,512	6%
5822	Consultants - Non Instructional - Custom 3	6,720	53,275	10,000	10,000	-	43,275	3,280	67%
5824	District Oversight Fees	6,958	15,391	16,635	16,605	29	(1,214)	9,647	42%
5830	Field Trips Expenses	498	8,000	4,000	4,000	-	4,000	3,502	12%
5845	Legal Fees	1,225	5,000	15,000	15,000	-	(10,000)	13,775	8%
5851	Marketing and Student Recruiting	417	10,000	60,000	60,000	-	(50,000)	59,583	1%
5857	Payroll Fees	3,994	3,750	3,750	8,000	(4,250)	(4,250)	4,006	50%
5861	Prior Yr Exp (not accrued)	31,727	-	31,027	31,727	(700)	(31,727)	-	100%
5863	Professional Development	12,249	37,100	37,100	37,100	-	-	24,851	33%
5869	Special Education Contract Instructors	28,605	40,000	65,000	65,000	-	(25,000)	36,395	44%
5872	Special Education Encroachment	11,956	25,699	25,699	25,699	-	-	13,744	47%
5875	Staff Recruiting	-	1,901	1,901	1,901	-	-	1,901	0%
5884	Substitutes	2,891	15,000	20,000	20,000	-	(5,000)	17,109	14%
5887	Technology Services	6,118	35,000	35,000	35,000	-	-	28,882	17%
5898	Bad Debt Expense	0	-	0	0	-	(0)	(0)	275%

MAGNOLIA PUBLIC SCHOOLS - MSA-5

Budget vs. Actuals

As of December 2016 Close

13th month

66305

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
5899	Miscellaneous Operating Expenses	0	-	-	-	-	-	(0)	
5900	Communications	1,907	30,000	20,000	20,000	-	10,000	18,093	10%
5915	Postage and Delivery	1,128	2,000	2,000	2,000	-	-	872	56%
SUBTOTAL - Services & Other Operating Exp.		183,837	594,065	708,583	655,357	53,226	(61,292)	471,520	28%
6000	Capital Outlay								
6400	Equipment	27,793	-	-	27,793	(27,793)	(27,793)	-	100%
SUBTOTAL - Capital Outlay		27,793	-	-	27,793	(27,793)	(27,793)	-	100%
TOTAL EXPENSES		808,813	1,844,314	2,126,796	2,073,570	53,226	(229,256)	1,264,757	39%
6900	Total Depreciation (includes Prior Years)	8,598	17,201	4,774	4,774	-	12,427	(3,824)	180%
TOTAL EXPENSES including Depreciation		789,618	1,861,515	2,131,570	2,050,550	81,019	(189,036)	1,260,933	39%

Magnolia Public Schools - MSA-6

13th month

47852

Budget vs. Actuals
As of December 2016 Close

	Budget vs.		Budget					
	Actual				Variance	Variance	Forecast	% of Forecast
	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	(Previous vs. Proposed Budget)	(Budget vs. Proposed Budget)	Remaining	Spent
SUMMARY								
Revenue								
LCFF Entitlement	576,102	1,575,467	1,525,104	1,518,270	(6,834)	(57,197)	942,168	38%
Federal Revenue	69,168	137,828	161,359	161,359	-	23,531	92,191	43%
Other State Revenues	92,502	214,078	253,252	253,252	-	39,175	160,750	37%
Local Revenues	6,392	14,120	10,512	10,512	-	(3,608)	4,120	61%
Fundraising and Grants	4,511	10,000	11,100	11,100	-	1,100	6,589	41%
Total Revenue	748,676	1,951,493	1,961,328	1,954,494	(6,834)	3,001	1,205,818	38%
Expenses								
Compensation and Benefits (excl adjustment)	503,076	965,253	1,082,926	1,035,074	47,852	(69,821)	579,850	49%
Books and Supplies	72,130	110,183	154,776	154,776	-	(44,593)	82,646	47%
Services and Other Operating Expenditures	220,291	575,774	613,291	555,450	57,842	20,324	335,159	40%
Depreciation	3,184	6,368	28,726	28,726	-	(22,358)	25,542	11%
Total Expenses	798,680	1,657,578	1,879,719	1,774,026	105,694	(116,447)	1,023,197	45%
Operating Income Before One-Time Adjustment	(50,005)	293,915	81,608	180,468	98,860	(113,447)	182,621	-28%
One-Time Compensation Adjustment				(47,852)				
Operating Income (including adjustment)				132,616				
Fund Balance								
Beginning Balance (Unaudited)	1,006,776	938,327	1,006,776	1,006,776				100%
Audit Adjustment	(61,339)	-	(49,511)	(61,339)				100%
Beginning Balance (Audited)	945,437	938,327	957,265	945,437				100%
Operating Income (including Depreciation)	(50,005)	293,915	81,608	132,616				-38%
Ending Fund Balance	895,432	1,232,242	1,038,873	1,078,053				83%
Capital Outlay	-	20,000	-	-				
Total ADA		173.7	167.9	167.9				0%

Magnolia Public Schools - MSA-6Budget vs. Actuals
As of December 2016 Close

13th month

47852

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
REVENUE									
LCFF Entitlement									
8011	Charter Schools LCFF - State Aid	359,455	994,308	978,640	971,806	(6,834)	(22,502)	612,351	37%
8012	Education Protection Account Entitlement	54,597	251,311	221,995	221,995	-	(29,316)	167,398	25%
8019	State Aid - Prior Years	134	-	134	134	-	134	-	100%
8096	Charter Schools in Lieu of Property Taxes	161,916	329,848	324,335	324,335	-	(5,513)	162,419	50%
SUBTOTAL - LCFF Entitlement		576,102	1,575,467	1,525,104	1,518,270	(6,834)	(57,197)	942,168	38%
8100 Federal Revenue									
8181	Special Education - Entitlement	16,166	35,542	32,331	32,331	-	(3,211)	16,166	50%
8220	Child Nutrition Programs	4,592	31,452	49,812	49,812	-	18,360	45,220	9%
8291	Title I	48,411	47,977	58,499	58,499	-	10,522	10,088	83%
8292	Title II	-	2,363	717	717	-	(1,646)	717	0%
8293	Title III	-	494	-	-	-	(494)	-	
8296	Other Federal Revenue	-	20,000	20,000	20,000	-	-	20,000	0%
SUBTOTAL - Federal Income		69,168	137,828	161,359	161,359	-	23,531	92,191	43%

Magnolia Public Schools - MSA-6Budget vs. Actuals
As of December 2016 Close

13th month

47852

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
8300	Other State Revenues								
8381	Special Education - Entitlement (State)	47,204	100,140	94,407	94,407	-	(5,733)	47,204	50%
8520	Child Nutrition - State	315	3,379	3,593	3,593	(0)	214	3,279	9%
8545	School Facilities Apportionments	42,562	80,000	85,125	85,125	-	5,125	42,563	50%
8550	Mandated Cost Reimbursements	2,382	2,419	38,352	38,352	-	35,932	35,970	6%
8560	State Lottery Revenue	-	28,139	31,735	31,735	-	3,596	31,735	0%
8590	All Other State Revenue	40	-	40	40	-	40	-	100%
	SUBTOTAL - Other State Income	92,502	214,078	253,252	253,252	(0)	39,175	160,750	37%
8600	Other Local Revenue								
8699	All Other Local Revenue	-	4,120	4,120	4,120	-	-	4,120	0%
8714	SpEd Option 3	6,392	10,000	6,392	6,392	-	(3,608)	-	100%
	SUBTOTAL - Local Revenues	6,392	14,120	10,512	10,512	-	(3,608)	4,120	61%
8800	Donations/Fundraising								
8802	Donations - Private	4,511	-	3,010	4,511	1,501	4,511	-	100%
8803	Fundraising	-	10,000	8,090	6,589	(1,501)	(3,411)	6,589	0%
	SUBTOTAL - Fundraising and Grants	4,511	10,000	11,100	11,100	-	1,100	6,589	41%
TOTAL REVENUE		748,676	1,951,493	1,961,328	1,954,494	(6,834)	3,001	1,205,818	38%

Magnolia Public Schools - MSA-6Budget vs. Actuals
As of December 2016 Close

13th month

47852

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1100	Teachers Salaries	228,694	500,008	473,509	473,509	-	26,499	244,815	48%
1300	Certificated Supervisor & Administrator Salaries	105,649	165,373	250,789	250,789	-	(85,416)	145,140	42%
SUBTOTAL - Certificated Employees		334,343	665,381	724,298	724,298	-	(58,917)	389,955	46%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	33,760	68,504	87,117	87,117	-	(18,613)	53,357	39%
2900	Classified Other Salaries	15,801	18,750	34,500	34,500	-	(15,750)	18,700	46%
SUBTOTAL - Classified Employees		49,560	87,254	121,617	121,617	-	(34,363)	72,057	41%
Employee Benefits Summary									
3100	STRS	41,516	82,447	92,228	92,228	-	(9,781)	50,711	45%
3200	PERS	4,656	5,869	9,490	9,490	-	(3,621)	4,834	49%
3300	OASDI-Medicare-Alternative	12,179	17,058	19,409	19,409	-	(2,351)	7,230	63%
3400	Health & Welfare Benefits	56,119	98,213	102,936	102,936	-	(4,723)	46,817	55%
3500	Unemployment Insurance	(0)	376	3,423	3,423	0	(3,047)	3,423	0%
3600	Workers Comp Insurance	4,703	8,655	9,525	9,525	-	(870)	4,822	49%
SUBTOTAL - Employee Benefits		119,173	212,618	237,011	237,011	0	(24,393)	117,838	50%

Magnolia Public Schools - MSA-6

13th month

47852

Budget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
4000	Books & Supplies								
4100	Approved Textbooks & Core Curricula Materials	43,195	5,000	45,000	45,000	-	(40,000)	1,805	96%
4200	Books & Other Reference Materials	-	3,000	1,000	1,000	-	2,000	1,000	0%
4320	Educational Software	11,870	20,000	14,000	14,000	-	6,000	2,130	85%
4325	Instructional Materials & Supplies	105	7,000	3,000	3,000	-	4,000	2,895	4%
4330	Office Supplies	3,489	4,200	4,200	4,200	-	-	711	83%
4335	PE Supplies	813	1,000	1,000	1,000	-	-	187	81%
4345	Non Instructional Student Materials & Supplies	1,448	3,000	2,500	2,500	-	500	1,052	58%
4346	Teacher Supplies	946	1,000	1,000	1,000	-	-	54	95%
4400	Noncapitalized Equipment	-	5,000	5,000	5,000	-	-	5,000	0%
4410	Classroom Furniture, Equipment & Supplies	133	2,000	2,000	2,000	-	-	1,867	7%
4420	Computers (individual items less than \$5k)	-	19,500	19,500	19,500	-	-	19,500	0%
4700	Food	10,082	39,483	56,076	56,076	-	(16,593)	45,994	18%
4720	Other Food	50	-	500	500	-	(500)	450	10%
	SUBTOTAL - Books and Supplies	72,130	110,183	154,776	154,776	-	(44,593)	82,646	47%
5000	Services & Other Operating Expenses								
5101	CMO Fees	36,457	72,914	134,048	75,995	58,053	(3,081)	39,538	48%
5102	Direct CMO Fee (Shared Staff)	-	12,485	13,341	13,621	(280)	(1,136)	13,621	0%
5200	Travel & Conferences	-	3,000	-	-	-	3,000	-	-
5215	Travel - Mileage, Parking, Tolls	467	1,000	1,000	1,000	-	-	533	47%
5220	Travel and Lodging	-	-	3,000	3,000	-	(3,000)	3,000	0%
5300	Dues & Memberships	1,826	1,000	1,826	1,826	-	(826)	-	100%
5450	Insurance - Other	6,563	9,000	9,838	9,838	-	(838)	3,275	67%
5500	Operations & Housekeeping	376	4,000	4,000	4,000	-	-	3,624	9%
5510	Utilities - Gas and Electric	2,617	7,000	7,000	7,000	-	-	4,383	37%
5605	Equipment Leases	2,201	4,800	4,800	4,800	-	-	2,599	46%
5610	Rent	66,000	114,000	113,500	113,500	-	500	47,500	58%
5615	Repairs and Maintenance - Building	(79)	2,000	2,000	2,000	-	-	2,079	-4%
5803	Accounting Fees	-	4,500	4,500	4,500	-	-	4,500	0%
5809	Banking Fees	372	500	500	500	-	-	128	74%
5819	School Programs - Other	702	5,000	5,000	5,000	-	-	4,298	14%
5820	Consultants - Non Instructional - Custom 1	1,901	2,000	8,000	8,000	-	(6,000)	6,100	24%

Magnolia Public Schools - MSA-6

13th month

47852

Budget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
5822	Consultants - Non Instructional - Custom 3	2,000	23,583	23,583	23,583	-	-	21,583	8%
5824	District Oversight Fees	7,027	15,755	15,251	15,183	68	572	8,156	46%
5830	Field Trips Expenses	3,146	10,000	10,000	10,000	-	-	6,854	31%
5845	Legal Fees	2,000	10,000	10,000	10,000	-	-	8,000	20%
5851	Marketing and Student Recruiting	9,823	10,000	18,000	18,000	-	(8,000)	8,178	55%
5857	Payroll Fees	3,680	7,000	7,000	7,000	-	-	3,320	53%
5861	Prior Yr Exp (not accrued)	3,731	-	3,756	3,756	-	(3,756)	25	99%
5863	Professional Development	8,738	32,100	36,000	36,000	-	(3,900)	27,262	24%
5869	Special Education Contract Instructors	11,549	32,000	32,000	32,000	-	-	20,451	36%
5872	Special Education Encroachment	13,065	27,137	25,348	25,348	-	1,789	12,283	52%
5884	Substitutes	3,304	25,000	20,000	20,000	-	5,000	16,696	17%
5887	Technology Services	23,243	72,000	72,000	72,000	-	-	48,757	32%
5898	Bad Debt Expense	0	-	0	0	-	(0)	-	100%
5899	Miscellaneous Operating Expenses	0	40,000	-	-	-	40,000	(0)	
5900	Communications	8,175	24,000	24,000	24,000	-	-	15,825	34%
5915	Postage and Delivery	1,407	4,000	4,000	4,000	-	-	2,593	35%
SUBTOTAL - Services & Other Operating Exp.		220,291	575,774	613,291	555,450	57,842	20,324	335,159	40%
6000	Capital Outlay								
6100	Sites & Improvement of Sites	-	20,000	-	-	-	20,000	-	
SUBTOTAL - Capital Outlay		-	20,000	-	-	-	20,000	-	
TOTAL EXPENSES		795,496	1,671,210	1,850,993	1,793,152	57,842	(121,941)	997,656	44%
6900	Total Depreciation (includes Prior Years)	3,184	6,368	28,726	28,726	-	(22,358)	25,542	11%
TOTAL EXPENSES including Depreciation		798,680	1,657,578	1,879,719	1,821,878	57,842	(164,299)	1,023,197	44%

Magnolia Public Schools - MSA-7

Budget vs. Actuals

As of December 2016 Close

13th month

89982

	Budget vs. Actual			Budget				Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)			
SUMMARY									
Revenue									
LCFF Entitlement	973,035	2,671,595	2,610,709	2,599,553	(11,156)	(72,042)	1,626,518	37%	
Federal Revenue	90,979	346,072	421,493	421,493	-	75,421	330,514	22%	
Other State Revenues	275,896	578,580	622,567	622,567	-	43,988	346,672	44%	
Local Revenues	50,191	54,198	71,193	71,193	0	16,996	21,003	70%	
Fundraising and Grants	5,148	50,000	25,000	25,000	-	(25,000)	19,852	21%	
Total Revenue	1,395,248	3,700,444	3,750,962	3,739,806	(11,156)	39,362	2,344,558	37%	
Expenses									
Compensation and Benefits (excl adjustment)	806,061	1,710,715	1,742,388	1,633,722	108,666	76,993	917,643	49%	
Books and Supplies	151,490	333,447	306,250	306,250	-	27,197	154,760	49%	
Services and Other Operating Expenditures	700,873	1,557,568	1,645,244	1,626,862	18,382	(69,294)	925,989	43%	
Depreciation	22,513	45,027	36,918	36,918	-	8,109	14,405	61%	
Total Expenses	1,680,938	3,646,756	3,730,800	3,603,752	127,048	43,004	2,012,797	47%	
Operating Income Before One-Time Adjustment	(285,690)	53,688	20,162	136,054	115,892	82,366	331,762	-210%	
One-Time Compensation Adjustment				(89,982)					
Operating Income (including adjustment)				46,072					
Fund Balance									
Beginning Balance (Unaudited)	939,109	922,760	939,109	939,109				100%	
Audit Adjustment	8,244	-	8,244	8,244				100%	
Beginning Balance (Audited)	947,353	922,760	947,353	947,353				100%	
Operating Income (including Depreciation)	(285,690)	53,688	20,162	46,072				-620%	
Ending Fund Balance	661,664	976,448	967,515	993,425				67%	
Capital Outlay	-	60,000	198,325	198,325				-	
Total ADA		291.4	284.7	284.7				0%	

Magnolia Public Schools - MSA-7

Budget vs. Actuals

As of December 2016 Close

13th month

89982

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
REVENUE									
LCFF Entitlement									
8011	Charter Schools LCFF - State Aid	616,024	1,804,821	1,695,909	1,684,753	(11,156)	(120,069)	1,068,729	37%
8012	Education Protection Account Entitlement	87,841	387,438	364,640	364,640	-	(22,798)	276,799	24%
8019	State Aid - Prior Years	282	-	282	282	-	282	-	100%
8096	Charter Schools in Lieu of Property Taxes	268,888	479,335	549,878	549,878	-	70,543	280,990	49%
SUBTOTAL - LCFF Entitlement		973,035	2,671,595	2,610,709	2,599,553	(11,156)	(72,042)	1,626,518	37%
8100 Federal Revenue									
8181	Special Education - Entitlement	26,846	56,829	53,691	53,691	-	(3,137)	26,846	50%
8220	Child Nutrition Programs	4,960	169,792	105,994	105,994	0	(63,798)	101,034	5%
8291	Title I	55,637	80,679	84,709	84,709	-	4,030	29,072	66%
8292	Title II	-	1,258	1,127	1,127	-	(131)	1,127	0%
8293	Title III	-	313	-	-	-	(313)	-	-
8296	Other Federal Revenue	3,090	37,200	175,525	175,525	-	138,325	172,435	2%
8297	PY Federal - Not Accrued	446	-	446	446	-	446	-	100%
SUBTOTAL - Federal Income		90,979	346,072	421,493	421,493	0	75,421	330,514	22%
8300 Other State Revenues									
8319	Other State Apportionments - Prior Years	896	-	896	896	-	896	-	100%
8381	Special Education - Entitlement (State)	78,389	167,864	156,778	156,778	-	(11,085)	78,389	50%
8520	Child Nutrition - State	390	13,246	7,940	7,940	-	(5,306)	7,550	5%
8545	School Facilities Apportionments	94,694	196,321	189,390	189,390	-	(6,931)	94,696	50%
8550	Mandated Cost Reimbursements	3,956	3,937	63,689	63,689	-	59,752	59,733	6%
8560	State Lottery Revenue	-	47,212	53,804	53,804	-	6,592	53,804	0%
8590	All Other State Revenue	71	-	71	71	-	71	-	100%
8596	ASES	97,500	150,000	150,000	150,000	-	-	52,500	65%
SUBTOTAL - Other State Income		275,896	578,580	622,567	622,567	-	43,988	346,672	44%

Magnolia Public Schools - MSA-7

Budget vs. Actuals

As of December 2016 Close

13th month

89982

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
8600	Other Local Revenue								
8634	Food Service Sales	6,522	12,449	12,449	12,449	-	-	5,926	52%
8636	Uniforms	374	8,468	8,468	8,468	-	-	8,094	4%
8682	Summer Program	28,554	13,600	28,554	28,554	-	14,954	-	100%
8690	Other Local Revenue	8,777	7,140	15,759	15,759	-	8,619	6,982	56%
8699	All Other Local Revenue	90	-	90	90	-	90	-	100%
8714	SpEd Option 3	5,873	12,541	5,873	5,873	0	(6,668)	-	100%
	SUBTOTAL - Local Revenues	50,191	54,198	71,193	71,193	0	16,996	21,003	70%
8800	Donations/Fundraising								
8802	Donations - Private	500	-	500	500	-	500	-	100%
8803	Fundraising	4,648	50,000	24,500	24,500	-	(25,500)	19,852	19%
	SUBTOTAL - Fundraising and Grants	5,148	50,000	25,000	25,000	-	(25,000)	19,852	21%
TOTAL REVENUE		1,395,248	3,700,444	3,750,962	3,739,806	(11,156)	39,362	2,344,558	37%

Magnolia Public Schools - MSA-7

Budget vs. Actuals

As of December 2016 Close

13th month

89982

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1100	Teachers Salaries	425,143	863,926	935,257	920,976	14,281	(57,050)	495,833	46%
1300	Certificated Supervisor & Administrator Salaries	86,683	159,199	181,516	181,516	-	(22,316)	94,833	48%
SUBTOTAL - Certificated Employees		511,826	1,023,125	1,116,773	1,102,492	14,281	(79,367)	590,666	46%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	40,800	58,170	90,628	90,628	-	(32,458)	49,828	45%
2900	Classified Other Salaries	71,481	251,809	160,692	158,634	2,057	93,175	87,153	45%
SUBTOTAL - Classified Employees		112,281	309,979	251,320	249,262	2,057	60,717	136,981	45%
Employee Benefits Summary									
3100	STRS	60,938	119,347	133,321	131,525	1,797	(12,177)	70,586	46%
3200	PERS	12,940	22,847	27,262	27,262	-	(4,414)	14,321	47%
3300	OASDI-Medicare-Alternative	17,703	43,218	39,201	38,843	357	4,375	21,141	46%
3400	Health & Welfare Benefits	80,862	178,200	155,423	155,423	-	22,777	74,561	52%
3500	Unemployment Insurance	1,340	667	3,684	3,676	8	(3,009)	2,336	36%
3600	Workers Comp Insurance	8,171	13,331	15,405	15,221	184	(1,890)	7,050	54%
SUBTOTAL - Employee Benefits		181,954	377,610	374,296	371,950	2,346	5,661	189,995	49%

Magnolia Public Schools - MSA-7

13th month

89982

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies								
4100	Approved Textbooks & Core Curricula Materials	83,652	45,000	90,000	90,000	-	(45,000)	6,348	93%
4200	Books & Other Reference Materials	498	21,500	5,000	5,000	-	16,500	4,502	10%
4315	Custodial Supplies	1,912	8,000	8,000	8,000	-	-	6,088	24%
4320	Educational Software	10,888	10,000	10,888	10,888	-	(888)	-	100%
4325	Instructional Materials & Supplies	2,074	15,000	14,500	14,500	-	500	12,426	14%
4326	Art & Music Supplies	1,202	500	1,500	1,500	-	(1,000)	298	80%
4330	Office Supplies	6,449	13,200	13,200	13,200	-	-	6,751	49%
4335	PE Supplies	-	2,000	2,000	2,000	-	-	2,000	0%
4345	Non Instructional Student Materials & Supplies	1,224	1,000	1,500	1,500	-	(500)	276	82%
4346	Teacher Supplies	213	2,400	2,400	2,400	-	-	2,187	9%
4351	Yearbook	685	760	760	760	-	-	75	90%
4410	Classroom Furniture, Equipment & Supplies	1,919	4,700	4,400	4,400	-	300	2,481	44%
4420	Computers (individual items less than \$5k)	600	11,500	11,500	11,500	-	-	10,900	5%
4430	Non Classroom Related Furniture, Equipment & Supp	2,552	2,300	2,600	2,600	-	(300)	48	98%
4700	Food	36,278	195,487	132,702	132,702	(0)	62,785	96,424	27%
4720	Other Food	1,344	100	5,300	5,300	-	(5,200)	3,956	25%
	SUBTOTAL - Books and Supplies	151,490	333,447	306,250	306,250	(0)	27,197	154,760	49%

Magnolia Public Schools - MSA-7

13th month

89982

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
5000	Services & Other Operating Expenses								
5101	CMO Fees	303,810	607,620	670,240	633,292	36,948	(25,672)	329,482	48%
5102	Direct CMO Fee (Shared Staff)	-	21,260	23,157	22,779	378	(1,519)	22,779	0%
5200	Travel & Conferences	-	407	-	-	-	407	-	-
5210	Conference Fees	120	4,000	4,000	4,000	-	-	3,880	3%
5215	Travel - Mileage, Parking, Tolls	1,032	1,500	1,500	1,500	-	-	468	69%
5220	Travel and Lodging	-	2,772	2,772	2,772	-	-	2,772	0%
5300	Dues & Memberships	2,156	9,000	9,000	9,000	-	-	6,844	24%
5450	Insurance - Other	11,210	14,905	16,642	16,642	-	(1,737)	5,432	67%
5500	Operations & Housekeeping	1,658	10,000	10,000	10,000	-	-	8,342	17%
5510	Utilities - Gas and Electric	22,832	55,680	55,680	55,680	-	-	32,848	41%
5605	Equipment Leases	4,146	8,400	8,400	8,400	-	-	4,254	49%
5610	Rent	151,787	261,761	260,628	260,628	-	1,133	108,841	58%
5615	Repairs and Maintenance - Building	8,265	23,000	23,000	23,000	-	-	14,735	36%
5617	Repairs and Maintenance - Other Equipment	-	2,000	2,000	2,000	-	-	2,000	0%
5803	Accounting Fees	-	5,500	10,000	10,000	-	(4,500)	10,000	0%
5809	Banking Fees	401	3,000	3,000	3,000	-	-	2,599	13%
5813	School Programs - After School Program	75,000	150,000	150,000	150,000	-	-	75,000	50%
5814	School Programs - Academic Competitions	214	108	200	214	(14)	(106)	-	100%
5819	School Programs - Other	-	8,000	8,000	8,000	-	-	8,000	0%
5820	Consultants - Non Instructional - Custom 1	3,362	8,584	8,584	8,584	-	-	5,222	39%
5822	Consultants - Non Instructional - Custom 3	1,120	6,000	10,000	10,000	-	(4,000)	8,880	11%

Magnolia Public Schools - MSA-7

13th month

89982

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
5824	District Oversight Fees	11,846	27,250	26,107	25,996	112	1,255	14,149	46%
5830	Field Trips Expenses	3,788	10,000	10,000	10,000	-	-	6,212	38%
5845	Legal Fees	-	10,000	10,000	10,000	-	-	10,000	0%
5851	Marketing and Student Recruiting	(1,097)	3,000	3,000	3,000	-	-	4,097	-37%
5857	Payroll Fees	6,593	21,600	21,600	21,600	-	-	15,007	31%
5861	Prior Yr Exp (not accrued)	(8,942)	-	(9,642)	(8,942)	(700)	8,942	-	100%
5863	Professional Development	6,281	43,100	43,100	43,100	-	-	36,819	15%
5869	Special Education Contract Instructors	36,450	86,324	114,324	114,324	-	(28,000)	77,874	32%
5872	Special Education Encroachment	21,047	44,939	42,094	42,094	-	2,845	21,047	50%
5884	Substitutes	5,084	21,658	21,658	40,000	(18,342)	(18,342)	34,916	13%
5887	Technology Services	25,558	50,600	50,600	50,600	-	-	25,042	51%
5898	Bad Debt Expense	(1)	-	-	-	-	-	1	
5899	Miscellaneous Operating Expenses	0	-	-	0	(0)	(0)	-	100%
5900	Communications	6,033	32,000	32,000	32,000	-	-	25,967	19%
5915	Postage and Delivery	1,120	3,600	3,600	3,600	-	-	2,480	31%
SUBTOTAL - Services & Other Operating Exp.		700,873	1,557,568	1,645,244	1,626,862	18,382	(69,294)	925,989	43%
6000 Capital Outlay									
6200	Buildings & Improvement of Buildings	-	-	138,325	138,325	-	(138,325)	138,325	0%
6400	Equipment	-	60,000	-	-	-	60,000	-	
6410	Computers (capitalizable items)	-	-	60,000	60,000	-	(60,000)	60,000	0%
SUBTOTAL - Capital Outlay		-	60,000	198,325	198,325	-	(138,325)	198,325	0%
TOTAL EXPENSES		1,658,425	3,661,730	3,892,207	3,855,142	37,066	(193,412)	2,196,717	43%
6900	Total Depreciation (includes Prior Years)	22,513	45,027	36,918	36,918	-	8,109	14,405	61%
TOTAL EXPENSES including Depreciation		1,680,938	3,646,756	3,730,800	3,693,734	37,066	(46,978)	2,012,797	46%

Magnolia Public Schools - MSA-8Budget vs. Actuals
As of December 2016 Close

13th month

120965

	Budget vs. Actual		Budget					Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance	Variance			
					(Previous vs. Proposed Budget)	(Budget vs. Proposed Budget)			
SUMMARY									
Revenue									
LCFF Entitlement	1,691,123	4,438,632	4,442,047	4,440,491	(1,556)	1,859	2,749,368	38%	
Federal Revenue	212,012	296,081	297,469	297,469	-	1,388	85,457	71%	
Other State Revenues	239,761	508,978	620,258	620,258	-	111,280	380,496	39%	
Local Revenues	42,971	90,229	70,186	70,411	225	(19,818)	27,440	61%	
Fundraising and Grants	3,614	20,000	20,000	20,000	-	-	16,387	18%	
Total Revenue	2,189,480	5,353,920	5,449,960	5,448,629	(1,331)	94,709	3,259,148	40%	
Expenses									
Compensation and Benefits (excl adjustment)	1,359,482	2,842,777	2,819,272	2,701,941	117,331	140,836	1,463,424	50%	
Books and Supplies	104,431	297,700	420,157	420,157	-	(122,457)	315,727	25%	
Services and Other Operating Expenditures	845,115	2,081,816	2,155,991	2,142,840	13,151	(61,024)	1,297,725	39%	
Depreciation	34,078	68,156	84,873	84,873	-	(16,717)	50,795	40%	
Total Expenses	2,343,106	5,290,449	5,480,294	5,349,811	130,483	(59,362)	3,127,671	44%	
Operating Income Before One-Time Adjustment	(153,625)	63,471	(30,334)	98,817	129,152	35,347	131,478	-155%	
One-Time Compensation Adjustment				(120,965)					
Operating Income (including adjustment)				(22,148)					
Fund Balance									
Beginning Balance (Unaudited)	3,061,348	3,019,921	3,061,348	3,061,348				100%	
Audit Adjustment	(90,501)	-	(90,501)	(90,501)				100%	
Beginning Balance (Audited)	2,970,847	3,019,921	2,970,847	2,970,847				100%	
Operating Income (including Depreciation)	(153,625)	63,471	(30,334)	(22,148)				694%	
Ending Fund Balance	2,817,222	3,083,391	2,940,513	2,948,699				96%	
Capital Outlay	77,808	84,000	84,000	84,000				1	
Total ADA		477.7	477.7	477.7				0%	

Magnolia Public Schools - MSA-8Budget vs. Actuals
As of December 2016 Close

13th month

120965

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
REVENUE									
LCFF Entitlement									
8011	Charter Schools LCFF - State Aid	1,071,401	2,995,658	2,885,592	2,884,036	(1,556)	(111,622)	1,812,635	37%
8012	Education Protection Account Entitlement	156,481	657,309	633,310	633,310	-	(23,999)	476,829	25%
8019	State Aid - Prior Years	468	-	468	468	-	468	-	100%
8096	Charter Schools in Lieu of Property Taxes	462,773	785,666	922,677	922,677	-	137,012	459,904	50%
SUBTOTAL - LCFF Entitlement		1,691,123	4,438,632	4,442,047	4,440,491	(1,556)	1,859	2,749,368	38%
8100 Federal Revenue									
8181	Special Education - Entitlement	46,203	93,147	92,406	92,406	-	(741)	46,203	50%
8291	Title I	165,782	200,332	202,691	202,691	-	2,359	36,909	82%
8292	Title II	-	2,451	2,345	2,345	-	(106)	2,345	0%
8293	Title III	-	151	-	-	-	(151)	-	-
8297	PY Federal - Not Accrued	27	-	27	27	-	27	-	100%
SUBTOTAL - Federal Income		212,012	296,081	297,469	297,469	-	1,388	85,457	71%
8300 Other State Revenues									
8319	Other State Apportionments - Prior Years	420	-	420	420	-	420	-	100%
8381	Special Education - Entitlement (State)	134,912	275,141	269,825	269,825	-	(5,316)	134,912	50%
8550	Mandated Cost Reimbursements	6,809	6,453	109,613	109,613	-	103,159	102,804	6%
8560	State Lottery Revenue	-	77,383	90,281	90,281	-	12,897	90,281	0%
8590	All Other State Revenue	120	-	120	120	-	120	-	100%
8596	ASES	97,500	150,000	150,000	150,000	-	-	52,500	65%
SUBTOTAL - Other State Income		239,761	508,978	620,258	620,258	-	111,280	380,496	39%

Magnolia Public Schools - MSA-8Budget vs. Actuals
As of December 2016 Close

13th month

120965

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
8600	Other Local Revenue								
8636	Uniforms	-	30,662	-	-	-	(30,662)	-	
8682	Summer Program	30,463	13,600	30,463	30,463	-	16,863	-	100%
8693	Field Trips	-	10,200	10,200	10,200	-	-	10,200	0%
8699	All Other Local Revenue	1,452	18,692	18,692	18,692	-	-	17,240	8%
8714	SpEd Option 3	11,056	17,075	10,831	11,056	225	(6,019)	-	100%
	SUBTOTAL - Local Revenues	42,971	90,229	70,186	70,411	225	(19,818)	27,440	61%
8800	Donations/Fundraising								
8803	Fundraising	3,614	20,000	20,000	20,000	-	-	16,387	18%
	SUBTOTAL - Fundraising and Grants	3,614	20,000	20,000	20,000	-	-	16,387	18%
TOTAL REVENUE		2,189,480	5,353,920	5,449,960	5,448,629	(1,331)	94,709	3,259,148	40%

Magnolia Public Schools - MSA-8Budget vs. Actuals
As of December 2016 Close

13th month

120965

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1100	Teachers Salaries	686,203	1,455,168	1,452,353	1,454,903	(2,550)	264	768,701	47%
1300	Certificated Supervisor & Administrator Salaries	167,091	425,165	347,203	347,203	-	77,962	180,112	48%
SUBTOTAL - Certificated Employees		853,294	1,880,332	1,799,556	1,802,106	(2,550)	78,226	948,812	47%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	63,907	185,996	129,851	129,851	-	56,144	65,944	49%
2900	Classified Other Salaries	132,174	137,069	275,393	275,892	(499)	(138,823)	143,718	48%
SUBTOTAL - Classified Employees		196,081	323,065	405,245	405,744	(499)	(82,679)	209,662	48%
Employee Benefits Summary									
3100	STRS	104,810	234,030	223,868	224,189	(321)	9,841	119,378	47%
3200	PERS	22,726	37,396	46,193	46,345	(153)	(8,949)	23,619	49%
3300	OASDI-Medicare-Alternative	27,161	53,218	58,643	58,718	(75)	(5,500)	31,557	46%
3400	Health & Welfare Benefits	140,336	291,600	256,840	256,840	-	34,760	116,504	55%
3500	Unemployment Insurance	43	1,102	4,102	4,104	(2)	(3,002)	4,060	1%
3600	Workers Comp Insurance	15,031	22,034	24,826	24,860	(34)	(2,827)	9,829	60%
SUBTOTAL - Employee Benefits		310,107	639,379	614,472	615,056	(584)	24,323	304,949	50%

Magnolia Public Schools - MSA-8

13th month

120965

Budget vs. Actuals
As of December 2016 Close

		Budget vs.		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual							
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
4000	Books & Supplies								
4100	Approved Textbooks & Core Curricula Materials	13,844	22,000	22,000	22,000	-	-	8,156	63%
4200	Books & Other Reference Materials	301	-	1,000	1,000	-	(1,000)	699	30%
4320	Educational Software	18,675	15,000	20,000	20,000	-	(5,000)	1,326	93%
4325	Instructional Materials & Supplies	7,896	35,000	33,669	33,669	-	1,331	25,773	23%
4326	Art & Music Supplies	735	15,000	15,000	15,000	-	-	14,265	5%
4330	Office Supplies	8,362	14,200	25,000	25,000	-	(10,800)	16,638	33%
4335	PE Supplies	331	-	331	331	-	(331)	-	100%
4345	Non Instructional Student Materials & Supplies	4,617	9,000	9,000	9,000	-	-	4,383	51%
4346	Teacher Supplies	1,681	5,000	5,000	5,000	-	-	3,319	34%
4350	Uniforms	-	8,000	-	-	-	8,000	-	
4351	Yearbook	-	5,000	5,000	5,000	-	-	5,000	0%
4400	Noncapitalized Equipment	2,829	-	14,781	14,641	140	(14,641)	11,812	19%
4410	Classroom Furniture, Equipment & Supplies	517	-	377	517	(140)	(517)	-	100%
4420	Computers (individual items less than \$5k)	5,355	11,500	11,500	11,500	-	-	6,145	47%
4430	Non Classroom Related Furniture, Equipment & Su	2,810	8,000	7,500	7,500	-	500	4,690	37%
4700	Food	35,410	140,000	240,000	240,000	-	(100,000)	204,590	15%
4720	Other Food	1,069	10,000	10,000	10,000	-	-	8,931	11%
	SUBTOTAL - Books and Supplies	104,431	297,700	420,157	420,157	(0)	(122,457)	315,727	25%
5000	Services & Other Operating Expenses								
5101	CMO Fees	486,096	972,192	1,027,701	1,013,267	14,434	(41,075)	527,171	48%
5102	Direct CMO Fee (Shared Staff)	-	35,258	37,956	38,555	(599)	(3,297)	38,555	0%
5210	Conference Fees	4,713	10,000	10,000	10,000	-	-	5,288	47%
5215	Travel - Mileage, Parking, Tolls	1,139	5,000	5,000	5,000	-	-	3,861	23%
5220	Travel and Lodging	4,266	10,000	10,000	10,000	-	-	5,734	43%
5300	Dues & Memberships	3,451	7,500	7,500	7,500	-	-	4,049	46%
5450	Insurance - Other	17,230	25,000	25,854	25,854	-	(854)	8,624	67%
5500	Operations & Housekeeping	177	35,000	35,000	35,000	-	-	34,823	1%
5605	Equipment Leases	34,692	50,000	50,000	50,000	-	-	15,308	69%
5610	Rent	51,982	228,961	228,961	228,961	-	-	176,979	23%
5617	Repairs and Maintenance - Other Equipment	1,104	3,000	3,000	3,000	-	-	1,896	37%
5803	Accounting Fees	-	9,021	15,000	15,000	-	(5,979)	15,000	0%

Magnolia Public Schools - MSA-8

13th month

120965

Budget vs. Actuals
As of December 2016 Close

		Budget vs. Actual							
		Actual	Budget						
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
5809	Banking Fees	395	500	500	500	-	-	105	79%
5813	School Programs - After School Program	75,000	150,000	150,000	150,000	-	-	75,000	50%
5820	Consultants - Non Instructional - Custom 1	7,652	9,000	9,000	9,000	-	-	1,348	85%
5822	Consultants - Non Instructional - Custom 3	12,756	59,000	59,000	59,000	-	-	46,245	22%
5824	District Oversight Fees	20,794	45,554	44,420	44,405	16	1,149	23,611	47%
5830	Field Trips Expenses	-	30,000	30,000	30,000	-	-	30,000	0%
5845	Legal Fees	6,875	10,000	10,000	10,000	-	-	3,125	69%
5851	Marketing and Student Recruiting	1,861	8,000	8,000	8,000	-	-	6,139	23%
5857	Payroll Fees	7,362	20,784	20,784	20,784	-	-	13,422	35%
5861	Prior Yr Exp (not accrued)	6,306	-	5,606	6,306	(700)	(6,306)	-	100%
5863	Professional Development	12,412	105,000	111,000	111,000	-	(6,000)	98,588	11%
5869	Special Education Contract Instructors	16,086	64,512	64,512	64,512	-	-	48,426	25%
5872	Special Education Encroachment	36,223	73,785	72,446	72,446	-	1,338	36,223	50%
5884	Substitutes	14,820	64,750	64,750	64,750	-	-	49,930	23%
5887	Technology Services	17,850	38,000	38,000	38,000	-	-	20,150	47%
5898	Bad Debt Expense	(0)	-	-	-	-	-	0	
5899	Miscellaneous Operating Expenses	0	-	-	-	-	-	(0)	
5915	Postage and Delivery	3,872	12,000	12,000	12,000	-	-	8,128	32%
SUBTOTAL - Services & Other Operating Exp.		845,115	2,081,816	2,155,991	2,142,840	13,151	(61,024)	1,297,725	39%
6000	Capital Outlay								
6410	Computers (capitalizable items)	77,808	84,000	84,000	84,000	-	-	6,192	93%
SUBTOTAL - Capital Outlay		77,808	84,000	84,000	84,000	-	-	6,192	93%
TOTAL EXPENSES		2,386,836	5,306,293	5,479,421	5,469,903	9,518	(163,610)	3,083,068	44%
6900	Total Depreciation (includes Prior Years)	34,078	68,156	84,873	84,873	-	(16,717)	50,795	40%
TOTAL EXPENSES including Depreciation		2,343,106	5,290,449	5,480,294	5,470,776	9,518	(180,327)	3,127,671	43%

Magnolia Public Schools - MSA-SA

Budget vs. Actuals

As of December 2016 Close

13th month

45129

	Budget vs. Actual			Budget				Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)			
SUMMARY									
Revenue									
LCFF Entitlement	808,470	4,595,312	5,477,274	5,465,892	(11,382)	870,580	4,657,422	15%	
Federal Revenue	88,965	394,527	783,158	783,158	-	388,631	694,193	11%	
Other State Revenues	94,689	345,918	555,702	556,982	1,280	211,064	462,293	17%	
Local Revenues	15,739	16,505	17,164	26,185	9,020	9,680	10,445	60%	
Fundraising and Grants	27,854	22,000	22,575	27,854	5,279	5,854	-	100%	
Total Revenue	1,035,717	5,374,262	6,855,873	6,860,071	4,198	1,485,809	5,824,354	15%	
Expenses									
Compensation and Benefits (excl adjustment)	1,640,642	3,059,757	3,775,567	3,723,254	52,313	(663,497)	2,127,741	44%	
Books and Supplies	425,583	691,730	866,125	829,376	36,749	(137,646)	403,793	51%	
Services and Other Operating Expenditures	762,482	1,775,769	2,065,550	2,087,914	(22,363)	(312,145)	1,325,432	37%	
Depreciation	198,617	397,234	363,466	373,813	(10,347)	23,420	175,196	53%	
Total Expenses	3,027,325	5,924,489	7,070,710	7,014,357	56,352	(1,089,868)	4,032,161	43%	
Operating Income Before One-Time Adjustment	(1,991,608)	(550,228)	(214,837)	(154,287)	60,550	395,941	1,792,192	1291%	
One-Time Compensation Adjustment				(45,129)					
Operating Income (including adjustment)				(199,416)					
Fund Balance									
Beginning Balance (Unaudited)	8,291,101	8,212,887	8,291,101	8,291,101				100%	
Audit Adjustment	7,820	-	7,820	7,820				100%	
Beginning Balance (Audited)	8,298,921	8,212,887	8,298,921	8,298,921				100%	
Operating Income (including Depreciation)	(1,991,608)	(550,228)	(214,837)	(199,416)				999%	
Ending Fund Balance	6,307,313	7,662,659	8,084,084	8,099,505				78%	
Capital Outlay	37,249	13,389,061	77,875	115,124				0	
Total ADA		511.5	606.0	606.0				0%	

Magnolia Public Schools - MSA-SA

Budget vs. Actuals

As of December 2016 Close

13th month

45129

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
REVENUE									
LCFF Entitlement									
8011	Charter Schools LCFF - State Aid	681,484	3,517,160	4,208,989	4,197,607	(11,382)	680,447	3,516,124	16%
8012	Education Protection Account Entitlement	14,333	102,290	121,204	121,204	-	18,914	106,871	12%
8096	Charter Schools in Lieu of Property Taxes	112,653	975,862	1,147,081	1,147,081	-	171,219	1,034,428	10%
SUBTOTAL - LCFF Entitlement		808,470	4,595,312	5,477,274	5,465,892	(11,382)	870,580	4,657,422	15%
8100 Federal Revenue									
8181	Special Education - Entitlement	-	17,061	18,000	18,000	-	939	18,000	0%
8220	Child Nutrition Programs	-	183,550	227,287	227,287	-	43,737	227,287	0%
8291	Title I	83,954	134,489	219,592	219,592	-	85,103	135,638	38%
8292	Title II	613	2,362	2,362	2,362	-	-	1,749	26%
8293	Title III	-	2,665	-	-	-	(2,665)	-	
8296	Other Federal Revenue	4,236	54,400	54,400	54,400	-	-	50,164	8%
8297	PY Federal - Not Accrued	162	-	162	162	-	162	-	100%
8298	Implementation Grant	-	-	261,355	261,355	-	261,355	261,355	0%
SUBTOTAL - Federal Income		88,965	394,527	783,158	783,158	-	388,631	694,193	11%
8300 Other State Revenues									
8319	Other State Apportionments - Prior Years	6,193	-	4,913	6,193	1,280	6,193	-	100%
8381	Special Education - Entitlement (State)	32,229	245,368	304,828	304,828	-	59,460	272,599	11%
8520	Child Nutrition - State	-	7,396	14,137	14,137	(0)	6,742	14,137	0%
8550	Mandated Cost Reimbursements	18,767	10,299	42,286	42,286	-	31,987	23,519	44%
8560	State Lottery Revenue	-	82,855	114,538	114,538	-	31,683	114,538	0%
8590	All Other State Revenue	37,500	-	75,000	75,000	-	75,000	37,500	50%
SUBTOTAL - Other State Income		94,689	345,918	555,702	556,982	1,280	211,064	462,293	17%

Magnolia Public Schools - MSA-SA

13th month

45129

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
8600	Other Local Revenue								
8634	Food Service Sales	4,681	15,900	15,900	15,900	-	-	11,220	29%
8636	Uniforms	397	-	397	397	-	397	-	100%
8660	Interest	516	533	533	533	-	-	17	97%
8690	Other Local Revenue	9,354	-	334	9,354	9,020	9,354	-	100%
8699	All Other Local Revenue	-	71	-	-	-	(71)	-	
8999	Uncategorized Revenue	791	-	-	-	-	-	(791)	
SUBTOTAL - Local Revenues		15,739	16,505	17,164	26,185	9,020	9,680	10,445	60%
8800	Donations/Fundraising								
8802	Donations - Private	27,844	-	22,565	27,844	5,279	27,844	-	100%
8803	Fundraising	10	22,000	10	10	-	(21,990)	-	100%
SUBTOTAL - Fundraising and Grants		27,854	22,000	22,575	27,854	5,279	5,854	-	100%
TOTAL REVENUE		1,035,717	5,374,262	6,855,873	6,860,071	4,198	1,485,809	5,824,354	15%

Magnolia Public Schools - MSA-SA

Budget vs. Actuals

As of December 2016 Close

13th month

45129

		Budget vs. Actual		Budget				Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)		
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1100	Teachers Salaries	905,461	1,787,100	2,046,663	2,038,608	8,056	(251,508)	1,133,146	44%
1300	Certificated Supervisor & Administrator Salaries	220,875	360,450	495,669	495,669	-	(135,219)	274,794	45%
SUBTOTAL - Certificated Employees		1,126,337	2,147,550	2,542,332	2,534,277	8,056	(386,727)	1,407,940	44%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	76,839	70,000	160,266	160,266	-	(90,266)	83,427	48%
2900	Classified Other Salaries	114,002	165,580	299,187	288,693	10,495	(123,113)	174,691	39%
SUBTOTAL - Classified Employees		190,841	235,580	459,453	448,959	10,495	(213,379)	258,118	43%
Employee Benefits Summary									
3100	STRS	133,737	249,908	301,347	300,333	1,013	(50,425)	166,597	45%
3200	PERS	11,454	8,428	8,841	30,386	(21,545)	(21,958)	18,932	38%
3300	OASDI-Medicare-Alternative	35,359	59,026	81,679	80,795	885	(21,768)	45,436	44%
3400	Health & Welfare Benefits	137,205	332,100	343,614	335,551	8,063	(3,451)	198,347	41%
3500	Unemployment Insurance	-	1,192	4,501	4,492	9	(3,300)	4,492	0%
3600	Workers Comp Insurance	5,711	23,831	33,800	33,591	209	(9,760)	27,880	17%
3900	Other Employee Benefits	-	2,142	-	-	-	2,142	-	-
SUBTOTAL - Employee Benefits		323,465	676,627	773,782	785,148	(11,366)	(108,521)	461,683	41%

Magnolia Public Schools - MSA-SA

13th month

45129

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies								
4100	Approved Textbooks & Core Curricula Materials	219,577	235,150	240,000	240,000	-	(4,850)	20,423	91%
4200	Books & Other Reference Materials	1,669	35,000	20,000	20,000	-	15,000	18,331	8%
4315	Custodial Supplies	17,756	10,000	30,000	30,000	-	(20,000)	12,244	59%
4320	Educational Software	5,036	10,000	10,000	10,000	-	-	4,964	50%
4325	Instructional Materials & Supplies	15,951	65,500	47,007	47,007	-	18,493	31,056	34%
4326	Art & Music Supplies	3,487	-	10,000	10,000	-	(10,000)	6,513	35%
4330	Office Supplies	14,734	2,200	15,000	15,000	-	(12,800)	266	98%
4335	PE Supplies	5,137	5,000	5,000	5,500	(500)	(500)	363	93%
4345	Non Instructional Student Materials & Supplies	5,824	11,185	10,185	10,185	-	1,000	4,362	57%
4346	Teacher Supplies	5,804	-	9,000	9,000	-	(9,000)	3,196	64%
4400	Noncapitalized Equipment	8,764	25	46,013	8,764	37,249	(8,739)	-	100%
4410	Classroom Furniture, Equipment & Supplies	20,001	3,000	24,121	24,121	-	(21,121)	4,120	83%
4420	Computers (individual items less than \$5k)	45,725	105,825	122,115	122,115	-	(16,290)	76,390	37%
4430	Non Classroom Related Furniture, Equipment & Sup.	2,493	-	2,493	2,493	-	(2,493)	-	100%
4700	Food	50,691	206,845	270,191	270,191	-	(63,345)	219,500	19%
4720	Other Food	2,934	2,000	5,000	5,000	-	(3,000)	2,066	59%
	SUBTOTAL - Books and Supplies	425,583	691,730	866,125	829,376	36,749	(137,646)	403,793	51%

Magnolia Public Schools - MSA-SA

13th month

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Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses								
5101	CMO Fees	486,096	972,192	1,027,701	1,013,267	14,434	(41,075)	527,171	48%
5102	Direct CMO Fee (Shared Staff)	-	33,233	61,090	72,367	(11,278)	(39,135)	72,367	0%
5210	Conference Fees	1,004	8,809	8,809	8,809	-	-	7,805	11%
5215	Travel - Mileage, Parking, Tolls	1,915	20,000	10,000	10,000	-	10,000	8,085	19%
5300	Dues & Memberships	5,276	6,000	6,000	6,000	-	-	724	88%
5450	Insurance - Other	11,588	32,415	21,456	21,456	-	10,959	9,868	54%
5500	Operations & Housekeeping	21,238	8,500	25,000	25,000	-	(16,500)	3,762	85%
5510	Utilities - Gas and Electric	30,563	55,000	144,772	144,772	-	(89,772)	114,209	21%
5605	Equipment Leases	22,360	47,344	47,344	47,344	-	-	24,984	47%
5610	Rent	37,129	-	36,495	37,129	(633)	(37,129)	-	100%
5615	Repairs and Maintenance - Building	23,101	3,000	5,000	30,000	(25,000)	(27,000)	6,899	77%
5803	Accounting Fees	-	5,000	5,000	5,000	-	-	5,000	0%
5809	Banking Fees	3,769	2,856	7,243	7,243	-	(4,387)	3,475	52%
5813	School Programs - After School Program	315	10,000	15,000	15,000	-	(5,000)	14,685	2%
5814	School Programs - Academic Competitions	3,506	7,500	7,500	7,500	-	-	3,994	47%
5820	Consultants - Non Instructional - Custom 1	1,350	30,000	15,000	15,000	-	15,000	13,650	9%
5822	Consultants - Non Instructional - Custom 3	5,392	57,898	40,000	40,000	-	17,898	34,608	13%
5824	District Oversight Fees	-	46,872	54,773	54,659	114	(7,787)	54,659	0%
5830	Field Trips Expenses	8,139	19,000	19,000	19,000	-	-	10,861	43%
5833	Fines and Penalties	45	-	29,000	29,000	-	(29,000)	28,955	0%

Magnolia Public Schools - MSA-SA

Budget vs. Actuals

As of December 2016 Close

13th month

45129

		Budget vs. Actual			Budget				
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
5843	Interest - Loans Less than 1 Year	106	227	141	141	-	86	35	75%
5845	Legal Fees	1,244	15,000	15,000	15,000	-	-	13,756	8%
5851	Marketing and Student Recruiting	5,500	30,000	20,000	20,000	-	10,000	14,500	28%
5857	Payroll Fees	12,729	21,600	21,600	21,600	-	-	8,871	59%
5861	Prior Yr Exp (not accrued)	340	-	340	340	-	(340)	-	100%
5863	Professional Development	13,203	35,575	41,575	41,575	-	(6,000)	28,372	32%
5869	Special Education Contract Instructors	17,888	224,000	224,000	224,000	-	-	206,112	8%
5872	Special Education Encroachment	-	-	12,913	12,913	-	(12,913)	12,913	0%
5884	Substitutes	-	51,150	55,000	55,000	-	(3,850)	55,000	0%
5887	Technology Services	34,000	20,000	64,000	64,000	-	(44,000)	30,000	53%
5900	Communications	13,493	4,800	17,000	17,000	-	(12,200)	3,507	79%
5915	Postage and Delivery	1,194	7,799	7,799	7,799	-	-	6,605	15%
SUBTOTAL - Services & Other Operating Exp.		762,482	1,775,769	2,065,550	2,087,914	(22,363)	(312,145)	1,325,432	37%
6000	Capital Outlay								
6200	Buildings & Improvement of Buildings	-	13,332,561	-	-	-	13,332,561	-	
6400	Equipment	37,249	-	-	37,249	(37,249)	(37,249)	-	100%
6410	Computers (capitalizable items)	-	56,500	77,875	77,875	-	(21,375)	77,875	0%
SUBTOTAL - Capital Outlay		37,249	13,389,061	77,875	115,124	(37,249)	13,273,937	77,875	32%
TOTAL EXPENSES		2,865,957	18,916,317	6,785,118	6,800,797	(15,679)	12,115,519	3,934,840	42%
6900	Total Depreciation (includes Prior Years)	198,617	397,234	363,466	373,813	10,347	23,420	175,196	53%
TOTAL EXPENSES including Depreciation		3,027,325	5,924,489	7,070,710	7,059,486	31,917	(1,134,997)	4,032,161	43%

Magnolia Public Schools - MSA-SD

13th month

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Budget vs. Actuals

As of December 2016 Close

	Budget vs. Actual			Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget					
SUMMARY									
Revenue									
LCFF Entitlement	1,311,974	3,365,610	3,065,431	3,067,041	1,610	(298,569)	1,755,067	43%	
Federal Revenue	14,237	133,928	139,972	139,972	-	6,044	125,735	10%	
Other State Revenues	102,450	301,331	386,040	386,040	-	84,709	283,590	27%	
Local Revenues	72,465	55,036	88,597	88,597	-	33,561	16,132	82%	
Fundraising and Grants	23,827	20,000	20,000	23,827	3,827	3,827	-	100%	
Total Revenue	1,524,953	3,875,905	3,700,040	3,705,478	5,437	(170,428)	2,180,524	41%	
Expenses									
Compensation and Benefits (excl adjustment)	1,101,627	2,155,725	2,256,594	2,158,964	97,630	(3,239)	1,157,271	51%	
Books and Supplies	80,218	163,559	179,076	180,455	(1,379)	(16,896)	100,237	44%	
Services and Other Operating Expenditures	503,485	1,325,125	1,199,279	1,181,986	17,293	143,139	678,501	43%	
Depreciation	22,310	44,619	39,460	39,460	-	5,159	17,151	57%	
Total Expenses	1,707,640	3,689,029	3,674,409	3,560,866	113,544	128,163	1,953,160	48%	
Operating Income Before One-Time Adjustment	(182,686)	186,876	25,631	144,612	118,981	(42,264)	227,364	-126%	
One-Time Compensation Adjustment				(99,934)					
Operating Income (including adjustment)				44,678					
Fund Balance									
Beginning Balance (Unaudited)	1,173,620	1,053,661	1,173,620	1,173,620				100%	
Audit Adjustment	960	-	960	960				100%	
Beginning Balance (Audited)	1,174,581	1,053,661	1,174,581	1,174,581				100%	
Operating Income (including Depreciation)	(182,686)	186,876	25,631	44,678				-409%	
Ending Fund Balance	991,894	1,240,537	1,200,211	1,219,259				81%	
Capital Outlay									
	-	-	-	-					
Total ADA		453.6	413.0	413.0				0%	

Magnolia Public Schools - MSA-SD

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Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
REVENUE									
LCFF Entitlement									
8011	Charter Schools LCFF - State Aid	395,094	812,986	514,613	516,223	1,610	(296,762)	121,129	77%
8012	Education Protection Account Entitlement	90,362	623,404	546,969	546,969	-	(76,435)	456,607	17%
8096	Charter Schools in Lieu of Property Taxes	826,518	1,929,220	2,003,849	2,003,849	-	74,629	1,177,331	41%
SUBTOTAL - LCFF Entitlement		1,311,974	3,365,610	3,065,431	3,067,041	1,610	(298,569)	1,755,067	43%
8100 Federal Revenue									
8181	Special Education - Entitlement	-	48,937	52,875	52,875	-	3,938	52,875	0%
8220	Child Nutrition Programs	722	24,079	24,125	24,125	-	46	23,403	3%
8291	Title I	13,515	24,624	26,810	26,810	-	2,187	13,295	50%
8292	Title II	-	669	662	662	-	(7)	662	0%
8293	Title III	-	120	-	-	-	(120)	-	-
8296	Other Federal Revenue	-	35,500	35,500	35,500	-	-	35,500	0%
SUBTOTAL - Federal Income		14,237	133,928	139,972	139,972	-	6,044	125,735	10%
8300 Other State Revenues									
8319	Other State Apportionments - Prior Years	5,571	-	5,571	5,571	-	5,571	-	100%
8381	Special Education - Entitlement (State)	91,071	221,038	207,749	207,749	-	(13,289)	116,678	44%
8520	Child Nutrition - State	44	3,881	1,872	1,872	(0)	(2,009)	1,828	2%
8550	Mandated Cost Reimbursements	5,764	2,938	92,787	92,787	-	89,849	87,023	6%
8560	State Lottery Revenue	-	73,475	78,061	78,061	-	4,586	78,061	0%
SUBTOTAL - Other State Income		102,450	301,331	386,040	386,040	(0)	84,709	283,590	27%

Magnolia Public Schools - MSA-SD

13th month

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Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
8600	Other Local Revenue								
8636	Uniforms	-	-	-	-	-	-	-	
8660	Interest	552	1,836	1,836	1,836	-	-	1,284	30%
8682	Summer Program	20,404	10,200	20,404	20,404	-	10,204	-	100%
8690	Other Local Revenue	16,348	-	23,337	23,337	-	23,337	6,989	70%
8693	Field Trips	35,140	43,000	43,000	43,000	-	-	7,860	82%
8699	All Other Local Revenue	20	-	20	20	-	20	-	100%
8999	Uncategorized Revenue	-	-	-	-	-	-	-	
	SUBTOTAL - Local Revenues	72,465	55,036	88,597	88,597	-	33,561	16,132	82%
8800	Donations/Fundraising								
8803	Fundraising	23,827	20,000	20,000	23,827	3,827	3,827	-	100%
	SUBTOTAL - Fundraising and Grants	23,827	20,000	20,000	23,827	3,827	3,827	-	100%
TOTAL REVENUE		1,524,953	3,875,905	3,700,040	3,705,478	5,437	(170,428)	2,180,524	41%

Magnolia Public Schools - MSA-SD

13th month

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Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1100	Teachers Salaries	542,603	1,264,738	1,138,266	1,140,266	(2,000)	124,472	597,663	48%
1300	Certificated Supervisor & Administrator Salaries:	177,282	338,000	393,114	393,114	-	(55,114)	215,832	45%
	SUBTOTAL - Certificated Employees	719,885	1,602,738	1,531,380	1,533,380	(2,000)	69,358	813,495	47%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	73,548	62,033	152,183	152,183	-	(90,149)	78,635	48%
2900	Classified Other Salaries	34,756	32,842	71,352	71,352	-	(38,511)	36,596	49%
	SUBTOTAL - Classified Employees	108,304	94,875	223,535	223,535	-	(128,660)	115,231	48%
Employee Benefits Summary									
3100	STRS	84,898	188,731	188,572	188,824	(252)	(93)	103,926	45%
3200	PERS	14,764	12,185	28,669	28,669	-	(16,483)	13,905	51%
3300	OASDI-Medicare-Alternative	22,003	36,871	41,629	41,658	(29)	(4,787)	19,655	53%
3400	Health & Welfare Benefits	140,537	202,500	220,171	220,171	-	(17,671)	79,634	64%
3500	Unemployment Insurance	909	849	2,877	2,878	(1)	(2,030)	1,970	32%
3600	Workers Comp Insurance	10,328	16,976	19,760	19,783	(23)	(2,807)	9,455	52%
	SUBTOTAL - Employee Benefits	273,439	458,112	501,679	501,983	(304)	(43,870)	228,544	54%

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Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual			Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget					
4000	Books & Supplies									
4100	Approved Textbooks & Core Curricula Materials	18,074	10,000	18,074	18,074	-	(8,074)	-	100%	
4200	Books & Other Reference Materials	337	10,000	10,000	10,000	-	-	9,663	3%	
4315	Custodial Supplies	2,038	9,000	6,000	6,000	-	3,000	3,962	34%	
4320	Educational Software	4,350	15,000	15,000	15,000	-	-	10,650	29%	
4325	Instructional Materials & Supplies	2,610	18,700	18,700	18,700	-	-	16,090	14%	
4326	Art & Music Supplies	747	2,200	2,200	2,200	-	-	1,453	34%	
4330	Office Supplies	9,733	32,200	32,200	32,200	-	-	22,467	30%	
4335	PE Supplies	1,481	5,000	4,000	4,000	-	1,000	2,519	37%	
4345	Non Instructional Student Materials & Supplies	2,563	6,000	6,000	6,000	-	-	3,437	43%	
4346	Teacher Supplies	854	-	1,000	1,000	-	(1,000)	146	85%	
4350	Uniforms	13,716	-	13,337	13,716	(379)	(13,716)	-	100%	
4410	Classroom Furniture, Equipment & Supplies	4,186	10,000	10,000	10,000	-	-	5,814	42%	
4420	Computers (individual items less than \$5k)	2,024	15,500	10,000	10,000	-	5,500	7,976	20%	
4430	Non Classroom Related Furniture, Equipment & Su	3,269	-	3,269	3,269	-	(3,269)	-	100%	
4700	Food	12,097	27,959	27,297	27,297	-	662	15,200	44%	
4720	Other Food	2,139	2,000	2,000	3,000	(1,000)	(1,000)	861	71%	
	SUBTOTAL - Books and Supplies	80,218	163,559	179,076	180,455	(1,379)	(16,896)	100,237	44%	

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Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual			Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget					
5000	Services & Other Operating Expenses									
5101	CMO Fees	185,109	370,217	337,197	337,375	(177)	32,843	152,266	55%	
5102	Direct CMO Fee (Shared Staff)	-	42,738	41,636	22,916	18,720	19,822	22,916	0%	
5210	Conference Fees	370	5,000	5,000	5,000	-	-	4,630	7%	
5215	Travel - Mileage, Parking, Tolls	1,715	7,000	7,000	7,000	-	-	5,285	25%	
5220	Travel and Lodging	9,670	20,000	20,000	20,000	-	-	10,330	48%	
5300	Dues & Memberships	3,051	5,400	5,400	5,400	-	-	2,349	56%	
5450	Insurance - Other	12,387	19,000	18,580	18,580	-	420	6,193	67%	
5500	Operations & Housekeeping	3,382	-	5,000	5,000	-	(5,000)	1,618	68%	
5510	Utilities - Gas and Electric	8,499	37,200	30,000	30,000	-	7,200	21,501	28%	
5605	Equipment Leases	6,084	10,000	10,000	10,000	-	-	3,916	61%	
5610	Rent	175,000	345,000	320,000	320,000	-	25,000	145,000	55%	
5615	Repairs and Maintenance - Building	10,164	35,000	15,000	15,000	-	20,000	4,837	68%	
5617	Repairs and Maintenance - Other Equipment	727	5,000	5,000	5,000	-	-	4,273	15%	
5803	Accounting Fees	-	5,000	5,000	5,000	-	-	5,000	0%	
5809	Banking Fees	372	1,000	1,000	1,000	-	-	628	37%	
5814	School Programs - Academic Competitions	936	5,000	5,000	5,000	-	-	4,064	19%	
5819	School Programs - Other	-	600	600	600	-	-	600	0%	

Magnolia Public Schools - MSA-SD

13th month

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Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget		Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
		Actual YTD	Approved Budget June 6th	November Forecast	Proposed Budget				
5820	Consultants - Non Instructional - Custom 1	-	40,000	-	-	-	40,000	-	
5822	Consultants - Non Instructional - Custom 3	2,331	26,503	26,503	26,503	-	-	24,172	9%
5824	District Oversight Fees	3,464	33,656	30,654	30,670	(16)	2,986	27,207	11%
5830	Field Trips Expenses	-	45,000	45,000	45,000	-	-	45,000	0%
5845	Legal Fees	-	25,000	25,000	25,000	-	-	25,000	0%
5851	Marketing and Student Recruiting	7,145	24,000	24,000	24,000	-	-	16,855	30%
5857	Payroll Fees	7,080	18,000	18,000	18,000	-	-	10,920	39%
5861	Prior Yr Exp (not accrued)	8,806	-	7,572	8,806	(1,234)	(8,806)	-	100%
5863	Professional Development	1,837	17,100	19,000	19,000	-	(1,900)	17,163	10%
5869	Special Education Contract Instructors	12,400	70,000	55,000	55,000	-	15,000	42,600	23%
5872	Special Education Encroachment	-	-	10,425	10,425	-	(10,425)	10,425	0%
5875	Staff Recruiting	-	1,911	1,911	1,911	-	-	1,911	0%
5884	Substitutes	2,961	25,000	19,000	19,000	-	6,000	16,039	16%
5887	Technology Services	31,880	43,800	43,800	43,800	-	-	11,920	73%
5900	Communications	5,851	42,000	37,000	37,000	-	5,000	31,149	16%
5915	Postage and Delivery	2,264	-	5,000	5,000	-	(5,000)	2,736	45%
SUBTOTAL - Services & Other Operating Exp.		503,485	1,325,125	1,199,279	1,181,986	17,293	143,139	678,501	43%
6000	Capital Outlay								
SUBTOTAL - Capital Outlay		-	-	-	-	-	-	-	
TOTAL EXPENSES		1,685,330	3,644,410	3,634,949	3,621,339	13,610	23,070	1,936,009	47%
6900	Total Depreciation (includes Prior Years)	22,310	44,619	39,460	39,460	-	5,159	17,151	57%
TOTAL EXPENSES including Depreciation		1,707,640	3,689,029	3,674,409	3,660,800	13,610	28,229	1,953,160	47%

MERFBudget vs. Actuals
As of December 2016 Close

	Budget vs. Actual			Budget				Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget September 8th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)			
SUMMARY									
Revenue									
Local Revenues	3,008,303	6,242,850	6,511,359	6,410,367	(100,992)	167,517	3,402,064	47%	
Fundraising and Grants	86,850	150,000	150,000	150,000	-	-	63,150	58%	
Total Revenue	3,095,153	6,392,850	6,661,359	6,560,367	(100,992)	167,517	3,465,214	47%	
Expenses									
Compensation and Benefits (excl adjustment)	1,937,146	3,467,487	3,713,429	3,567,998	145,432	(100,511)	1,630,851	54%	
Books and Supplies	40,827	75,821	94,820	84,820	10,000	(8,999)	43,993	48%	
Services and Other Operating Expenditures	1,273,893	2,537,455	2,825,323	2,616,824	208,500	(79,369)	1,342,931	49%	
Depreciation	3,834	7,666	1,440	1,440	-	6,226	(2,394)	266%	
Total Expenses	3,255,700	6,088,429	6,635,013	6,271,082	363,931	(182,653)	3,015,382	52%	
Operating Income Before One-Time Adjustment	(160,547)	304,421	26,346	289,286	262,939	(15,136)	449,833	-55%	
One-Time Compensation Adjustment				-					
Operating Income (including adjustment)				289,286					
Fund Balance									
Beginning Balance (Unaudited)	(285,175)	(285,175)	(285,175)	(285,175)				100%	
Audit Adjustment	284,225	284,225	311,971	284,225				100%	
Beginning Balance (Audited)	(950)	(950)	26,796	(950)				100%	
Operating Income	(160,547)	304,421	26,346	289,286				-55%	
Ending Fund Balance	(161,497)	303,471	53,142	288,335				-56%	
Capital Outlay	-	-	-	-					

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Budget vs. Actuals
As of December 2016 Close

Budget vs. Actual		Budget					
Actual YTD	Approved Budget September 8th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent

MERFBudget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget September 8th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
8600	Other Local Revenue								
8690	Other Local Revenue	3,890	-	3,890	3,890	-	3,890	-	100%
8699	All Other Local Revenue	21,216	-	21,216	21,216	-	21,216	-	100%
8701	CMO Fee - MSA-1	486,096	972,192	949,506	1,013,267	63,761	41,075	527,171	48%
8702	CMO Fee - MSA-2	486,096	972,192	893,653	918,273	24,620	(53,918)	432,177	53%
8703	CMO Fee - MSA-3	440,524	881,049	860,141	918,273	58,132	37,225	477,749	48%
8704	CMO Fee - MSA-4	36,457	72,914	134,048	75,995	(58,053)	3,081	39,538	48%
8705	CMO Fee - MSA-5	36,457	72,914	134,048	75,995	(58,053)	3,081	39,538	48%
8706	CMO Fee - MSA-6	36,457	72,914	134,048	75,995	(58,053)	3,081	39,538	48%
8707	CMO Fee - MSA-7	303,810	607,620	670,240	633,292	(36,948)	25,672	329,482	48%
8708	CMO Fee - MSA-8	486,096	972,192	1,027,701	1,013,267	(14,434)	41,075	527,171	48%
8709	CMO Fee - MSA-SA	486,096	972,192	1,027,701	1,013,267	(14,434)	41,075	527,171	48%
8712	CMO Fee - MSA-SD	185,109	370,217	337,197	337,375	177	(32,843)	152,266	55%
8713	Direct CMO Fee (Shared Staff)	-	276,455	317,971	310,263	(7,708)	33,808	310,263	0%
	SUBTOTAL - Local Revenues	3,008,303	6,242,850	6,511,359	6,410,367	(100,992)	167,517	3,402,064	47%
8800	Donations/Fundraising								
8802	Donations - Private	85,850	150,000	149,000	149,000	-	(1,000)	63,150	58%
8803	Fundraising	1,000	-	1,000	1,000	-	1,000	-	100%
	SUBTOTAL - Fundraising and Grants	86,850	150,000	150,000	150,000	-	-	63,150	58%
TOTAL REVENUE		3,095,153	6,392,850	6,661,359	6,560,367	(100,992)	167,517	3,465,214	47%

MERFBudget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget September 8th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
EXPENSES									
Compensation & Benefits									
Certificated Employees Summary									
1300	Certificated Supervisor & Administrator Salaries	331,900	592,000	664,134	625,571	38,563	(33,571)	293,671	53%
SUBTOTAL - Certificated Employees		331,900	592,000	664,134	625,571	38,563	(33,571)	293,671	53%
Classified Employees Summary									
2400	Classified Clerical & Office Salaries	1,141,486	2,097,761	2,154,521	2,082,181	72,340	15,580	940,695	55%
2900	Classified Other Salaries	79,605	180,200	171,827	171,827	-	8,373	92,222	46%
SUBTOTAL - Classified Employees		1,221,091	2,277,961	2,326,348	2,254,008	72,340	23,953	1,032,917	54%
Employee Benefits Summary									
3100	STRS	42,991	44,282	94,474	90,877	3,597	(46,595)	47,886	47%
3200	PERS	4,247	-	10,198	23,362	(13,164)	(23,362)	19,115	18%
3300	OASDI-Medicare-Alternative	83,745	197,565	181,377	175,277	6,100	22,288	91,531	48%
3400	Health & Welfare Benefits	186,678	226,800	275,146	257,806	17,340	(31,006)	71,128	72%
3500	Unemployment Insurance	1,133	13,034	16,207	15,410	796	(2,376)	14,277	7%
3600	Workers Comp Insurance	21,689	28,700	33,673	32,424	1,249	(3,725)	10,735	67%
3700	Retiree Benefits	43,671	87,146	111,873	93,262	18,611	(6,116)	49,590	47%
SUBTOTAL - Employee Benefits		384,155	597,526	722,948	688,418	34,529	(90,892)	304,263	56%

MERF

Budget vs. Actuals

As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget September 8th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies								
4100	Approved Textbooks & Core Curricula Materials	-	1,020	977	977	-	43	977	0%
4200	Books & Other Reference Materials	43	-	43	43	-	(43)	-	100%
4320	Educational Software	12,200	19,000	12,200	12,200	-	6,800	-	100%
4325	Instructional Materials & Supplies	-	102	-	-	-	102	-	
4330	Office Supplies	5,487	9,099	20,000	15,000	5,000	(5,901)	9,513	37%
4400	Noncapitalized Equipment	-	1,000	-	-	-	1,000	-	
4420	Computers (individual items less than \$5k)	1,481	5,000	10,000	5,000	5,000	-	3,519	30%
4720	Other Food	21,617	40,600	51,600	51,600	-	(11,000)	29,983	42%
	SUBTOTAL - Books and Supplies	40,827	75,821	94,820	84,820	10,000	(8,999)	43,993	48%

MERFBudget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget September 8th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses								
5210	Conference Fees	7,590	38,796	23,796	23,796	-	15,000	16,206	32%
5215	Travel - Mileage, Parking, Tolls	24,243	31,820	53,320	53,320	-	(21,500)	29,077	45%
5220	Travel and Lodging	8,114	96,569	46,569	24,569	22,000	72,000	16,455	33%
5300	Dues & Memberships	7,566	10,200	10,200	10,200	-	-	2,634	74%
5450	Insurance - Other	336	14,688	14,688	14,688	-	-	14,352	2%
5500	Operations & Housekeeping	20,422	20,593	33,593	33,593	-	(13,000)	13,171	61%
5605	Equipment Leases	3,949	12,240	12,240	12,240	-	-	8,291	32%
5610	Rent	92,260	157,200	158,520	158,520	-	(1,320)	66,260	58%
5615	Repairs and Maintenance - Building	-	84	-	-	-	84	-	-
5803	Accounting Fees	23,875	6,120	25,000	25,000	-	(18,880)	1,125	96%
5809	Banking Fees	8,484	18,275	18,275	18,275	-	(0)	9,791	46%
5812	Business Services	289,583	695,000	695,000	695,000	-	-	405,417	42%
5819	School Programs - Other	3,915	-	3,400	4,400	(1,000)	(4,400)	485	89%
5822	Consultants - Non Instructional - Custom 3	444,571	884,949	928,955	872,596	56,359	12,353	428,025	51%
5833	Fines and Penalties	575	321	970	970	-	(650)	396	59%
5843	Interest - Loans Less than 1 Year	74	111	111	111	-	-	37	67%

MERFBudget vs. Actuals
As of December 2016 Close

		Budget vs. Actual		Budget					
		Actual YTD	Approved Budget September 8th	November Forecast	Proposed Budget	Variance (Previous vs. Proposed Budget)	Variance (Budget vs. Proposed Budget)	Forecast Remaining	% of Forecast Spent
5845	Legal Fees	146,037	215,000	300,000	300,000	-	(85,000)	153,963	49%
5848	Licenses and Other Fees	3,489	-	4,000	4,000	-	(4,000)	511	87%
5851	Marketing and Student Recruiting	21,790	70,149	73,649	33,649	40,000	36,500	11,859	65%
5857	Payroll Fees	7,969	18,000	18,000	18,000	-	-	10,031	44%
5861	Prior Yr Exp (not accrued)	16,395	-	57,837	16,697	41,140	(16,697)	302	98%
5863	Professional Development	27,312	100,000	93,200	58,200	35,000	41,800	30,888	47%
5864	Professional Development - Other	12,754	50,000	102,500	87,500	15,000	(37,500)	74,746	15%
5875	Staff Recruiting	7,309	-	21,000	21,000	-	(21,000)	13,691	35%
5887	Technology Services	66,277	65,720	78,500	78,500	-	(12,780)	12,223	84%
5900	Communications	21,484	17,340	36,000	36,000	-	(18,660)	14,516	60%
5915	Postage and Delivery	7,520	14,280	16,000	16,000	-	(1,720)	8,480	47%
SUBTOTAL - Services & Other Operating Exp.		1,273,893	2,537,455	2,825,323	2,616,824	208,500	(79,369)	1,342,931	49%
6000	Capital Outlay								
SUBTOTAL - Capital Outlay		-	-	-	-	-	-	-	
TOTAL EXPENSES		3,251,866	6,080,763	6,633,573	6,269,641	363,931	(188,879)	3,017,775	52%
6900	Total Depreciation (includes Prior Years)	3,834	7,666	1,440	1,440	-	6,226	(2,394)	266%
TOTAL EXPENSES including Depreciation		3,255,700	6,088,429	6,635,013	6,271,082	363,931	(182,653)	3,015,382	52%